





Our commitment is simple. To identify your needs accurately and deliver the credit insurance programme that is right for you.



# Insurance solutions for you

Our commitment is simple. To identify your needs accurately and deliver the credit insurance programme that is right for you. Understanding your business, objectives, strategy and risk philosophy are fundamental to identifying your current and future insurance requirements. This is the nucleus around which we deliver what you need.

Our relationship with the insurance markets and ability to negotiate cost reduction and innovative programmes, consistently deliver outstanding and measurable results for our clients.

We arrange and service policies for small companies through to multinational organisations demanding innovative global solutions.

Whether your need is fairly straightforward or highly complex, Heath Lambert is the insurance broker whose knowledge, skill and experience you can depend on.

We place all forms of credit insurance :

- Wholturnover
- Excess of loss
- Catastrophe
- Principal customer
- Single buyer / multi-buyer
- Top-up credit limit

Additionally, we can arrange a portfolio of complementary credit management solutions including information, collections, finance and credit management auditing.



# Delivering the service you need

At Heath Lambert, one of our core aims is to provide the best service available in the market. We believe we do.

For every client, our service is delivered through a dedicated account management team. Our people are some of the most experienced and knowledgeable in the broking market, so you'll have some of the best broking support available.

We provide only one service; one that fully meets your requirements and enhances your chosen credit insurance programme. Whilst we seek to identify your exact needs, the areas where we typically provide the greatest support are:

- **Renewal negotiation** - We negotiate renewals, comprehensively review the market and report to you on the options available. Year-on-year you can be assured of receiving the best, independent advice which reflects the changing marketplace.
- **Compliance assistance** - You will be guided through your chosen programme and provided with on-going support and training so that you are fully aware of the policy requirements.
- **Credit limit support** - You will receive dedicated credit limit assistance.
- **Claims management services** - We provide dedicated claims negotiation on your behalf and assist you with every aspect of any claim, including representation at external claims inspections.
- **Review meetings** - Regular meetings are essential to review developments with the business and market changes and to forging a long term relationship.
- **Auditing** - Heath Lambert provides insurance auditing services to both primary insureds and parent companies seeking to prove or strengthen compliance with existing programmes of cover.



We provide only one service; one that fully meets your requirements and enhances your chosen credit insurance programme.



We aim to be good at what we do and do it better than our competitors, not just some of the time, but all of the time.



## What makes us different

All insurance brokers are not the same. Far from it! So what do you look for when choosing a broker? How about a broker as passionate about your business' success as you are yourself? Now wouldn't that be surprisingly different?

We aim to be good at what we do and do it better than our competitors, not just some of the time, but all of the time. Heath Lambert Credit is committed to delivering outstanding results, consistently and to providing the highest standard of service and credit risk management advice. In doing so we believe we distinguish ourselves from other brokers and that is why our clients remain with us year after year.

We boast a strong UK regional network of offices providing excellent national coverage whilst our international service extends throughout North America, Europe and beyond.

No matter what your need – simple or complex – domestic or export - national or global – you have a partner in Heath Lambert Credit you can trust.

It all comes down to one thing : we deliver.



# The Heath Lambert Group

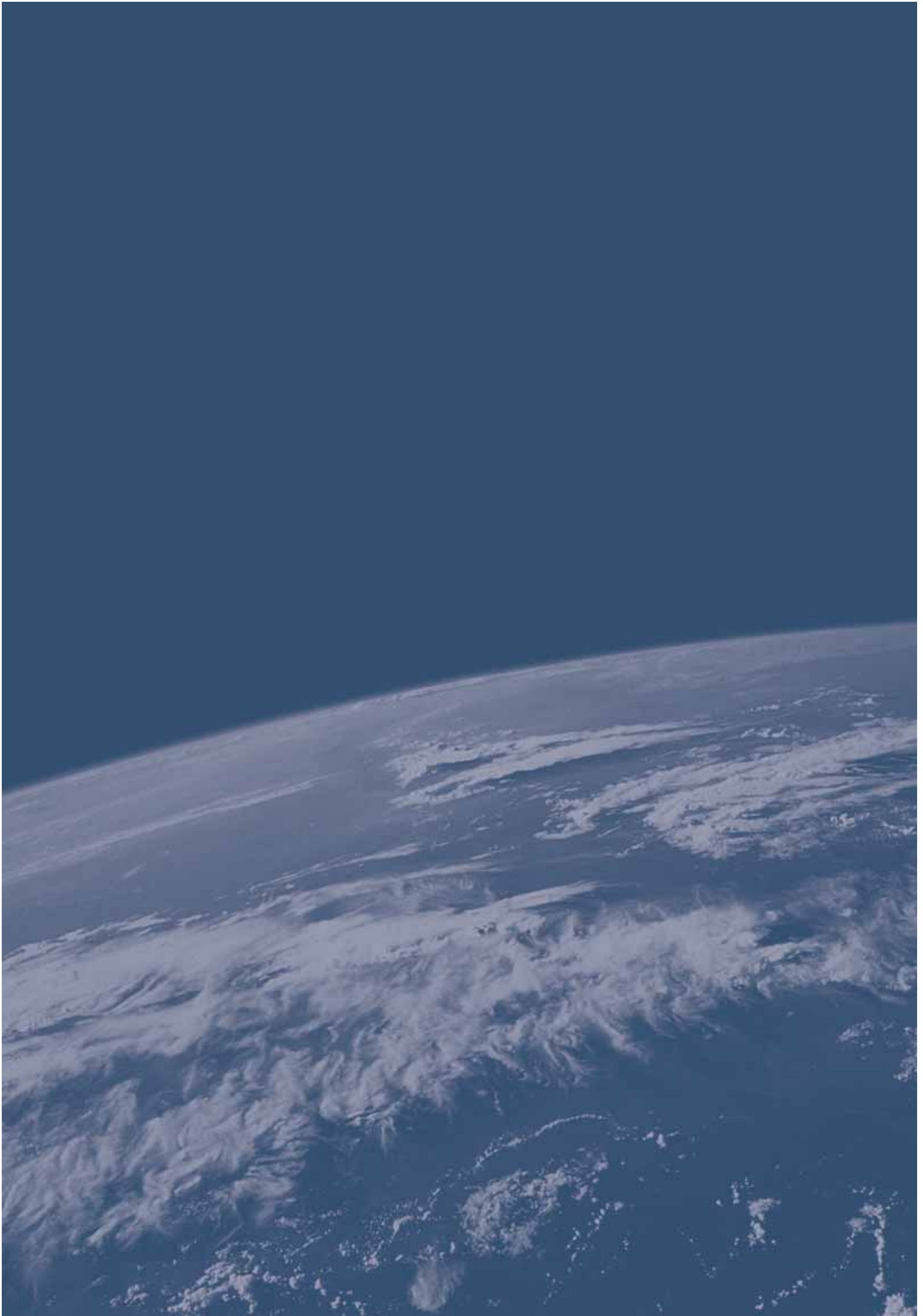
You might think all insurance brokers are the same. We're not.

