

Trade Credit Insurance Scheme



An astounding 96% of Singapore SMEs do not currently purchase Trade Credit Insurance. And 45% said they did not see the necessity in having it for their business.

(Source: SME Development Survey 2010 by International Enterprise Singapore)

But recent uncertain economic and natural events have shown that the risk of non-payment by customers is very real. Companies – especially SMEs – often do not have the balance sheet flexibility that larger companies enjoy, which puts customer payment top on the agenda. It is important to ensure that sales are translated into actual receipt of monies.

To help SMEs manage their exposure, International Enterprise Singapore (IE Singapore) initiated the Trade Credit Insurance Scheme (TCIS) to educate Singapore SMEs on the benefits of Trade Credit Insurance (TCI) as a risk management and financing tool.

What is the Trade Credit Insurance Scheme?

The Trade Credit Insurance Scheme (TCIS) is designed to encourage Singapore companies to use TCI through the offering of an insurance premium subsidy. With trade credit insurance, companies can drive revenue by offering more attractive and extended payment terms while protecting themselves against non-payment risks. TCI is especially useful for companies expanding their operations overseas.

Features of TCIS

- 50% subsidy against the minimum premium for TCI policies incepted from 1st February 2011 onwards
- Subject to maximum subsidy of S\$100,000 per qualified Singapore-based company

Eligible Companies

- Company must be Singapore-based and performs at least 3 strategic business functions in Singapore
- Group average annual turnover must not exceed S\$100 million over the last 3 years

Type of Insurance Cover

- Insolvency and protracted default of end-buyers

Scope of Insurance Cover

- Overseas and domestic sales

Why Marsh?

The world's leading insurance broker and risk advisor, Marsh is one of IE Singapore's partners, and has over 30 years experience in trade credit risk management across industries.

Marsh works with IE Singapore to help businesses analyse their credit insurance and risk management policies against the businesses' expansion needs and risks, and provide customized solutions to address these risks and ensure business growth.

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