

# Trade credit.

Markel Canada is dedicated to the specialized needs of sophisticated insureds and producers. Our underwriters bring meaningful expertise and advanced technical analysis to each transaction in the areas of excess liability, professional liability, property, and marine. Now Markel also offers trade credit and political risks solutions to Canadian companies.

## Overview

Credit is vital to the commercial world. Markel's trade credit coverage ensures that buyers and sellers can do business with confidence. Our trade credit insurance protects against counterparty payment default risks.

Buyers, sellers, and their bankers have long relied on credit to facilitate trade, but never more so than in today's global marketplace where supply and demand are founded on increasingly complex credit arrangements. Where credit is involved there are also counterparty risks. What happens if a counterparty defaults on its obligation before meeting its commitments through insolvency or for other reasons? Non-payment can have a devastating effect on balance sheets, which is why trade credit insurance is essential for business security and confidence

## Coverage benefits

- Security of non-cancellable credit and country limits
- Balance sheet and cash flow protection
- Improved terms for bank financing facilities
- An effective alternative to letters of credit or other types of collateral
- Reduced need for bad debt reserves
- Increased potential for sales growth to new and existing buyers because credit is based on a firm foundation
- Risk transfer to satisfy capital adequacy

### Per obligor maximum capacity and tenor

CAD \$130m/84 months

## Policy structures

- Multi-buyer (excess of loss and ground up)
- Named (key account)
- Single buyer
- Non-cancellable credit and country limits

## Products

- Commercial perils
- Export comprehensive
- Supply chain financing: receivables and payables discounting
- Trade finance policies
- Trade receivable securitization programs
- Pre-credit/work in progress
- Syndicated co-insurance solutions

## Insured perils

- Insolvency
- Payment default
- Public buyer default
- Currency inconvertibility
- Government action
- Import/export license cancellation, embargo
- War
- Failure to honor an arbitration award
- Supplier default

## Underwriting philosophy/expertise

- Experienced underwriting team
- Direct access to decision makers
- Certainty and stability of policy structures
- Customized and innovative, prompt and responsive underwriting
- Integrated "risk" and "commercial" function
- Catastrophe balance sheet protection
- Co-insurance expertise

## Flexibility

Markel's trade credit team can tailor policies for specific credit risks, markets, and contingencies. The emphasis is on specialized and flexible solutions with a strong focus on risk management and good corporate governance. Policy structures provide for realistic levels of risk sharing and can be written on a multi-buyer or specific account basis; for credit risks, policy tenors and payment terms of up to 84 months can be accommodated. Indemnity levels of up to 100% are possible when combined with other forms of risk share.

## About us

Operating across Canada with offices in Montreal, Toronto and Vancouver, Markel Canada was formed in 2009 following the acquisition of Elliott Special Risks, a specialist insurance firm established in 1966.

Our parent company, Markel International, is a subsidiary of Markel Corporation, a US-based holding company for insurance and investment operations around the world, that trades on the New York Stock Exchange.

## Our financial strength ratings

### Markel International Insurance Company Limited

Standard & Poor's:	A (Strong)
A.M. Best:	A (Excellent)
Fitch:	A+ (Strong)

### Syndicate 3000\* / Lloyd's

Standard & Poor's:	A+ (Strong)
A.M. Best:	A (Excellent)
Fitch:	AA- (Very strong)

\*Benefits from ratings for Lloyd's