

Accounts
Receivable
Insurance
Case Studies

ASSURart INC
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Applications of Accounts Receivable Insurance Enhance Bank Margining

Example - Enhance Bank Margining

Estimated Annual Sales

\$ 50,000,000

Estimated Domestic A/R

\$ 8,000,000

Estimated Export A/R

\$ 2,000,000

Margining Formula

75% Domestic(North America)

0% Export

Maximum Borrowing Base

\$ 6,000,000

Add Credit Insurance

90% Domestic(North America)

90% Export

New Borrowing Base

\$ 9,000,000 (50% improvemnt)

Cost of AR Insurance (0.20% of Sales)

\$ 100,000

Applications of Accounts Receivable Insurance Enhance Sales Growth

Example - Enhance Sales Growth

Estimated Annual Sales

\$ 50,000,000

Gross Margin

7.5%

Estimated Cost of Insurance Including Deductible

\$ 150,000

Incremental Sales Required to Generate Gross Margin to Offset Insurance Expense

\$ 2,000,000

Percentage Sales Increase Required

4%

Insurance Cost as a Percentage of Sales

0.30%

Utilizing Accounts Receivable Insurance to grow your customer base should result in sales expansion in excess of 4%.

Applications of Accounts Receivable Insurance Enhance Shareholder Value

Example - Enhance Shareholder Value

Estimated Annual Sales

\$ 50,000,000

Gross Margin

7.5%

Bad Debt

\$ 300,000

Incremental Sales Required to Recoup Loss

\$ 4,000,000



QUESTIONS?

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