

Euler Hermes launches trade credit insurance solution for U.S. small businesses

BALTIMORE, Md. – 26 JANUARY 2016 – [Euler Hermes](#) has become the U.S.'s first trade credit insurer to offer a customized product to protect micro and small businesses from the risk of not being paid by their customers. The company announced today the launch of [Simplicity](#), a new credit insurance designed to help small businesses mitigate their accounts receivable risk in a quick, simple and affordable manner, while at the same time maximizing business growth.

Simplicity is designed specifically for businesses with \$1-\$5 million in annual sales. The product is intended for companies that are new to credit insurance – it provides a short, clear policy, transparent coverage on all buyers within just one day, and fixed pricing. Policyholders can automatically and immediately protect domestic and export buyers in 32 countries, allowing them to focus on safely growing sales without the worry of non-payment.

“According to a recent study, as many as 82 percent of business failures are due to poor cash management¹,” said James Daly, president and CEO of Euler Hermes Americas. “With Simplicity, small business owners can safely extend credit to domestic and international customers knowing there will be minimized impact to cash flow as a result of non-payment events.”

In today's uncertain economic environment, small business owners constantly face new challenges and barriers, while remaining a critical engine for economic growth and job creation. According to the U.S. Small Business Administration, America's 28 million small businesses account for 54 percent of the country's sales and 55 percent of all jobs². While the number of U.S. small businesses has increased 49 percent since 1982, they still report managing cash flow, targeting business opportunities and the economy to be among their chief concerns³.

Simplicity helps small businesses address these concerns by combining the established expertise of Euler Hermes' global risk experts with tailored solutions unique to small business needs. Easy to purchase and administer; it eliminates the need for bad debt reserves and frees working capital for product and customer relationship development. Simplicity also provides insights on potential customers, which small businesses often have difficulty accessing.

For Euler Hermes' customer Packaging Methods Defined, trade credit insurance was critical when the New Jersey-based company suffered a six-figure nonpayment by a much larger customer.

“I'm living proof of the importance of credit insurance for a small business,” said Izzy Eisenberg, the company's owner. “That nonpayment could have put me out of business if I didn't have credit insurance. Sometimes companies set aside a certain amount – maybe ½ percent – as a bad debt reserve. That used to work back in the day, and might work for a larger company, but now it's scary. Euler Hermes gives me a lot more strength than I would have on my own.”

More information about Simplicity is available at: <http://www.eulerhermes.us/credit-insurance/our-solutions/Pages/simplicity.aspx>

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¹ <http://www.entrepreneur.com/article/187366>

² <https://www.sba.gov/content/small-business-trends-impact>

³ <http://www.gallup.com/poll/167660/small-businesses-face-operational-regulatory-challenges.aspx>

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Euler Hermes North America Insurance Company

Euler Hermes' regional headquarters for the United States, Canada and Brazil is located in Owings Mills, Md. Founded in 1893, Euler Hermes is North America's largest and longest-established provider of trade credit insurance and accounts receivable management solutions. The company protects and insures around \$120 billion of regional trade transactions annually, serving small, medium and multinational clients across a range of sectors. The company employs 430 people regionally and serves clients from more than 50 locations in North America and Brazil.

Euler Hermes is the global leader in trade credit insurance and a recognized specialist in the areas of bonding, guarantees and collections. With more than 100 years of experience, the company offers business-to-business (B2B) clients financial services to support cash and trade receivables management. Its proprietary intelligence network tracks and analyzes daily changes in corporate solvency among small, medium and multinational companies active in markets representing 92% of global GDP. Headquartered in Paris, the company is present in over 50 countries with 6,000+ employees. Euler Hermes is a subsidiary of Allianz, listed on Euronext Paris (ELE.PA) and rated AA- by Standard & Poor's and Dagong Europe. The company posted a consolidated turnover of €2.5 billion in 2014 and insured global business transactions for €860 billion in exposure at the end of 2014. Further information: www.eulerhermes.com, [LinkedIn](#) or Twitter [@eulerhermes](#).

Cautionary note regarding forward-looking statements: The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Euler Hermes Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) persistency levels, (v) the extent of credit defaults, (vi) interest rate levels, (vii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (viii) changing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the European Monetary Union, (x) changes in the policies of central banks and/or foreign governments, (xi) the impact of acquisitions, including related integration issues, (xii) reorganization measures, and (xiii) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The company assumes no obligation to update any forward-looking statement.