

The need for Credit Insurance

Since antiquity, **c r e d i t**, as a payment term, means carrying over the liquidation time of a receivable by a debtor, with the consent of the granting party; this practice constitutes a fundamental factor of financial transactions.

Nowadays, with competition becoming more intense, any commercial company refusing to accord this consent, regarding payment terms, falls short significantly vis-à-vis its competitors in its field of activity.

This consent, however, carries severe risks for the selling party. The risks are due to the probability of the debtor / buyer not fulfilling, totally or partially, the liabilities undertaken towards the seller / supplier.

With the lapse of time and in relation to the international economic problems, credit duration constantly increases. During the 1970s, the average credit period in Europe was 30 days, in Greece 100 days and the debt value was covered mainly by bills of exchange. Today, the average credit period in Europe is 60 - 90 days and in Greece 150 - 180 days or more; The market uses postdated cheques, while a bigger part of accounts remains open.

In the past, when markets were more constrained, businessmen were aware of the solvency of the companies they were interested in. With the globalization and the rise of demand deriving from it, Greek companies sell goods and services to new companies, whose reliability and solvency they ignore. Moreover, along with the domestic market growth, Greece's exports flourish inside and outside the European Union.

It is obvious that the selling party runs a continuously increasing risk not to collect the receivables, mainly from exports, where distance, linguistic barriers, cultural differences, judicial particularities and different commercial transactions ethics enhance the difficulty to prevent and to collect the bad debt.

The Credit Insurer is called upon to cover this risk

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Credit Insurance S.A.
V.A.T. : EL 094432889
G.E.MI. 1833701000

The Company

Euler Hermes Hellas is the Greek affiliate of **Euler Hermes Group**, the worldwide leader in Credit Insurance. Today it is still the only Greek Company that operates exclusively in this line of business.

The company was founded in **1996** under the name Phoenix Credit Insurance SA, with the collaboration and the capital participation of Emporiki Bank of Greece Group, Euler Group and Hermes Group.

In **2002**, Euler and Hermes merged, creating **Euler Hermes**, the largest Credit Insurance Group worldwide, with **34%** global market share today and **2.5 billion euros** consolidated turnover.

In **2004**, the strategic shareholder Euler Hermes increased its participation and now holds 60% of the capital shares, while at the same time assuming the administrative responsibility of the company. Simultaneously, the change of name from Phoenix Credit Insurance SA to **Euler Hermes Emporiki** was decided. In **2013**, the strategic shareholder Euler Hermes increased even more its participation and the company's name change again to **Euler Hermes Hellas**.

The central offices are situated in **Athens**, while for better service of its customers in Northern Greece, there are offices in **Thessaloniki** as well. Together with its affiliated company, **Euler Hermes Hellas Services**, **50** highly educated and experienced professionals are employed.

The direct connection with all the Group's databases, the on - line communication capacity with customers and associates, the full collection procedure undertaking of all insured or uninsured claims, are only some of the possibilities offered, facilitating cooperation and cutting down response time and management cost.

The maintenance of a leading position in the Greek market of Credit Insurance and the continuous increase of our existing market share, while ensuring at the same time a high standard of services for the Greek business community, constitute the vision of Company.

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The product

Credit Insurance covers two main cases of buyers' insolvency :

- ◆ a) In the event of a 'Proven Insolvency', which is the case when the debtor is declared bankrupt by virtue of a final Court Judgment or a conciliation procedure or a reorganization procedure has been initiated subject to the provisions of the Bankruptcy Code.
- ◆ b) In the event of 'Protracted Default', when the buyer delays payments, after the initial credit duration or any extensions' expiration

Credit Insurance is a special product combining financial and insurance coverage, designed to cover the highest and probably the most important part of a business assets i.e. the receivables. It addresses all Greek and foreign companies based in Greece, as well as Greek companies or companies of Greek interests based in the European Union, companies which offer goods or services in Greece or abroad with short - term credit. Credit Insurance, being applied abroad for at least 100 years, provides **the following services** to the insured companies :

- Sales **expansion** capacity to a healthy clientele, on the basis of reliable and updated commercial information
- Continuous **monitoring** of the buyers' financial status
- Better **organization** of the company's credit control department and **prevention** or significant reduction of insolvencies
- **Indemnification**, if, despite all the above mentioned, a receivable remains unpaid after the credit period expiry, using simple procedures within a predefined time schedule
- **Claim** and recovery of a part or even the whole of an insured or not receivable, through coordinated judicial and extra judicial actions, by an international network of well trained and experienced legal associates
- Possibility to **use** the Credit Insurance Policy as an additional coverage in case of financing, by assigning the Policy to a Bank or a Factoring company, without any additional cost
- **Safeguarding** credit policy and improvement of the company's financial data in the process of being listed in the Stock Exchange market

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Over the last years, **Euler Hermes Hellas** provided insurance coverage for an increasing number of countries. As a result, today all economically stable countries are covered. In special cases political risk is also covered.

The product is offered to companies with insurable turnover over 1,000,000 €, while another product with simpler procedures covers also enterprises with lower turnover. On behalf of the entire **Euler Hermes Group**, **Euler Hermes Hellas** underwrites credit limits for buyers based in Greece and Cyprus; Credit Insurance is being developed in Cyprus by creating a network of associates.

By developing synergies, by virtue of the company's participation in the international Group and by optimally using the existing brokers networks and its own dynamic, reliable and specialized associates network, **Euler Hermes Hellas** aims at maintaining the leading position in the Credit Insurance Market, offering to the Greek enterprises high quality services.

By introducing new products and services in the near future, **Euler Hermes Hellas**, operating in accordance with **Euler Hermes Group** standards, will meet more needs and will contribute significantly to the safe growth of its customers.

Today, cooperating with a highly reputed company like **Euler Hermes Hellas**, guarantees to Greek businessmen an integrated solution for their customers' credit control management, bad debts decrease and sales development on a robust and solvent client basis.

For more information, please contact our Commercial Department

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You may also visit our company's webpage : www.eulerhermes.com

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