

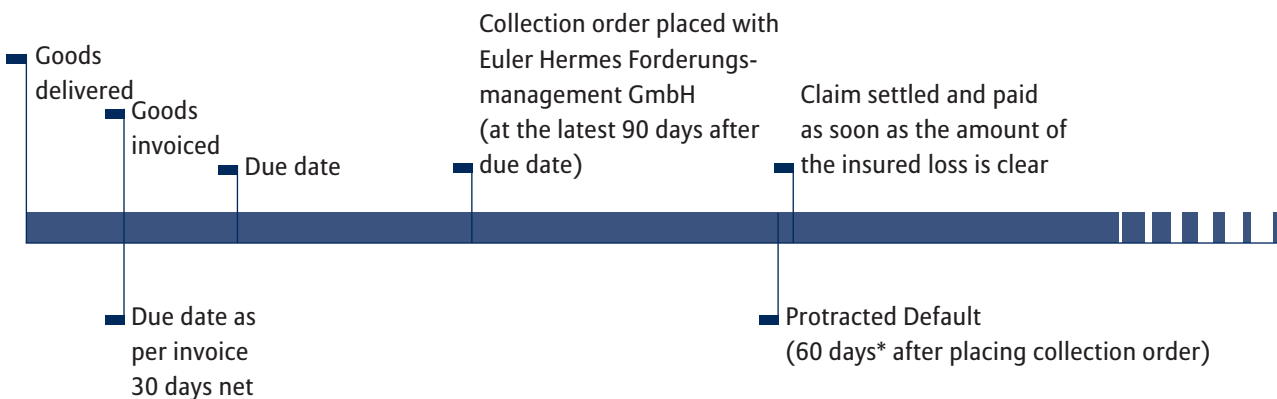
for Small and Medium Enterprises



This is how Cover for Bad Debt Losses can help you – even when your customer is not insolvent. Just one example: a small firm with annual turnover of 1 million Euros has contracted for years for a customer. Till now he always paid on time, and Euler Hermes has no negative data on him – until now: the invoice for the last major order, 52,000 Euros, has not been paid after 30 days. The customer ignores reminders.

But when there has still been no payment 90 days after the due date, our client places a collection order with us, promptly as foreseen by the policy. He has just invested in expanding his business, a loss of this size would ruin him. And he does not have sufficient liquidity to wait for a long time for his money. This way, however, he knows that he will soon have money on his account: either we will persuade his customer to pay within 60 days of placing the collection order, or “protracted default” will be declared and he can make a claim under his policy. Then our client will get his money as soon as we have established the amount of the insured loss - fast, reliably and without bureaucratic hassle.

How payment of claims under Protracted Default works



* For customers with registered offices in the EU, USA, Canada, Australia, Japan, Norway and Switzerland

This is how even small companies can protect themselves from big surprises

Cover for Bad Debt Losses for Small and Medium Enterprises is the ideal policy for small business. Bad debt losses often hit them much harder than larger companies. Their liquidity is often thin, and even minor losses eat into the firm's substance – all the more so if they are in the start-up and expansion phase.

On the other hand, high insurance premiums are a problem. That is why we have put together an attractively priced and self-explanatory policy which combines the best features of Cover for Bad Debt Losses.

What is insured under Cover for Bad Debt Losses?

Receivables due from business customers for deliveries of goods or for work and services performed are insured as long as they are on payment terms of up to 180 days from the date of delivery or performance. Cover is conditional on the positive result of a creditworthiness check on your customer. Our risk management department carries out this check and continues to monitor your customer. If you use our Online Service to handle your credit limit requests, you get most credit decisions within seconds. And up to the amount you agree with us you have the option of checking your customer's creditworthiness yourself, applying just a few simple criteria.

How is the premium calculated?

The basis for calculating the premium is your company's turnover in the last year (excluding cash sales and sales to the government or other regional or municipal buyers as well as your own branches and subsidiaries).

Staying with us for the long term can cut costs

You can cut your costs even further from the 2nd insurance year on by qualifying for a loyalty bonus, which takes the form of a premium refund.

With BoniCheck you learn more about your customers. Our BoniCheck credit grading service gives you the details you need to know in order to judge how likely your customer is to go broke. For every rateable customer you name to us you get a grading – from AA for “very high creditworthiness” to I for “insolvent”. With this, you can make an exact assessment of the economic risk you run by delivering to him. Each grading expresses the likelihood that this customer will go broke over the next 12 months – statistically watertight and based on reliable experience.

The prerequisite: a credit insurance policy from us.

In order to benefit from this detailed evaluation, your company first needs to have a credit insurance policy with Euler Hermes Kreditversicherungs-AG together with a separate contract for credit assessment and the BoniCheck service with Euler Hermes Forderungsmanagement GmbH.

BoniCheck will send you the information you have agreed upon with us automatically each time you apply for a credit limit on a customer via the Online Service. The result appears immediately in your customer list. All the data sent is available for you to use elsewhere in your business, e.g. you can download it direct into all normal programs.

The BoniCheck rating scale*

excellent company and/or sector valuation

▶ Low probability of insolvency

1	very high creditworthiness
2	high creditworthiness
3	high creditworthiness
4	relatively good rating
5	medium rating
6	relatively high risk
7	high risk
8	very high risk
9	not creditworthy
10	insolvent

poor company and/or sector valuation

▶ High probability of insolvency

NR	not ratable
UEB	open/under analysis

* Each rating step a represents a forecast likelihood of insolvency for the next 12 months from 0,1 percent in the case of an “1” rating to 18 percent in the case of a “9” rating.

We ensure that you are always in the picture

As a Euler Hermes client you get regular information from us – over and above your policy.

- our **insolvency and economic growth forecasts** give you an inside view of what is happening in the economy.
- our series **WIRTSCHAFT KONKRET** supplies you with the facts on topics of current interest relevant to securing your cashflow.

Because that is our goal: you should be enabled to get on with what you do best – running your business, while we help keep all your options open by providing reliable protection for the earnings you have planned into your cashflow.



All the advantages at a glance

- Simple and easy to handle.
- Protection for your receivables almost anywhere in the world against commercial risks.
- Cost transparency and a fair price based on annual turnover and a bonus/malus system.
- Fast credit decisions via our Online Service.
- Ongoing credit assessment of your customers.
- Safeguarding of your company's liquidity through the integrated collection service.
- Early payment of claims through protracted default – i.e., even when your customer has not filed for insolvency.
- Fast payment of claims as soon as the amount of the insured loss is clear.
- You can expand your bank credit lines by assigning the benefit of the policy as security.