

PROTECTION AGAINST CREDIT LOSSES

Credit insurance
for capital goods (INVEST)



THE SOLUTION FOR:

- Manufacturers, general contractors and distributors of capital goods, such as machines and technical installations.
- Leasing companies.



INSURED RISKS:

- Your receivables from deliveries and, if applicable, your costs from the manufacturing of capital goods, your receivables from service, leasing and hire-purchase agreements in the event of **protracted default** and/or **bankruptcy of the customer**.
- **Fair/unfair calling** of guarantees and prepayments.
- Your receivables from **seasonal business and sponsorship agreements**.

Credit losses – for instance because a customer has gone bankrupt – are a problem for every company. They can be particularly serious for manufacturers or suppliers of capital goods, however. Because the goods in question are nearly always machines or installations worth millions, a loss can easily jeopardise the company's existence. With precisely those risks in mind, Euler Hermes developed a product called INVEST to provide cover against credit losses. Generally used for expensive custom-built goods and installations that take an exceptionally long time to manufacture, this individual insurance policy allows you to choose the sum insured and the duration of cover according to your needs. In addition, it is often possible to have the insurance commence during the manufacturing process in order to cover the investment risk before delivery, which can frequently be high.



THE COMPELLING BENEFITS FOR YOU

- **Your claims are covered almost everywhere in the world** against economic and – if required – political risks.
- **Insurance that protects your company's existence**, which is often especially important given the large individual risks that capital goods can involve.
- **Guaranteed company liquidity** through secure income.
- **Maximum planning certainty**, even for long manufacturing periods.
- **Expansion of bank credit limit** upon assignment of compensation claims.
- **Reduction in balance sheet total: our INVEST PLUS policy** offers additional security for the bank providing financing.



WHY EULER HERMES:

- **Loan terms of up to 60 months** – to take into account the often long project duration.
- **Receivables from service, leasing, hire-purchase and sponsorship agreements as well as seasonal business can be covered.**
- **Political risks**, such as war, armed riots, revolutions and transfer and convertibility problems, can be covered – which is particularly important given the high number of export transactions that occur with capital goods.
- **Individual insurance policy** based entirely on your needs.
- **Cover for manufacturing risk** on request.
- **Fair/unfair calling of contractual guarantees** and prepayments can be covered.
- **Fair individual premium calculation.**
- **Rapid claims handling within 30 days** of the occurrence of the insured event if all documents have been provided.
- **Integrated collection service** from Euler Hermes Services.
- **Excellent, fast customer service** and expert advice on-site.
- Ongoing credit checks using the unique **Euler Hermes information pool**, which provides access to more than 40 million sets of company data around the world.



ANY QUESTIONS? HERE ARE SOME FAQs:

- **I can estimate the risk because I know my business partners. Why do I need insurance?**
Even in the case of longstanding business relationships, economic crises and even insolvency can occur through no fault of the customer – they may be brought about by external events, for example. With capital goods in particular, however, years can often pass by between the start of production and the date of payment, with the risk of default naturally increasing over time.
- **Aren't the premiums quite expensive?**
A credit loss can often be a lot more expensive, especially with capital goods. The sums involved regularly run into the millions, which is particularly difficult to recover from. To offset a loss of CHF 100,000, for example, a company with an average return on sales would have to generate additional sales of approximately CHF 2.5 million! The most expensive scenario is of course if your company itself is at risk of bankruptcy due to a large credit loss.
- **If a customer goes bankrupt, the proceedings can go on for years. Won't I be waiting for my money forever?**
Not with our cover against credit losses. Euler Hermes already pays out within 30 days of the occurrence of the insured event if all documents have been provided. As a result, your liquidity is reliably protected.