

CREDIT INSURANCE PRODUCT AND SERVICE GUIDE

This guide provides a quick reference overview of key credit insurance products and services. If you have any questions or need further information please call a member of our Credit team on **0121 698 8000** or email **credit@perkins-slade.com**

Product	Description	Suitable for
WHOLE TURNOVER COVER	<p>This, the most common form of credit insurance, covers your entire customer base. Whole turnover cover usually incorporates a low excess and provides up to 90% indemnity.</p> <p>A limit of discretion is standard, allowing you to trade with smaller customers without reference to the insurer, subject to satisfactory trading history or a status report from an approved agency. Many insurers now offer fixed premiums, inclusive of all limit charges, as well as an integral collections service.</p> <p>Whole turnover policies can be written on the following basis:</p> <ul style="list-style-type: none"> • domestic • export incorporating political risk • domestic and export incorporating political risk. <p>Our established position in this market enables us to negotiate enhanced features, including additional options for binding contracts and work-in-progress risks.</p>	<p>All companies looking for full protection of their ledger and a complete credit management system to run alongside their established credit control procedures.</p>

SPECIFIC ACCOUNT COVER	<p>This policy protects against insolvency or protracted default. Available on an annual basis or for the duration of the contract, specific account cover can provide up to 100% indemnity with no excess.</p>	<p>For companies heavily reliant on a single customer, and who prefer not to insure their whole ledger.</p>
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KEY ACCOUNT COVER	<p>Key account insurance can be arranged to cover from 2 to 40 of your largest customers. The policy provides up to 100% indemnity in the event of either insolvency or protracted default. A pre-agreed excess would normally apply.</p>	<p>Medium to large companies who can afford to carry some risk and who are not looking to insure the entire ledger, except for the high level of exposure on their top customers.</p>
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GROUP AND GLOBAL COVER	<p>Group and global insurance provides cover for all subsidiaries or branches of a company, both in the UK and overseas. We'll work with you to understand your needs and build a structured policy, either on a whole turnover or excess of loss basis.</p>	<p>Large groups who wish to consolidate their credit insurance programme for better control and more competitive premiums.</p>
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Product	Description	Suitable for
EXCESS OF LOSS / CATASTROPHE COVER	<p>This policy provides top-up cover over and above that provided by the primary insurer. Insurers can either vet all customers or, if robust credit control procedures are in place, cover can be based on the customer's own procedures.</p> <p>This policy can provide up to 100% indemnity but would also be subject to a small individual excess.</p>	<p>Companies, with a turnover in excess of £10 million, who can afford to sustain a level of debt themselves.</p>

POLITICAL RISKS INSURANCE	<p>Political risks insurance covers export, import, investment or finance activities outside the company's home country. Cover is available for contracts, payments, transfer of receivables, deliveries and bonds or guarantees. Assets anywhere in the world can be insured.</p> <p>We consider political risk in its broadest sense including any event or decision of a political or administrative order, be it national or international, which can cause financial, commercial or economic loss to a business. Cover can include:</p> <ul style="list-style-type: none"> • Events: riots, civil commotion, strikes, war (except for armed conflict among the five major powers, or nuclear warfare) or malicious acts committed in this context. • Arbitrary decisions by a public entity: failure to comply with contract obligations or with an arbitration award, breach of contract, selective discrimination, boycott. • Political decisions (international, governmental or administrative, including decisions by a regional authority): embargo, boycott, revocation of licence, selective discrimination, inconvertibility of local currency, general non-transfer of assets, in addition to losses covered by specific products (e.g. confiscation, expropriation, nationalisation, deprivation). <p>Our credit team has specific experience and the technical expertise to build bespoke political risk insurance programmes.</p>	<p>Companies trading into politically volatile / expanding markets.</p>
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BONDS AND GUARANTEES

The placement of bonds and guarantees through the surety market, as alternatives to bank guarantees, can help companies by keeping bank facilities available to meet cash flow requirements. Bonds and guarantees are written promises to pay for direct loss or damage suffered by a third party as a result of a breach of contract.

