

CREDENDO

XOL PARTNERS



TURNING UNCERTAINTIES
INTO **OPPORTUNITIES**



XOL PARTNERS: THE XOL “EXCESS OF LOSS” SOLUTION FOR MEDIUM-SIZED COMPANIES

CREDIT RISK, HOW TO PROTECT YOURSELF AGAINST THE WORST CASE SCENARIO

MEDIUM-SIZED COMPANIES MOST VULNERABLE TO FAILURE DUE TO PAYMENT DEFAULTS

Non-payment can lead to business failure, and small and medium-sized companies are the most vulnerable to failure due to non-payment. Unpaid debts are often the biggest position on the balance sheet. In Europe, at least one quarter of all bankruptcies are due to non-payment by one or more clients, and these payment defaults cause the loss of tens of billions of pounds Sterling each year. In the event of non-payment by your biggest customers, your financial security and even your survival can be threatened! Setting up safeguards against this risk has therefore become an absolute priority.

CREDIT MANAGEMENT PARTNERS TO ASSESS AND MANAGE YOUR FORESEEABLE RISK

Today, medium-sized companies rely on information agencies and debt collection companies to assess and manage their usual risk of not being paid. Due to advances in information technologies, the databases of specialist companies are constantly updated and can be accessed easily. Yet even the most reliable information can never constitute an absolute guarantee for the creditor, and can only serve as a guide as to how far to expose your company to credit risk in respect of a given client. If, despite regular and thorough risk assessments, a payment default occurs, debt collection companies with their professional recovery procedures can prove highly effective in recovering foreseeable and accidental but bearable losses.

**YET, DESPITE RELIABLE CREDIT MANAGEMENT PARTNERSHIPS,
UNFORESEEABLE & UNBEARABLE LOSSES OCCUR.**

THE SOLUTION: PROTECTION AGAINST UNFORESEEABLE AND EXCEPTIONAL LOSSES

INSURANCE COVER GUARANTEES YOU PEACE OF MIND

As a medium-sized company, you rely on external suppliers (information agencies) to assess the creditworthiness of your customers and prospects and recover unpaid debts (debt collection agencies). Additional protection is available to complement these traditional partnerships, namely insurance cover to guarantee you peace of mind in the event of unforeseeable and exceptional losses.

WE TAKE OVER YOUR BIGGEST CREDIT RISK: THE UNFORESEEABLE AND EXCEPTIONAL

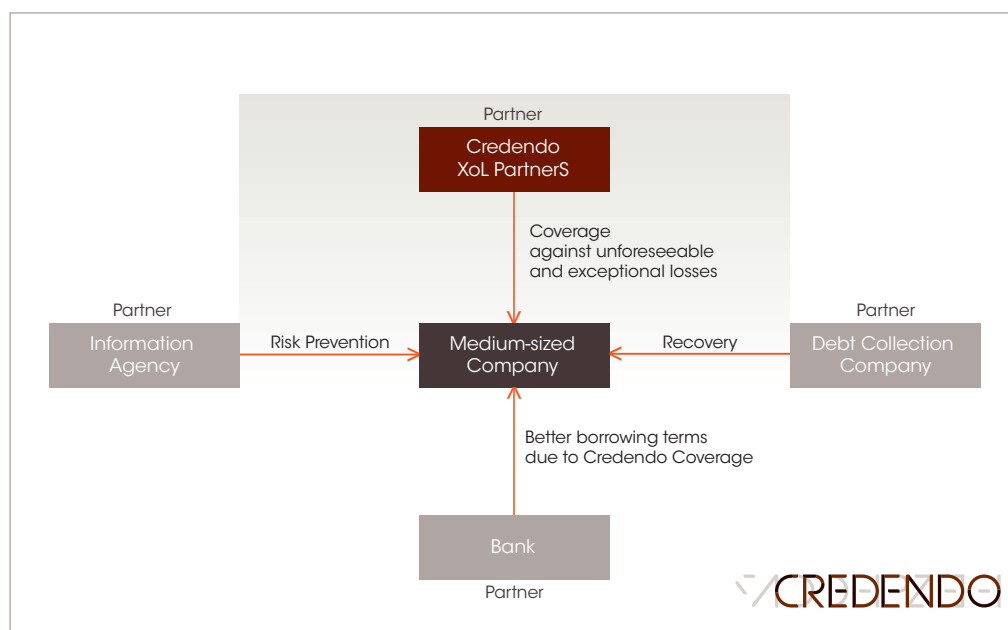
Credendo's coverage is based on an insurance formula called "Excess of Loss". This formula does not interfere with the insured's credit management procedures and partnerships. The policyholder is still responsible for foreseeable and sustainable structural losses up to an agreed amount, yet will be covered against unforeseeable and exceptional losses which would be unbearable. Ultimately, these losses could endanger the company's survival.

MAINTAINING YOUR CREDIT MANAGEMENT PROCEDURES AND PARTNERSHIPS

The advantage of this insurance formula, which is available to medium-sized companies for the first time in such a format, is that, unlike traditional credit insurance cover, you can maintain your current set-up of credit management partners to meet your information needs and handle your debt collection procedures. Nor will there be any change to your credit management habits or interference in the relationship with your traditional financial information and debt collection suppliers!

NO EXTRA ADMINISTRATIVE WORK REQUIRED

Restricting the cover to exceptional losses makes it possible to reduce the necessary and often time-consuming information exchange between client and insurer to a strict minimum. Information exchange with the insurer is only required should a serious problem occur, for instance if the insured's traditional debt collection procedure has not been able to produce results after a certain period of time.



While you manage your usual credit risk with the help of your current, reliable credit management partners (debt collection companies and information agencies), Credendo takes over the unforeseeable and unbearable risks that would endanger your company's financial health, not to say its survival.



