

Asked Questions



What is credit insurance?

Credit insurance is a risk management tool that can help protect a company's commercial accounts receivable from the devastating effects of loss caused by the insolvency or protracted default of buyers.

Credit insurance coverage is available for both domestic and/or export customers and provides flexible coverage that can be tailored to meet your needs.

Coverage may be written to include all customers or may be targeted to cover only key buyers. The client determines the level at which a customer becomes a key customer.

Why should you insure yourself against credit risks?

With economic instability on the rise and insolvencies up 300 percent over the last 10 years, peace of mind is a good reason for credit insurance. Marsh gives its clients the security of knowing that its receivables are protected.

How can credit insurance work as a financial tool?

Lenders recognize that the insolvency of a company's key customer may jeopardize repayment of a loan. Credit insurance reduces this risk and may result in more favorable lending terms.

How does credit insurance work as a sales product?

Credit insurance may enable companies to sell more goods on credit terms while substantially reducing the overall risk of exposure to nonpayment. It may also enable a business to take advantage of peak and cyclical selling periods and to safely expand into new product lines or territories.

How much will it cost?

Premiums usually are based on the type of business, annual sales, and loss experience.

Must all accounts be insured?

No! The policy is flexible and can be tailored to fit specific needs. It can cover an entire portfolio or only the largest, key accounts...those that would create a catastrophic loss if they became insolvent. The client makes the decision.

What types of losses are covered?

The policy covers many loss situations, ranging from bankruptcy to uncollectible accounts.