

PRODUCT SHEET

CREDIT INSURANCE

Currently growth is difficult to achieve, unpaid debts are still an issue (30%+ of invoiced amounts in Europe, according to the 2019 Atradius payment practices barometer) and defaults are expected to surge. With all these risk factors, it is crucial to maintain a careful focus on securing your receivables. In today's world, credit insurance is clearly associated with best management practices by all your financial partners.

CREDIT INSURANCE, A HIGH-PERFORMANCE SOLUTION TO CONTROL YOUR CUSTOMER RISK

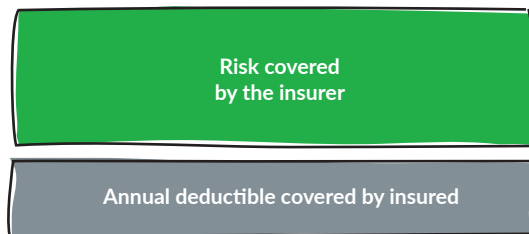
Whether your goal is to strengthen your business for the long term or grow your sales whilst protecting your financial results, credit insurance helps you secure your receivables against commercial and/or political risk of non-payment by customers to whom you extend payment terms. The benefits and performance of a credit insurance policy are measured by how well it meets your needs and adapts to the specific requirements of your customers, your business, your markets and your internal procedures. There is not just one credit insurance solution, but many. It is vital to adapt the solution to your priorities and the challenges of your business.

THE TWO MAIN COVERAGE OPTIONS ARE:

Proportional for each debt



Amount above a total loss figure



The covered options may be:

- combined to correspond precisely to the needs of your business (level of risk retention, special required or top-up services, etc.)
- augmented by specific risk transfer solution such as: **Single Buyer, Single Risk, Top-Up, Non Cancelable, Syndication , Guarantees.**

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THE FOUR MAJOR ADVANTAGES OF CREDIT INSURANCE

Credit insurance is a high-performance tool for managing and securing receivables and protecting cash. With it, you can:

1

Achieve healthy sales growth without risk of payment shortfalls.

- ◆ You select reliable customers and thus you manage better risks
- ◆ You have continuous customer risk monitoring in partnership with the insurer including dedicated access to relevant, up-to-date information.
- ◆ You optimise the sales process by identifying those prospects which are potentially risky and those with high potential.

2

Obtain compensation for uncollected insured receivables giving you effective margin protection. The results for your company's profitability are clear!

3

Implement collection procedures where your debtors are located. This will minimise your financial costs and improve your working capital, whilst decreasing your DSO (Days Sales Outstanding).

- ◆ You benefit from renowned recovery specialists for all your out-of-court and legal proceedings worldwide.
- ◆ Your collection process is often easier because of the credit insurers' important reputation with your debtors.
- ◆ You preserve your own commercial relationships (by outsourcing) and optimise your recovery rate.

4

Deploy a risk management culture and structure in your company.

- ◆ Implement simple procedures and share best practices.
- ◆ Impose a discipline for making customers pay on time
- ◆ By circulating information from insurers to your accounting, finance and sales departments you improve everyone's performance and protect the business against losses from bad debts.

WHICH COST STRUCTURE?

The cost of credit insurance varies according to your business, your insurable sales, customer breakdown by outstanding credit and, to some extent, previous loss ratios and the regional breakdown of debtors.

