

Lockton  
en los medios



## Newsletter June 2016

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**Gazette #1**  
June 2016

### BREAKING NEWS



Margarita Chavez



Myriam Viaud

### **Credit Insurance is hot in Mexico :**

Credit-insurance makes the headlines in Mexico. We enclosed below the two articles translated in English and published in the top local newspapers. Many thanks to Margarita Chavez for sharing this and to Myriam Viaud for the translation.

# Seguro de Crédito protección para empresas

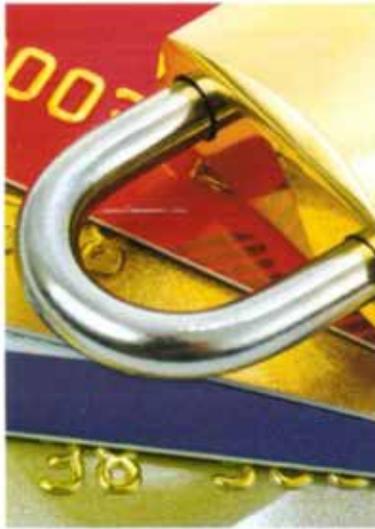


## Seguro de Crédito protección para empresas

Publicación Suplemento de Seguros:  
El Financiero Fecha: Marzo 30, 2016

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MIÉRCOLES 30 DE MARZO 2016

EL FINANCIERO



Cuenta con tres servicios estratégicos: indemnización, cobranza e investigación.

### Seguro de Crédito, protección para empresas

**V**ender productos a crédito se ha convertido en una ventaja competitiva de las empresas; sin embargo, muchas de ellas no ven en sus cuentas por cobrar uno de los principales activos de la organización, por la falta de pago, aseguró Margarita Chávez.

La responsable del Área de Seguro de Crédito de Lockton México destacó que la falta de pago de un cliente puede deberse a diferentes factores, entre los principales destacan: las

deficiencias en la administración de la empresa, reestructuraciones de las compañías, pérdida de mercado, fraude o cambios regulatorios en el marco económico global.

El seguro de Crédito es un instrumento que brinda protección a las empresas que venden a crédito, por una insolvencia de alguno de sus clientes y tiene tres tipos de cobertura: quiebra, concurso mercantil y mora prolongada.

Dicho seguro cuenta con tres servicios estratégicos que pueden ayudar a

las compañías ante la falta de pago por medio de: indemnización por montos no cobrados; cobranza de cuentas morosas; e investigación y monitoreo continuo de compradores a crédito.

De acuerdo con Margarita Chávez, el seguro de Crédito puede ser adquirido por cualquier empresa que tenga una relación comercial con otras empresas o personas con actividad empresarial, es una solución accesible que puede servir para expandir el negocio y tener estados financieros más sanos.

Credit Insurance, protection for companies

Selling products on credit has become a competitive edge for businesses, however many of them don't see it in their account for charging the organization's main assets, for nonpayment, according to Margarita Chavez.

The Credit Insurance department manager of Lockton Mexico highlighted that the client's payment default can have various factors, among the principal ones: inadequacy of the management, companies' restructuring, lost market share, fraud or regulatory changes in the global economic framework.

Credit Insurance is an instrument giving protection to all those companies that sell on credit for an insolvency of any of their buyers or clients and has 3 types of cover: bankruptcy, legal proceedings (insolvency), long-standing financial arrears.

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This insurance is based on 3 different strategic services that can help facing non-payment issues, through:

- ✓ Indemnification for un-collected amounts;
- ✓ Cover of doubtful accounts;
- ✓ Continuous inquiry and monitoring of their credit buyers.

The Credit Insurance can be contracted by any company that has business relation with others – or with individuals having business activity, is a convenient solution to expand the business and obtain healthiest financial situation”, as commented Margarita Chavez, Credit Insurance department Manager at Lockton Mexico.

