

# CREDIT INSURANCE NEW APPROACHES

A company's decision-makers are responsible for its ability to continue as a going concern, and for its success. This calls for the development of an effective and profitable risk strategy, as part of which credit risks can easily be overlooked on account of the complexity of the issues involved.

But defaults on payment can have fatal consequences for a company. Credit insurance provides protection against these risks. In addition to conventional credit insurance there are also certain specific products available that have become more developed in recent years. The purpose of these products is to simplify and automate administrative processes and the way that contractual obligations are handled.

## CONVENTIONAL CREDIT INSURANCE

Credit insurance offers protection against default on payments, stabilizes revenue and the balance sheet, and helps companies increase their credit line at banks. It creates a secure foundation for building up existing and potential business relationships, and can reduce the risk of insolvency.

Conventional credit insurance generally covers the entire customer base. The creditworthiness of debtors is usually checked by the insurer, which can reduce or raise the limits at any time. This makes the policy-holder highly reliant on the insurer's willingness to accept risk. The policy-holder is under an obligation to comply with the deadlines, which can increase the administrative workload.

The following, specific products are suitable for large, multinational corporations:

## EXCESS OF LOSS (XOL) INSURANCE

XOL insurance offers protection against unusual and unpredictable risks. It is suitable for companies with an extremely good credit management process that are prepared to assume a greater share of the risk themselves. The creditworthiness of debtors is checked by the policy-holder as part of the agreed credit monitoring process. The most important debtors are also checked by the insurer and an individual limit is agreed.

## THE BENEFITS OF XOL INSURANCE FOR YOU

- Non-redeemable limits for clients with substantial outstanding amounts
- Automation of administrative processes by networking IT systems, and thus reducing the administrative workload
- Significant flexibility because the policy-holder checks creditworthiness itself and is therefore not dependent on the insurer's underwriting policy
- Increase in the insurance ratio and financing volume
- Central controlling of group risks with no time lag
- In the long term: Reduction in the premium as well as the costs of the credit check

## INTERNATIONAL INSURANCE PROGRAMS

Multinational companies require a global solution. Kessler has the expertise required for the implementation of such programs. At the same time, the local legal requirements need to be taken into account.

## BENEFITS OF AN INTERNATIONAL INSURANCE PROGRAM

- Global insurance coverage for the entire group, with central administration.
- Local support can be provided to the individual group entities for groups with a decentralized structure. The benefits: No language barriers, and local contact persons who are familiar with the requirements of the law and the market
- More favorable conditions thanks to bundling
- Strong negotiating position for renewals, amendments etc.
- Strong position for escalation scenarios in the event of the inadequate assignment of limits, as well as in the event of claims
- Improvement in individual aspects of coverage
- Access to sophisticated and user-friendly management applications
- Wording of policies and general conditions of insurance (GCI) as identical as possible in every country
- Ensures that regulations comply with local statutory provisions (compliance).

## OUR SERVICES

Backed by our many years of experience, we offer the following services:

- Detailed analysis and elaboration of the coverage models
- Invitation to tender and contract award
- Negotiations with contracting partners (insurers etc.)
- Implementation and ongoing management of contracts

## INTERESTED? CONTACT US.

Daniela Hulliger  
Credit Specialist  
T +41 44 387 88 95  
[daniela.hulliger@kessler.ch](mailto:daniela.hulliger@kessler.ch)

## ABOUT KESSLER

Kessler is the leading Swiss enterprise specializing in risk, insurance and pension fund consulting. Due to the know-how and experience of our staff, the innovative strength as well as due to our market position, we create added value in a sustainable manner for our clients from all parts of industry (i.e. service, trading and manufacturing companies). Our excellent reputation combined with our financial success form the foundation of our long-term future as an independent family enterprise. Founded in 1915, Kessler has 275 employees working at the headquarters in Zurich as well as at further sites in Aarau, Basle, Berne, Geneva, Lausanne, Lucerne,

Neuchâtel, St. Gallen and Vaduz. As the Swiss partner of Marsh, we are part of a network with specialists in all areas of risk management and experienced in handling global insurance programs. Marsh, the world's leading insurance broker and risk consultant, operates in more than 100 countries and is part of Marsh & McLennan Companies whose share is traded on the New York, Chicago and London Stock Exchanges (ticker symbol: MMC).

Further information can be found under [www.kessler.ch](http://www.kessler.ch), [www.marsh.com](http://www.marsh.com), [www.mmc.com](http://www.mmc.com).