



Helping businesses manage risks
and opportunities. Since 1893.

Accounts Receivable Management Solutions from Euler Hermes ACI



EULER HERMES
ACI



Making the world a
safer place to do business.

Euler Hermes ACI credit insurance is a multipurpose business tool that does more than just protect you from a bad-debt loss. We provide the business intelligence your company needs to help you;

- Expand your domestic and/or international sales safely to existing and new customers
- Minimize your risk when exploring and developing new markets
- Support your in-house credit management with our database of proprietary information
- Avoid unexpected bad-debt losses and get paid for what you sell
- Improve borrowing and financing options.

About Euler Hermes ACI

Commercial Credit Protection • Trade Finance Enhancement • Buyer Risk Assessment & Monitoring

Minimize delinquencies; avoid unexpected bad-debt losses; get paid for what you sell!

Incorporated in 1893, Euler Hermes ACI is North America's oldest and largest provider of trade credit insurance and accounts receivable management solutions. Headquartered in Owings Mills, MD, the company insures more than \$150 billion in U.S. trade transactions annually. Euler Hermes ACI provides insurance coverage for both domestic and export B-to-B trade transactions, which protects clients against commercial and political risk in more than 200 countries worldwide. A trade credit insurance program from Euler Hermes ACI can provide businesses both small and large with the risk mitigation services and indemnification needed to expand sales safely to new and existing customers while protecting cash flow.

Euler Hermes ACI is also a leader in commercial collections and accounts receivable management services through its collections subsidiary Euler Hermes UMA. Founded in 1917, Euler Hermes UMA has an outstanding reputation in the U.S. credit community developed over its more than nine decades in the industry. The company offers a suite of receivables management services that include commercial third party collections, receivables management outsourcing, international collections, and other debt mitigation services.

Euler Hermes ACI is the U.S. subsidiary of the Euler Hermes Group, the world's leading trade credit insurer. Through its network of market-leading subsidiaries, Euler Hermes' local presence spans more than 50 countries and five continents with more than 6,000 employees. Euler Hermes maintains a database of proprietary information on more than 40 million companies worldwide and is rated A+ (Superior) by A.M. Best and AA- by Standard & Poor's.

- Insuring more than \$150 billion in U.S. trade transactions annually
- Presence in more than 50 countries on five continents
- More than 40 million companies monitored
- A+ (Superior) A.M. Best Rating
- AA- Standard & Poor's Rating

Customized solutions to meet your needs

Euler Hermes ACI provides customized credit management solutions for small, medium and large companies in all industries. Trade credit insurance from Euler Hermes ACI can help you trade with confidence, providing valuable protection against the consequences of domestic or overseas customer insolvency and non-payment.

Industry expertise

Euler Hermes ACI supports its clients in all aspects of their credit management. Its underwriters are industry specialists who will work closely with you to provide in-depth credit analysis and ongoing account monitoring to provide early warning of potential credit risks before they become a loss. In addition, Euler Hermes ACI's risk management staff monitors the largest risks and high-profile debtors in its portfolio and develops economic forecasts. This important resource provides better predictive capability and allows Euler Hermes ACI to base decisions on the best available information.

A trade credit insurance policy
gives you peace of mind and
confidence to grow your business.





To schedule a meeting with a Euler Hermes representative, please call 877-909-3224 or visit us at www.eulerhermes.us for a free, no-obligation quote.

EOLIS, online policy management system

Fast, easy policy access

Instant, secure policy management in real-time

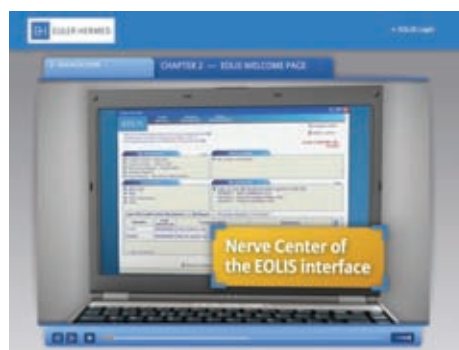
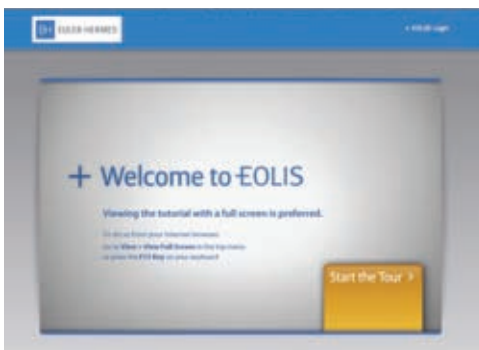
Euler Hermes ACI provides its clients and business partners with instant, secure access to policy information via the Internet, including the ability to obtain online coverage decisions in real-time.

Quick coverage decisions help Euler Hermes ACI policyholders sell more competitively without the credit risk. Connecting to EOLIS enables policyholders to;

- Fulfill new orders without delay by getting requests for coverage on new or existing customers answered quickly
- Check current policy coverage and decision reports
- Submit claims online and access updates on claims activity at any time
- View debtor information and collection files in progress
- Create reports to monitor and optimize your accounts receivable
- Enjoy e-mail access to Euler Hermes ACI Client Service Team members
- View EOLIS in three different languages, including English, Canadian French, and Spanish.

Visit eulereolis.com
for a tutorial of the
EOLIS system!

www.eolis.us



Claims and collections services



When you insure your accounts receivable with Euler Hermes ACI, you can count on being paid for what you sell, even if one of your covered accounts suddenly faces insolvency or is otherwise unable to pay.

Trade credit insurance from Euler Hermes ACI complements your credit management processes to protect your company from the impact of unanticipated credit loss or account insolvency. Whether your company is a small, medium or large business, Euler Hermes ACI is dedicated to helping you through the claims and recovery process.