More from MSC Noticias article

<http://www.msnoticiaslatam.com/2016/03/seguro-de-credito-alternativa-de-seguridad-y-crecimiento-para-las-empresas/>

Some of the competitive benefits are:

- ✓ Cost reduction, and increase of doubtful debt accounts;
- ✓ Identification of reliable clients through surveillance and monitoring by risk analysts (sector expertise);
- ✓ Long term credit conditions (up to 120 days);
- ✓ Risk spreading and assessment for eventual prospects;
- ✓ Premium is 100% tax-deductible;
- ✓ Conflict prevention in recovery & collection management;
- ✓ Financing, as it is considered a guarantee by banks and financial companies.

In addition, Credit Insurance maximizes existing customer retention, facilitate prospects development and simplify the openings of new markets.

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Publication of national and international studies on clients' solvency, based on their extensive database (millions of companies), is another benefit of Credit Insurance. With such information, companies can determine which clients to work with and in what countries, minimizing the risk of default on a payment.

With this instrument, companies' credit policies can be less restrictive in order to increase sales, by reducing the risk to its minimum.

Aware of the importance and the benefit of this type of cover for businesses, Lockton Mexico provides Credit Insurance solutions with the support of the 4 Credit Insurers operating in the country, for their clients to be covered and indemnified in case of their debtors' insolvency.

### EL SOL DE MEXICO

<http://elsoldemexico.com.mx/finanzas/157468-157468>

### **Credit Insurance, potential remaining unexploited**

In Mexico in 2015, the companies have paid 50m\$ of credit insurance premiums – to get protection against unpaid debts, insolvency or bankruptcy, as confirmed Margarita Chavez, insurance specialist at Lockton Mexico, one of the main global insurance brokers.

When interviewed by El Sol de Mexico, Margarita Chavez explained that this figure – though substantial – is low, when considering the 200m\$ potential Mexican Credit Insurance market, but unfortunately "in this country the prevailing thought is that paying insurance, whichever it is, is more a cost than a protection".

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“In Mexico we keep thinking that insurance is an additional cost, so that when we discuss credit insurance with companies, it is often to discover the lack of knowledge of this protection, particularly when it comes from solid and exporting companies as this is about securing their money, their sales”, stated Chavez.

She recognized that as a consequence of the global economic uncertainty, because of the volatility but also the changes in forex rates and China slowdown among the main risk factors, Mexican companies that are growing and want to go international have started to look for insurance against a bankruptcy or a default, to such an extent that this year credit insurance industry has grown up to now 30% – and can still be improved in the remaining 2016.

Lockton specialist reported that some companies consider important to buy a medical expense insurance or car insurance, but only a few times they cover the payment of their services or products, that is to say “their accounts, referred to as account-receivables in the balance sheet”.

Chavez pointed that being an insurance, it “delivers a financial compensation in case of any loss, but the difference is that this insurance is an instrument that companies can use to develop their sales, strengthen and position their products and goods, both at national and international levels”.



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According to Chavez, the upside is that “within the provided insurance services, there is a surveillance and monitoring of the buyers’ credit risk profile, meaning that the insurer – together with Lockton – will be closely monitoring the performance of all their credit portfolio, in order to warn a customer if any debtor or parent company is facing economic problems”.

The four Credit Insurance Companies that Lockton works have the resources to measure the risks in Latin America, South America and Asia, that makes to work as rating agencies, since they measure the country risk degree. Then, together with Lockton, if a mineral production company as silver decides to export to a new market with the security given by the insurance. “firms are reviewed and monitored and so that we get advised and alerted if a nonpayment occurred, for us to let our clients know, as it is about companies’ money”

In addition, she said that another benefit is that this insurance allows the recovery of the unpaid amounts of the defaulting debtors. “What is important here is that there is frequent client-broker communication, sometimes involving the insurers as well”.

There are 110 Insurers across all the different branches in Mexico, but only 4 for credit insurers “Together with them and Lockton, as a liaison and facilitator between the company and the insurer, we work according to the strategy of the companies, being commercial, financial or fiscal strategy”, in order to advice different entities of the benefits to buy the insurance.