

# Ask Towergate, Europe's largest independent insurance intermediary



Towergate Risk Solutions has a long and successful history built on the development of bespoke risk management and insurance solutions specifically tailored to meet the individual need of a diverse client base.

In Milton Keynes our team of over 90 staff have been providing insurance solutions for over 40 years for companies of all sizes.

The key to our success is the ability to design new products and competitive, tailored insurance programmes, as well as being able to anticipate and react quickly to a constantly changing market and its varied risks.

In each edition we will be offering our free and impartial advice on the insurance market and the cover available.



## CREDIT INSURANCE

Credit Insurance provides your business with protection against the failure of a customer to pay their credit debts. This can arise as a result of your customer becoming insolvent or because they fail to pay within the agreed credit period. Companies of all sizes use credit insurance and solutions can often be tailored to your needs.

**Q:** As a small business owner I worry that, even though I have a great relationship with my customers, they may struggle to pay me on time. Is there anything that I can do to protect myself?

**A:** In the current economic environment you are not alone, profit margins are shrinking and sales have slumped, it's a worrying time especially for small and medium sized businesses all over the country. For peace of mind credit insurance, offers you protection against your customers, late payment and not paying you at all, when you have provided goods or services on credit terms.

**Q:** Can Credit Insurance help me if I trade with Companies overseas?

**A:** Yes, in fact Credit Insurance policies can be flexible and cover both Domestic and Overseas customers separately or under one policy. You can also insure against a range of political risks which may prevent or delay payment.

**Q:** What if I get a new customer during the policy term do I need to wait until renewal to add them?

**A:** No, you do not need to wait until renewal, almost all policies are designed to allow you to add new customers during the policy period. This is normally done via the insurers' comprehensive on-line systems, so you can often get instant decisions on new customers.

**Q:** Will my premiums increase at renewal if I have a claim?

**A:** Not necessarily, although it is fair to say insurers are generally increasing premium rates in light of the current economic climate. However, an independent insurance intermediary would negotiate terms with your existing insurer and the insurance market at renewal with a view to obtaining the most cost-effective policy available.

**Q:** In the event of the insolvency of one of my customers, how much can I expect to receive and how long would I have to wait?

**A:** Naturally, subject to adhering to the terms and conditions of the policy, you should expect to receive 90% of your insured loss excluding VAT. There also may be an excess deductible of c. £1,000 too. Most insolvency claims are settled within 30 days of the insurer receiving the claim form and all required accompanying information.

If you would like your question to feature in the next edition or have any commercial insurance questions please contact Richard Spencer

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