Dedicated claims unit

The Claims Group within Euler Hermes ACI is dedicated to providing world-class customer service at the least cost to its customers. The Claims unit handles all pre-claim activity, losses, and claims for our policyholders. Similarly, the First-Time Claim Unit helps first-time filers receive specialized training to resolve their claim.

The Claims Group is committed to handling claims quickly and efficiently so as to help take the worry out of managing unexpected insolvencies and past due situations. Euler Hermes ACI's recovery performance is better than industry norms.

Collecting non-covered claims

Commercial collection services for non-covered accounts are also available to Euler Hermes ACI customers through Euler Hermes UMA, our wholly owned collection subsidiary.

Euler Hermes UMA was founded in 1917 and has developed an excellent reputation within the U.S. credit granting community by providing businesses like yours with reliable, customer focused and results oriented collection services. And as a credit insurance customer, you will enjoy the same preferential fee structure on your covered and non-covered accounts alike.

And with Euler Hermes collection operations in more than 50 locations worldwide, we have the scope and geographical presence to manage all your collection needs, regardless of debtor location.



Frequently asked questions about trade credit insurance

What is trade credit insurance?

Trade credit insurance, also called accounts receivable insurance, is a financial tool which manages both commercial and political risks that are beyond a company's control. It is protection against your customer's failure to pay its trade debts. This can arise because your customer becomes insolvent or because your customer fails to pay within the set timeframe. With trade credit insurance, balance sheet strength is ensured, cash flows are protected, loan servicing costs are reduced and asset valuations are enhanced. A trade credit insurance policy also allows companies to feel secure in extending more credit to current customers, or to pursue new, larger customers that would have otherwise seemed too risky. It significantly reduces the risk of entering new markets.

Is trade credit insurance new?

No. Euler Hermes ACI, founded in 1893, is the oldest and largest underwriter of business trade credit insurance in North America. The demand for trade credit insurance has grown substantially in the past several years as new risk factors have made business insolvency less predictable.

What credit terms can be protected?

Business trade credit insurance is for short-term trade accounts receivable, those due in less than one year.

Are there any sales minimums?

From a practical standpoint, annual sales of at least \$1,000,000 makes the program cost-effective.

Who uses trade credit insurance?

Any business selling on open account terms to other businesses can benefit from trade credit insurance. Euler Hermes's customers can be found in all trade sectors and in all sizes. Firms in most sectors of the economy – including business services as well as those trading in goods – use trade credit insurance.

Why should I consider trade credit insurance?

Every business should have a strategy in place to manage bad-debt losses. On average 40% of a company's assets are in the form of trade debts. Sometimes the figure is far higher. It is very difficult for a company to predict which client will default on payment. Close to 50% of all payment defaults arise from customers with whom stable and long-term trade relationships have been established. The cost of non-payment to a business can be considerable. For example, if a company's profit margin is 5% and one of its customer's default on a debt of \$100,000, the company will have to produce additional sales of \$2,000,000 to make up for the lost profits. More importantly, the lost cash flow could be devastating. Non-payment weakens your company and lowers its investment capacity. A trade credit insurance policy helps in the management of your accounts receivable and compensates you in the event of non-payment.

How much does trade credit insurance cost?

It depends on many variables however, it typically costs less than ½ of one percent of insured sales. Rates are dependent on the trading history and historical debt loss of your company, your trade sector, and your customer base. When political risk coverage is included, the premium may be higher. The majority of businesses will find trade credit insurance to be highly cost-effective, even before taking into account the many additional benefits in the areas of sales development, risk and credit management, and bank financing.



What are the benefits of trade credit insurance?

There are many benefits, including;

- Safer sales expansion to existing and new customers
- More credit control and protection against catastrophic bad-debt losses
- Risk management through an “early warning system” bolstered by the Euler Hermes database monitoring more than 40 million companies
- Improved business planning through the elimination of unknown risks
- Better working capital from your lender because you have enhanced the quality of your accounts receivable with trade credit insurance
- The benefit of Euler Hermes ACI’s debt collection capabilities and network
- Improved cash flow, because you receive payment for unpaid accounts receivable that are insured.

What if my company hasn’t experienced credit losses?

Protection from bad-debt loss is just one of the benefits of trade credit insurance. When your receivables are insured, you can also;

- Safely expand sales
- Secure better borrowing terms with lenders
- Reduce bad-debt reserves
- More confidently achieve financial objectives.

What is the level of indemnity?

The level of indemnity typically ranges from 80% - 100%; however, the level varies depending on the policy you select, your credit management experience, your accounts receivable portfolio and your premium target.

If I incur a loss, how soon will a claim be paid?

Generally, the claim will be paid within 60 days from the date of claim filing on a domestic loss. Export losses may take a bit longer because of country waiting periods to allow collection efforts to be advanced. However, if the export loss is an insolvency, it will be paid within 60 days of the date of loss and filing of the claim.

Can you recover unpaid bills on my company’s behalf?

Yes. Euler Hermes ACI provides a suite of results-oriented receivables management services that includes commercial third party collections, receivables management outsourcing and international collections.



Quick facts



- Global leader in credit insurance
- 57,000 clients worldwide
- Presence in over 50 countries on 5 continents
- 6,182 staff worldwide
- 800 billion euros of business transactions protected worldwide
- 40 million companies monitored in our risk database
- 25,000 credit limit requests processed daily
- 82% of credit limit requests processed in less than 48 hours
- 190,000 debt collections handled in 2008
- A+ (Superior) by A.M. Best Company
- AA- financial rating by Standard & Poor's (July 2009)

Office locations

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Euler Hermes ACI
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Collections

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