

MARKETPLACE REALITIES & RISK MANAGEMENT SOLUTIONS

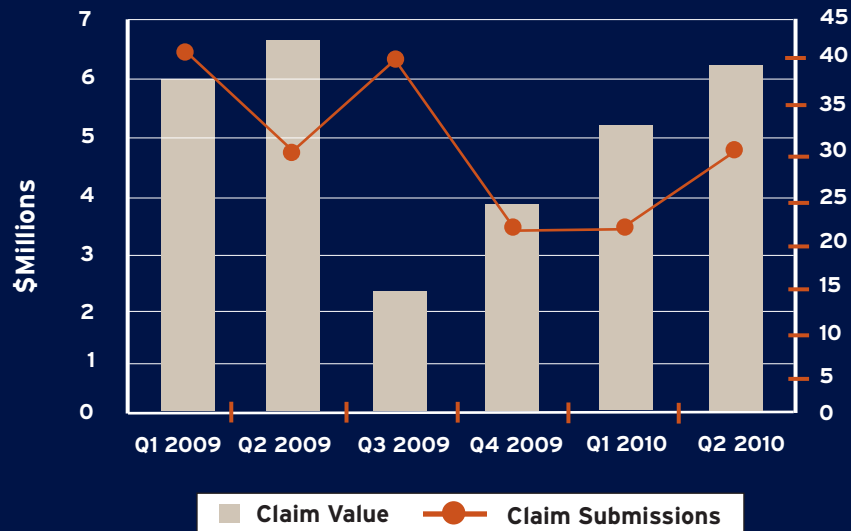
TRADE CREDIT

- **The convergence of a softening Trade Credit market and uncertain economic times offers significant opportunities** for corporations wishing to transfer their risk of non-payment of receivables for customers based in the U.S. and abroad. Policies cover non-payment exposures due to financial and political events.
- As the economy begins to revive, the Trade Credit market is seeing some relief from the hard market that followed the global credit crisis. **Premium rates have dropped 10%-20% from their highs in 2008.**
- After a tightening of reinsurance capacity and an increase in reinsurance cost during 2008/2009, we have seen increased capacity from the reinsurers and a new carrier in the primary market in 2010.
- Increased competition from current carriers in response to the entrance of new market capacity and higher limit availability has led to **more aggressive underwriting in coverage, policy structure and premium.** Carriers on the whole remain *cautiously* optimistic.
- The successful payment of **a record volume of claims during the financial crunch** validated the product as a means of mitigating the risk of bad debt losses. The constrained availability of the product during the downturn underscored the value of secure partnerships with insurers, as **long-time buyers were better able to obtain and hold coverage.**

PRICE PREDICTIONS

Flat to -10%

TRADE CREDIT INSURANCE CLAIMS



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