



EXPERT KNOWLEDGE PAYS

A Trade Credit Insurance Specialist
As Your Broker of Record

An aerospace products company engages a Trade Credit Insurance Specialist to investigate its receivables insurance policy coverage after a disputed claim denial.

The Broker discovers a variety of issues that lead to settlement and refund.

KEY POINTS

- A USD\$500K claim was denied by the insurer who indicated certain terms and conditions of the policy had not been met.
- Due to lack of understanding of the policy coverage the policy holder had overpaid insurer.

COVER YOUR ASSETS

Contact a Receivables Insurance Association of Canada (RIAC) member to learn how receivables insurance/trade credit insurance can protect your business from the impact of a customer bankruptcy. Find us at <https://receivablesinsurancecanada.com/our-members/>

THE BACKGROUND

After many years of coverage the aerospace products company was surprised to be **denied a claim** because certain terms and conditions of the policy had not been met. **Facing a loss of USD\$500K they engaged a Trade Credit Specialist as Broker of Record to examine the policy coverage and claim denial as well as source a new insurer.**

However the Trade Credit Specialist discovered that both the Insurer and the policyholder did not understand how the policy should be implemented to the specific needs of the Company. In addition the policyholder had not been trained on how the policy terms and conditions did or did not relate to their business. **A negotiated settlement of USD\$300K was reached with the insurer.**

THE FALLOUT

Had the policyholder's initial claim been accepted they would have received USD\$450K (-10% co-insurance). However **the Broker of Record also reviewed the company's sales declaration** for the previous two years and found that the company did not know which sales were covered under the policy and which weren't. The company had overpaid. **The Insurer agreed to refund USD\$90,000.**

The Policyholder staff are now fully trained on the policy terms and conditions and the company continues with the Insurer as an extensive review of all other insurers policy terms and conditions determined that is was the best Insurer for their requirements.

CREDIT INSURANCE IMPACT

Elevate Global Insurance continues as the company's Broker of Record, advocating for them with the Insurer on renewal terms, coverage shortfalls and market conditions. **This guidance has lead to enhanced coverage and a premium rate reduction of almost 30%.**