

## SME business growth to be boosted by new option to insure individual invoices

Chelmsford insurance broker, Ascend Broking, is offering small and medium-sized business clients some trading peace of mind that can protect their finances should a customer enter into insolvency.

With a new insurance policy at its fingertips, Ascend is also ready to assist the growth and recovery of many SME businesses post lockdown and help them to flourish.

Ascend has partnered with an agile insurance partner to create a brand-new style of trade credit insurance – a type of insurance that pays out on invoices, even if the invoiced entity becomes insolvent.

Rather than having to take the traditional trade credit insurance route of paying a disproportionate amount based on their business turnover, Ascend clients can now insure their invoices on an individual basis, according to their likely exposure to the risk of non-payment by bankrupt companies,

This novel approach to credit insurance allows businesses to make judgment calls on which invoices they feel they should insure and which they believe will be low risk with a high likelihood of being paid. They can be guided on their decision by Ascend's insurance platform, which will offer them a risk rating for their customer, having reviewed the customer's financial data.

Should the supplier's business instinct tell them they need to insure an invoice, a quote for insuring that one invoice will be provided. Multiple invoices issued to a particular customer can be insured, or the supplier can pick and choose which to insure, perhaps according to the sums involved and the impacts on cash flow that non-payment would have. Any invoice up to £100,000 in value can be insured, with the cost of doing so starting at just £5.60.

This credit insurance option comes at a vital time. Covid-19 has left many businesses' finances in disarray and thousands could be teetering on the brink of insolvency. By using this new credit insurance option, a business trading with another business does not have to worry about getting paid, should the customer – either existing or new – enter into insolvency.

As long as they have insured an invoice, they will receive back 90% of the sum invoiced out, via an insurance policy payout. The alternative could be to get nothing back at all, as is the case for many creditors, in the majority of insolvencies. Helpfully, the insurance will also cover instances where an invoiced customer enters into a Company Voluntary Arrangement (CVA).

There is another good reason to consider this option right now. As one of its pandemic measures, introduced to support businesses, the Government relaxed the insolvency rules. This means that business insolvency will not be immediately



L-R: Matthew Collins, Wade Hopkins, Tom Nurcombe, Alex Patten, Eddie Carter, Simon Horton, Max Collins, Katherine Smithers, Paul Bennett and Matt Price

apparent and the risk of trading with a company heading towards insolvency is higher, as they can currently continue to trade, whereas under normal circumstances they would be not allowed to do so.

Those who insure their invoices through Ascend Broking's new credit insurance option, will receive a payout within 30 days. The new scheme is open to any UK-registered business, including sole traders. It will not, however, cover late or overdue invoices, so strong cash flow control is still required. Any invoice disputes must also be settled between the trading parties and it is not the remit of the cover to tackle those.

Ascend Broking's managing director, Matthew Collins, says: "We are bringing our clients a hugely relevant type of insurance that addresses the trading needs of many in the current environment. Rather than being crippled by the fear of trading with new customers, or even existing customers who may be in a sector badly hit by the crisis, our insured clients can trade with confidence, knowing they have competently managed their risk. This can be a strong catalyst for growth, as there is definitely business out there, ready to be won."

The welcome news for many businesses, in Essex and beyond, is that Ascend Broking's new trade credit option will cover any sector. Given the current situation in the economy, the policy is thought to be of particular appeal to those businesses supplying customers in the manufacturing, wholesale, food production, recruitment, hospitality and tourism, logistics and printing sectors.

**To find out just how easy it is to secure the peace of mind that can drive business growth, call Ascend Broking on 01245 449 060 or email [info@ascendbroking.co.uk](mailto:info@ascendbroking.co.uk)**