We've been nurturing a culture of innovation in our people for over 165 years and our ancestors were pioneers in the market. They set the standard; we aim to do the same. We want to deliver outstanding results for our clients time and time again. We use every resource we have, our people, our experience, our wit and our courage to achieve what we set out to do; deliver cutting edge risk advice, aggressive insurance broking and employee benefits consulting.

We may not be the biggest but we are the UK's leading independent insurance broker. We have a strong UK base, with offices throughout the country and an international reach to over 90 countries and territories.

We recognise that each client is different and that an off the shelf solution is rarely the answer for you, or for us. We want to know more about your business and industry than any of our competitors and when we sit down in front of you, you will see that not only do we know what we are talking about but we also know what you're talking about.

We don't just do the simple stuff. We're known for being prepared to take on the most difficult and complex challenges. That's why we're constantly winning business off our much larger rivals and once we have that business, it tends to stick with us. It all comes down to one thing: we deliver.



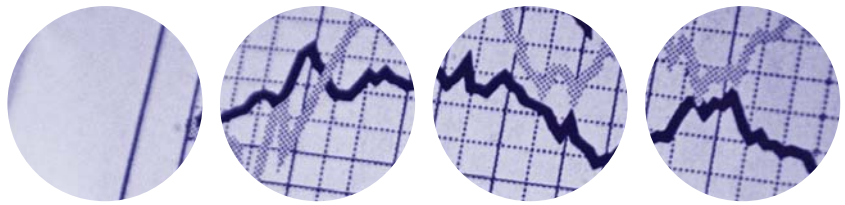




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# Key reasons to credit insure

Credit insurance offers a wide range of benefits. It protects the organisation's financial position and provides valuable peace of mind for its officers and shareholders.

## **Bad debt protection**

Most other assets are insured against loss and yet the debtor book is often left unprotected. Debtors can represent 40% of current assets and as high as 90% in service industries.

Credit insurance can reduce the bad debt provision significantly, particularly in years following heavy losses. A secured asset base makes a company more attractive to analysts and shareholders.

## **Maintain cash flow/profitability and protect budgets/business plans**

A bad debt will hit cash flow and profitability and jeopardise longer term budgets and plans.

Working to a 5% profit margin, a company suffering a £50,000 bad debt would need to produce an additional £1m turnover to cover the loss at precisely the time when it's difficult to do just that!

Credit insurance ensures cash flow and profitability are not upset overnight and budgets/plans may be made with confidence.

## **Improve finance**

Banks and other lenders look favourably at companies with credit insurance and enhanced finance may be secured.

## **Protect investors**

Helps fulfil corporate governance requirements.

## **Increase profitability**

Fewer and protected bad debts, improved receivables management and focused marketing efforts using credit insurance have shown to increase profitability.

## **Improve credit decisions**

Credit insurers are in the unique position of being able to gain information from innumerable sources including up-to-date management information not in the public domain.

