

The benefits of trade credit insurance

2023 saw a total of 25,158 company insolvencies, the highest annual number since 1993, and 14% higher than was seen in 2022. Creditors' Voluntary Liquidations (CVLs) increased by 9% from 2022 to a new record high number in the time series going back to 1960. (Source: [Government Statistics](#)).

Trade credit insurance provides cover for bad debts and enables your business to recover up to 90% of monies owed to you, giving you peace of mind and the confidence to grow. Our specialist trade credit team have identified some of the ways that trade credit insurance can benefit your business:

CASH FLOW

Your policy can provide cover for payment default, ensuring minimal disruption to your cashflow.

CONFIDENCE

The cover can enable you to diversify or grow beyond your traditional markets in confidence.

ACCESS TO FINANCE

If you need to obtain finance to improve your working capital position, you can assign the policy to your financier to give them the assurance their investment is safe. It can also lead to increased levels of funding.

INCREASED REVENUE

Trade credit insurance removes the risk of non-payment (default) from your sales invoices. This allows you to offer extended credit terms to your customers which can increase revenue and profit.

EARLY WARNING

Access to the credit insurance market gives you information on your customers which can alert you to high-risk companies before you expose your company to unnecessary risk.

BAD DEBT RESERVE

You can free up cash reserves that are allocated to paying off bad debt.

DECISION MAKING

By having access to global specialist Insurers, the policy will help you make the right decisions quicker, improving efficiency and ultimately profitability.

PEACE OF MIND

The policy will help you feel safe in the knowledge that your outstanding invoices are protected.

Verlingue places credit insurance policies for businesses spanning a broad range of industries and sizes. If you would like to discuss how credit insurance can help your business, please contact Dave Pickup today.

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