Many types of bond or guarantee are available for almost any area of risk, subject to underlying security and the risk being acceptable to the guarantor.

They are available either on an individual basis or, if bonds are placed regularly, as a facility at more competitive rates.

We have extensive experience of arranging bonds and guarantees, a selection of the most popular being as follows:

Product	Description	Suitable for
PERFORMANCE BOND	A performance bond provides the employer with between 10% and 20% of a contract value in the event of a contractor or supplier failing to perform to the agreed terms.	Any company, but more common in the construction or service industry sectors.
DUTY DEFERMENT / CUSTOM BOND	Duty and VAT are payable immediately on import to the UK at the point of entry. A duty deferment or custom bond gives companies that import goods from outside the EU the flexibility to ease cash flow by deferring payment for a given period.	Any company that imports goods.
ROAD AND SEWER BOND	A guarantee, on behalf of a property developer or house builder, to complete the roads and sewers for handover to the appropriate local authority, in line with the relevant Highways or Water Industry Acts.	Construction industry.
REINSTATEMENT BOND	Usually issued in favour of a local authority or the Environment Agency, reinstatement bonds guarantee the restoration of land to agreed standards after quarrying, opencast mining or waste disposal.	Construction industry.
ADVANCE / STAGE PAYMENT BOND	Advance or stage payment bonds provide security for customers by protecting payments in advance of the goods or services being delivered.	All companies of limited liability trading status, particularly those in the engineering sector.

The information detailed in this brochure should not be regarded as the full extent of the policy cover provided, nor the exclusions applicable to it. A full policy wording of the above cover[s] can be provided upon request, prior to arranging cover.

Product	Description	Suitable for
SELF-INSURANCE	As market instability continues to threaten capacity, companies are investigating new ways to protect their business from bad debt. If you are experiencing difficulties in obtaining cover, a self-insurance programme might be a practical alternative. We can work with you to build a solution that provides financial protection at a time when you need it most.	All companies who may be experiencing difficulties in obtaining cover or competitive terms for credit insurance, or companies who may not want to insure, but still want to manage their ledger under a controlled programme.
SUPPLIER CREDIT	Designed for start-ups, management buy-outs or companies bought out of receivership or administration, Supplier credit builds confidence with credit insurers by protecting payments to suppliers in the event of a catastrophic loss. Lack of credit history can create problems for new companies or management buy-outs and this facility overcomes these difficulties. Supplier credit also removes the need for a new company to find more working capital to pay their suppliers in advance.	All companies experiencing difficulties in obtaining credit terms from their suppliers.
CREDIT SOLUTIONS	We have access to a range of credit solutions designed to complement your insurance programme. We've selected suppliers with proven track records so you can be confident of receiving expert, professional advice. These services include:	
Product	Description	Suitable for
INVOICE DISCOUNTING	A comprehensive funding facility that has been designed specifically to release cash tied up in the sales ledger, up to 95% of the invoice value. This facility can either be confidential or disclosed to customers.	Companies whose working capital is tight and needs benefit to ease cash-flow.
INVOICE FACTORING	A sales funding and credit management facility with funds directly linked to any outstanding sales invoices, up to 95% of the value. Working capital can be 'drawn down' as and when required. Factoring offers a sales ledger management service that is completely flexible and gives companies the freedom to concentrate on growing their business.	Companies looking for a complete credit control solution.
SUPPLIER FINANCE	Providers of this new service pay suppliers up to 95% of the invoice value in advance, easing cashflow by enabling businesses to pay on normal credit terms.	Companies who are struggling to obtain credit on supplies.
COLLECTIONS	We work with a number of respected collection companies on a 'no collection, no fee' basis. They specialise in both UK and international commercial debt recovery and have a proven track record of improving client cash flow by securing outstanding payments.	All companies experiencing difficulties obtaining payment from their customers.

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