

For more information call us on

**0800 5875180**

[www.debtorinsurance.co.uk](http://www.debtorinsurance.co.uk)

Please contact us if you'd like this in large print

Calls may be monitored in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

This insurance is arranged by Lloyds TSB Commercial Finance Limited and underwritten by Chartis Insurance UK Limited.

Lloyds TSB Commercial Finance Limited is an appointed representative of Chartis Insurance UK Limited, The Chartis Building, 58 Fenchurch Street, London, EC3M 4AB which is authorised and regulated by the Financial Services Authority. Chartis Insurance UK Limited FSA Register number is 202628.

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Lloyds TSB Commercial Finance (Scotland) Limited, Registered Office: 110 St Vincent Street, Glasgow, G2 5ER. Registered in Scotland No. 93252.

We aim to provide the highest level of customer service possible. However if you experience a problem we will always seek to resolve this as quickly and efficiently as possible. Please contact us for full details of our Complaints Procedure.

 **Lloyds TSB** | Commercial Finance

PRI R 023/0510



# The Art of Protecting your Business

Debtor Insurance from Lloyds TSB Commercial Finance

## The customer's guide to Debtor Insurance

 **Lloyds TSB** | Commercial Finance

# Debtor Insurance provides security for your business by protecting you against your customer's insolvency or non-payment of invoices.

You may run a very successful business, however, have you thought about what would happen to your business if one of your customers became insolvent? What would the impact be on your business?

At Lloyds TSB Commercial Finance we have a dedicated team who will work with you and provide you with a low cost, easy to manage service. This could protect you from potentially damaging losses, if a major customer suddenly fails.

## Who is eligible for this Debtor Insurance?

Companies that sell on:

1. A business to business basis.
  2. Unsecured credit terms.
- and companies with:
3. Anticipated turnover of £200k or more per annum
  4. More than one customer.

If the four points above apply to you, you are eligible to purchase this Debtor Insurance product

## Features and Benefits of this Debtor Insurance

- Protects you up to 90% of bad debts suffered.
- Protection for your accounts receivable ledger which is an important asset.
- Protects against the insolvency or protracted default of your insured customers.
- Enhances your business controls.
- Our credit monitoring service may help you identify a potential credit risk with one of your customers before it becomes a bad debt.
- Allows bad debt provisions to be reduced.
- Protects your risk against work in progress/timesheets.
- Releases capital for business expansion.
- Offers protection on domestic and export debts.
- If within 30 days we cannot cover 55% of your ledger in value you may cancel with a full refund of any premium paid.

## Some reasons why businesses buy Debtor Insurance

- To reduce the credit risk of trading on unsecured terms of payment.
- Even large, apparently safe businesses fail.
- There were over 19000 insolvencies in 2009\*.
- The Debtor book is for many businesses the largest asset they possess, insuring this, as you would any other asset, makes sense in uncertain times.

Regular insolvency updates are published on our website [www.debtorinsurance.co.uk](http://www.debtorinsurance.co.uk)

The number of insolvencies may fall in 2010 but you can be certain that, whatever happens, we will keep you up to date with the financial strength of those of your customers whose debts you insure.

## How does it work? - it's very simple

### Step 1

We will ask you for some basic information and provide you with a free of charge no obligation quote for Debtor Insurance and an initial assessment of your top 10 customer limits.

### Step 2

Once you agree to our quotation, you will be provided with a link to our on-line system where you can request limits on your customers and manage the facility. The system is also interactive, allowing you direct communication with limit underwriters.

### Step 3

There are reporting requirements for you to feed back information on overdue debts (standard terms + 60 days) via the on-line system. This is a very simple procedure, which should take you no more than 15 minutes per month.

## Exclusions, Limitations and restrictions of this Debtor Insurance

- Cash or consumer credit sales.
- Sales to government buyers in the UK.
- Sales to associated companies or a company where you have a shareholding or financial interest.
- Sales where a valid credit limit has not been issued for one of your customers.
- Sales made on a consignment stock basis.

## What cover is provided?

**Insolvency:** When a company goes out of business. Claim payments due to Insolvency will normally be made within 30 days of confirmation of debt.

**Protracted default:** When a UK company fails to pay invoices a claim will be paid when you have a County Court Judgement awarded in your favour or where a non UK company fails 6 months after the due date of the invoices.

We cover not only UK debtors but also debtors in many overseas countries.

## Competitive Charges

We can offer debtor insurance at extremely competitive rates. These will vary according to size and risk, but will typically range from 0.15% to 0.75% of your annual turnover, but may vary depending on your turnover and the level of previous losses. A minimum premium will only apply in exceptional circumstances.

This insurance is arranged by Lloyds TSB Commercial Finance Limited and underwritten by Chartis Insurance UK Limited.

<b>Requirements</b>	Internet connection
<b>Service Features</b>	Whole turnover policy (offer all your debtors for cover). 90% indemnity. Typically a £1000 excess. Other excesses or bespoke structures are possible Interactive system allowing on-line access to underwriters puts you in control. Covers UK and Export sales. Right to terminate giving notice of one calendar month at any time.

## Focus On...

Established in 1994, Carneco Foods is a wholesale food supplies company. Natalie Peacocke of Carneco Foods said: "In the current climate, it has never been more important to insure your debts and manage risk. Debtor Insurance provides peace of mind that if a customer files for administration, our working capital is protected.

"Debtor Insurance is an important part of our growth strategy as we can continue to cover our expanding customer base.

"The protection offered by this service means we can reduce the amount of money we need to set aside to cover risk of bad debt and instead, free-up working capital to enable us to seize growth opportunities."



\*Source The Insolvency Service 2009 Summary, February 2010

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