



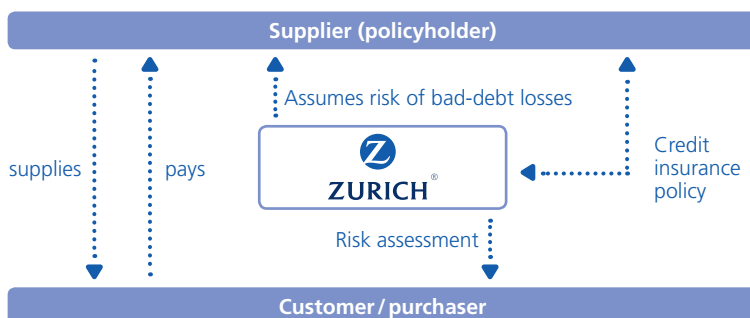
Your optimum solution for protecting trade credit

Credit insurance

The causes of insolvency are many and varied: insufficient equity capital, poor liquidity, sector-specific risks and, in particular, follow-up insolvency. Zurich can help you guard against bad-debt losses, thus helping to keep your company stable and enhancing its creditworthiness.

Who benefits from a credit insurance policy?

Companies who want to secure themselves against the insolvency of their customers in domestic and/or export trade, and/or protect the management of their accounts receivables. In particular, companies with export trade are exposed to additional risks from specific payment conditions and legal systems in force in the country of their purchasers.



Detailed information

A credit insurance policy where Zurich insures you, as a supplier of goods or provider of services, against bad-debt losses.

Calculation of the **additional turnover** needed to cover a loss

- For example, a company with a 4% return on sales
- **Bad-debt loss** of CHF 100 000
 - Zur Kompensation ist ein zusätzlicher Gewinn in der Höhe des Forderungsausfalls notwendig, also CHF 100 000

Additional turnover: CHF 100 000/4% = CHF 2.5 m

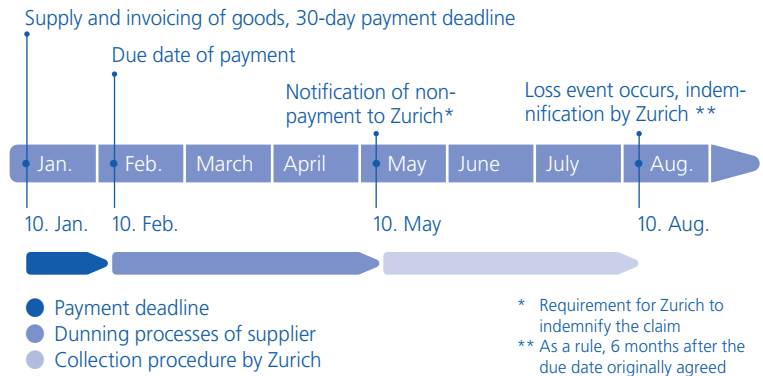
Essentially, the following risks can be insured:

The **insolvency** of your commercial purchasers; specifically, when in respect to one of your insured customers:

- bankruptcy proceedings have been started;
- enforcement proceedings have failed to produce satisfactory results;
- the majority of creditors has agreed to an out-of-court agreement on liquidation or allocation, or
- demonstrably adverse circumstances suggest that there is no prospect of payment being made.

Refusal to pay = protracted default

Here, the insured event occurs when payment – either full or in part – has not been received for an insured receivable, as a rule, 6 months after the due date originally agreed, and the policyholder has issued notification of non-payment within the prescribed period and has taken measures to collect the outstanding payment.

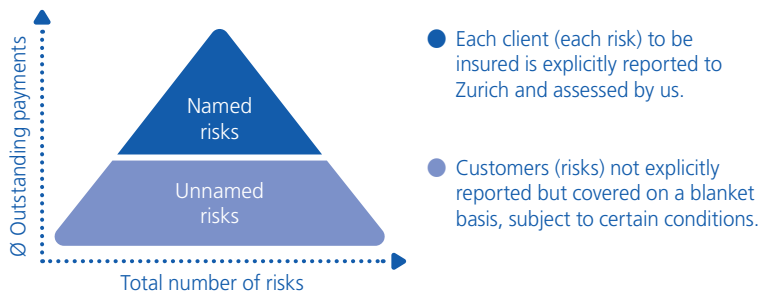


How does the credit check work?

Generally, we divide your customers into 2 categories: named and unnamed.

With named clients, Zurich verifies the creditworthiness of your larger purchasers which are notified to us on an individual basis. Where possible Zurich will grant you, the policyholder, credit limits geared to the maximum expected outstanding payment of the respective purchaser.

The «unnamed category» provides blanket cover for your smaller clients, subject to a positive payment history or credit information.



Purpose and benefits of Zurich credit insurance

Assistance with the management of your receivables

- Rapid checking of the creditworthiness of both new and prospective customers (purchasers)
- Continuous monitoring of the creditworthiness of your domestic and foreign purchasers on the basis of credit and bank information, annual financial statements, and risk decisions
- Prevention of bad-debt losses

Loss prevention

- The credit limits resulting from the creditworthiness check (these can be adjusted, where necessary) markedly reduce the likelihood of losses from bad debts.

Loss mitigation

- Qualified personnel assert the rights and represent the interests of the policyholder.

Claims settlement

- Fast, unbureaucratic claims settlement

Generation of growth potential through

- Acquisition of financially healthy customers and development of new markets
- Alleviation of the «new-customer problem»
- Option of granting attractive payment conditions to customers
- Neutral stance in revenue/sales deliberations

Products and conditions

Zurich's credit insurance solution can be individually tailored to the particular features and requirements of your company.

Working together with Zurich is a very simple matter: You can enter new credit limits and modify existing ones online, and a team of specialists is on hand should you have any special queries.

As a rule, the annual premium payable is geared to the annual turnover you declare (in exceptional cases, to the outstanding receivables from your purchasers) and to certain features of your company, such as the structure of your receivables, payment deadlines, sectors of industry, etc.

Your benefits at a glance

- Protection against bad-debt losses and thus against follow-up insolvency
 - Balance-sheet continuity through enhanced rating of accounts receivable and thus improved creditworthiness
 - Acquisition of good customers and development of new markets (alleviation of the «new-customer problem»)
 - More flexible arrangements on payment deadlines
 - Safeguarding of own market position through sounder liquidity
 - Insurance solution tailored to your business model
 - Continuous monitoring of the creditworthiness of your purchasers
 - Online service for querying credit limits
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We would be happy to advise you personally in this matter. Simply contact your nearest Zurich agency, call us toll-free at 0800 80 80 80 or get in touch with your broker directly. www.zurich.ch

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If the details in this factsheet differ from the valid Conditions of Insurance, the latter shall take precedence.


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