

Hamburg, December 14<sup>th</sup> 2009

## **Extended cover for companies launched**

**Credit-insured companies can now apply for “Top-Up Cover” to receive extra protection for their domestic receivables. Under the new government-sponsored scheme, it is possible for cover to be increased to as much as 100 percent.**

In collaboration with the private-sector credit insurers, the German Federal Government has launched a special scheme aimed at shielding German companies more effectively against mounting risks in the current economic environment. Companies with a current policy with Euler Hermes or any other private-sector credit insurer can apply for “Top-Up Cover” to extend their protection against payment defaults to include risks which are no longer covered by the underwriter on account of the heightened risk. In this way, it is possible to close the existing gap in insurance cover and to achieve up to 100% cover.

“We greatly welcome the German Federal Government’s decision to come to companies’ aid in this way in the current difficult conditions caused by the financial crisis. “Top-Up Cover” offers companies a good way of addressing their particular insurance requirements,” explains Dr. Gerd-Uwe Baden, CEO of Euler Hermes Kreditversicherungs-AG, which played a key role in developing the scheme.

### **Scheme for domestic trade**

Companies insured by Euler Hermes may apply for this additional cover if it has been necessary to lower the sum insured on account of heightened risks or a new application has been only partially accepted. This applies to receivables due from domestic customers.

As a matter of principle, the maximum top-up cover available equals the sum insured for payment default cover (primary sum insured). If as a result of a reduction it is now 50 percent below the original amount, e.g. 40 percent, the “Top-Up Cover” can double it to a maximum of 80 percent. Only if the primary sum insured is reduced by 50 percent or less is a “top-up” to a maximum of 100 percent possible. The “Top-Up Cover” will be automatically adjusted if the primary sum is changed. It can also be dispensed with in its

entirety if the cover provided by Euler Hermes increases to 100 percent or must be cancelled in full.

### **Costs and duration of the scheme**

The “Top-Up Cover” must not exceed EUR 2.5 million per customer for each insured. It is granted for a maximum period of six months at a time but an application for renewal may be submitted. The German Federal Government has set the cost at 2.88 percent per year of the applicable sum insured and this amount is invoiced by Euler Hermes time-proportionately on a monthly basis plus a once-only credit assessment fee of EUR 45. As the program is intended to be a short-term crisis intervention measure to assist the German private sector, it will initially expire at the end of 2010. In addition, the total volume of cover has been capped.

An application form can be downloaded as a PDF file from [www.eulerhermes.de](http://www.eulerhermes.de). After it has been completed, it should be returned to Euler Hermes Kreditversicherungs-AG, 22746 Hamburg. Upon approval, the credit insurer will then immediately send the “Top-Up” policy to the insured. Further information on the “Top-Up Cover” is available by dialing 040/8834-3444 or sending a fax to 040/8834-3666.

Euler Hermes is the worldwide leader in credit insurance and one of the leaders in the areas of bonding, guarantees and collections. With 6,200 employees in over 50 countries, Euler Hermes offers a complete range of services for the management of B-to-B trade receivables and posted a consolidated turnover of €2.2 billion in 2008.

Euler Hermes has developed a credit intelligence network that enables it to analyse the financial stability of 40 million businesses across the globe. The group protects worldwide business transactions totalling €700 billion. Euler Hermes, a member of the Allianz group, is listed on Euronext Paris. The group and its principal credit insurance subsidiaries are rated AA- by Standard & Poor's.

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