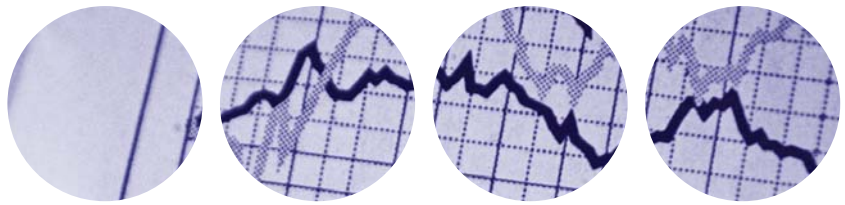
## **Prevent losses before they occur**

Credit insurers can assist by steering you away from bad risks in the first place and are often the first to become aware of companies in financial difficulties. Such information may assist in reducing your exposure or at least ensuring it is not increased at the fatal moment.

## **Grow sales in confidence**

Credit insurance can help you grow sales by offering you the security to trade on longer or less secure terms than would otherwise be acceptable.

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# Tailored credit insurance

Having identified your needs, we will develop and deliver a programme of cover tailored to meet your individual requirements.

## **Wholeturnover**

Wholeturnover is the most traditional method of credit insurance.

Cover is usually arranged with a small first loss (e.g. excess) with premium charged on insurable sales. The insurer will vet your buyers above an agreed level.

## **Excess of Loss**

Excess of Loss is very similar to Wholeturnover, having a similar underwriting involvement with the insurer once again vetting buyers above an agreed level.

The term Excess of Loss generally describes a greater degree of risk sharing on the part of the Insured.

## **Catastrophe**

Catastrophe cover focuses protection around very large individual or aggregated losses and is typically geared towards extremely large organisations with sophisticated credit management systems.

The policy is written around the Insured's credit management procedures with the Insurer adopting a "hands-off" approach underwriting only the largest buyer exposures.

## **Principal Customer (aka Major Buyer)**

As it's name suggests, cover is focused on the organisation's largest buyers only.

Cover is delivered on buyers with an exposure above a pre-determined figure, known as the Principal Customer Level (or Major Buyer Level).

## **Single Buyer / Multi-Buyer**

Cover may sometimes be arranged selectively for a single buyer or a selection of buyers.

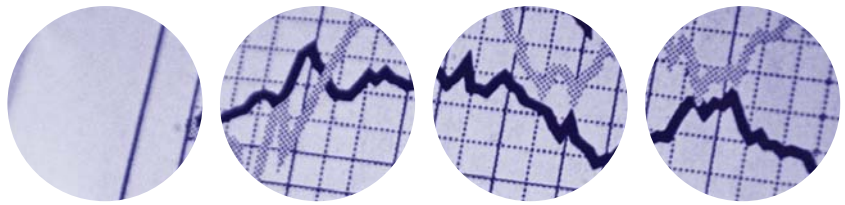
## **Top-up credit limit**

Sometimes insurers are unable to provide sufficient cover on buyers but it may be possible to arrange additional cover with another insurer.

"Top-up cover" describes the provision of cover by another insurer over and above that provided by the primary insurer.

Each top-up credit limit is underwritten as a separate policy.

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# Auditing the credit management cycle

Credit insurance provides many and varied invaluable benefits. However, risk transfer can only form part of the overall risk management solution.

It is essential that senior management has confidence in the strength and operation of internal procedures, whether or not they are supporting a programme of credit insurance.

Heath Lambert has developed a cutting edge software-based product which, in association with a physical audit, challenges the organisation's credit management procedures and then examines the extent to which they are adopted in the day-to-day working environment.

The programme analyses each aspect of an organisation's credit management procedures, from the basic "Is there a written credit manual?" to the detail of who is authorised to 'sign off' forward currency ordering and how often this is reviewed.

The data is rated and scored using matrices within the programme, enabling us to:

- review the existing working practices
- identify strengths and weaknesses within procedures, documentation and ownership of responsibility
- recommend a strategy for implementing improvements.

Our system allows you to view your performance on each aspect of credit management. Having the information broken down on-screen in a series of layers, enables you to see as much detail as you like.

Each question is rated, so you can clearly see the areas in which you are stronger and those areas which require further thought, allowing you to benchmark and track performance.

The question sets allow you to form a framework within which you can structure your procedures and routines.

The audit can be carried out on a regular basis, allowing progress and success in implementing your new strategies to be monitored.

The following case study provides an overview of the process and its benefits.

## Case study

Company A, a manufacturer with subsidiaries both at home and abroad, acquired another group of companies. There was a concern that each company was potentially working to a different set of credit management guidelines and there was no feel for what was actually happening at ground level.

We carried out a review of each site and provided a detailed analysis of:

- the content of each company's written credit management procedures
- whether or not the procedures were monitored and reviewed in light of changes in business or legislation
- the extent to which individuals were complying with the procedures
- whether or not performance was monitored or checked for accuracy.

Each site was rated, enabling the client to see at a glance how each company performed. Furthermore, the flexibility of the system allowed direct comparisons to be demonstrated. This helped the client to better understand the culture within each operating company.

We then assisted in writing a new common instruction for all group companies, using our knowledge of each business to ensure that adequate recognition was taken of each company's needs within the whole.

The new expanded group now has a common procedure that is monitored and updated through half-yearly audits carried out by our Credit Risk Management team.

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