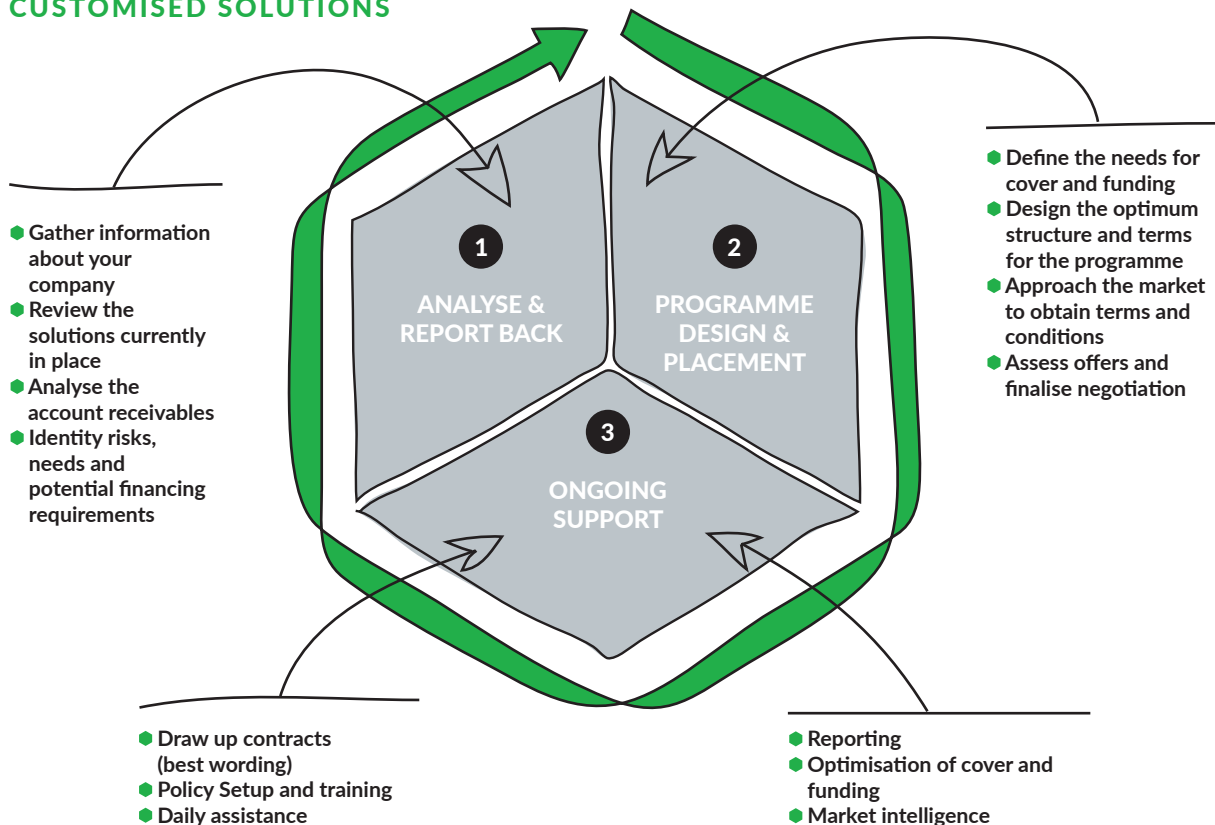
OUR VISION AND ADDED VALUE AS A BROKER

Credit insurance is a customised product that needs to be geared to your needs and particular requirements. AU Group was established in 1929 and has the recognised experience to offer an objective insight into the advantages and drawbacks of each type of solution available on the market.

Internationally, AU Group puts its multilingual business line experts at your service. They have backgrounds in factoring, banking and insurance. With independence and transparency we help you to select the policy that best meets your objectives after consulting a variety of service providers on the market.

Our service teams are dedicated to quality and customer satisfaction. These experts are responsible for optimising your contracts and conditions on a daily basis and for providing the necessary reports and information.

HELPING OUR CUSTOMERS CHOOSE LASTING AND CUSTOMISED SOLUTIONS



SOLUTIONS GEARED TO YOUR NEEDS

Credit insurance helps you at three levels:

- **Preventing customer risks** from materialising by providing continuous monitoring of your customers.
- **Out-of-court and legal settlement** of your outstanding receivables, whether or not they are covered.
- **Compensation** for up to 90% of your insured receivables in the event of **non-payment** by your debtor.

COMPREHENSIVE CREDIT INSURANCE

Comprehensive credit insurance remains the most popular product because it provides the maximum support and security to the business. All your customers are financially assessed and monitored by the insurer's risk department. You maintain the responsibility to recover your receivables until the agreed deadline for advising the insurer after which date the insurer takes over the collection.

This solution also helps to optimise **your short-term bank or factoring financing**. Scope of activity: worldwide.

EXCESS CREDIT INSURANCE

Excess credit insurance (also called "Excess of Loss") is relevant for companies that have sophisticated credit management functions within their organisations. This solution combines the insured company's internal credit management expertise with an external information solution. The credit manager determines (either independently or in consultation with the insurer) the credit limits to be granted to customers.

This solution is especially suited to businesses with significant customer receivables. It helps them guard against the consequences of exceptionally high cumulative default risk.

It is also possible to provide insurance for a specific list of customers.

Scope of activity: OECD countries.

KEY FIGURES OF AU GROUP

Nearly 4500 customers in France and internationally

€300 million in premiums placed globally