



FTA and Logical launch new insurance services

James Cotis and the team at Logical Insurance Brokers provide specialist risk management and insurance solutions to the logistics industry. Freight and Trade Alliance (FTA) appointed Logical as its

insurance advisor at inception in 2012. James is also a regular commentator and presenter at FTA professional development events.

If you would like more information about

how a carefully constructed insurance program can help protect your business, please feel free to contact James on 02 9328-3322, email jcotis@FTAlliance.com.au or visit the Logical Insurance Brokers website at www.logicalinsurance.com.au/logistics.

The following two articles have been prepared by James outlining new service offerings.

DETAILED CREDIT WORTHINESS CHECKS OFTEN LEAD TO HIGH QUALITY CUSTOMER RELATIONSHIPS

There is no doubt that the heightened competition for freight forwarders to keep their customers and attract new ones has led many to offer upfront payments for disbursements such as Duties and Goods & Services Tax on behalf of their customers. Competition pressure has intensified with customers demanding and obtaining credit terms for these disbursements, which results in a substantial percentage of forwarder's capital tied up as accounts receivable.

Although there is no way to completely prepare for or predict the future, non-payment of invoices remains one of the biggest ongoing fears for forwarders. Fortunately (or unfortunately) they aren't alone, with 80% of ultra-long overdue invoices that are greater than 120 days considered to be uncollectable*. Forwarders can usually manage some smaller bad debts via a bad debt reserve or self-insurance, however, that does not replace monies lost. What would be the impact if a forwarder's largest customer suddenly become insolvent? It could be catastrophic.

That's why it is so important for forwarders

to forge quality relationships with their customers. Equally important is to maintain robust credit risk management and assessment processes, including detailed and periodic credit checks and above all, never make assumptions about a customer's continuing credit worthiness. When a forwarder's cash-flow is contingent on their customers paying on time, forwarders need to know who they can afford to extend credit to and who they should be asking for alternative payment methods. Further, regular monitoring of customers credit dependability is vitally important. By obtaining timely and accurate credit decisions, forwarders can capitalise on the right opportunities at the right time.

Consideration should be given to Trade Credit Insurance as part of an overall credit risk mitigation strategy. Trade Credit Insurance protects accounts receivable from losses due to credit risks such as insolvency or protracted default, putting cash back into their hands following loss from an insured event. This gives forwarders piece of mind to be able to safely trade with their existing customers and expand into new markets knowing that either increased or additional lines of credit they offer can be insured.

To help make trading safer for forwarders, Logical Insurance Brokers and FTA have partnered with specialist Trade Credit

insurer, Coface, to offer a unique Credit Opinion service. This service draws on Coface's global expertise and in-depth analysis and evaluation process undertaken when assessing customer credit worthiness for their policy holders. Whilst there can never be any guarantees, this service can provide an additional layer of ongoing confidence about a potential or existing customer's financial position.

The Credit Opinion service is reasonably priced and simple and easy to use. Forwarders only pay for those customers requiring an opinion and the monitoring service means forwarders will be notified when their customer's risk profile changes.

You can find out more about and access the service at www.fta.coface.com.au/

*Source: Coface Global Debt Collection



About Coface

Coface, a world-leading credit insurer, offers 50,000 companies around the globe solutions to protect them against the risk of financial default of their clients, both on their domestic and export markets.

TRADE, TRAVEL and TRAVELLING TRAUMAS

Given Australia's somewhat isolated geographic location in the world we are reliant upon international trade to help keep our economy stable and expanding.

That means many people within the logistics industry spend a significant portion of their hectic business schedules travelling to overseas destinations such as the Pacific Islands, Asia, Europe, North America and South America visiting their customers, suppliers and agents and may even tack on some leisure travel whilst they are away.

Claims can and do arise when travelling, and over the years we have managed many on behalf of our clients including cancelled flights and travel delays, medical expenses due to illness or injury, loss or stolen luggage, cash, credit cards and theft of travel documents.

Travellers may be surprised to learn that some travel insurance policies issued by groups like travel agents, on line service providers and credit cards may not be adequate for their needs. Therefore, we encourage readers to find out about the coverage available within their current travel insurance policies and one of the best ways to do that is by having a conversation with insurance advisers to ensure good quality travel insurance is in place. The time spent understanding the coverage on offer will be particularly valuable should a traveller be placed in the unfortunate position of having an incident giving rise to a claim whilst travelling.

We know that typical claims processes with traditional insurance companies can take many weeks to settle.

Given these slow claims experiences, Logical Insurance Brokers and FTA has partnered with TravelCard Travel Insurance to offer Corporate Travel Insurance.

Thankfully, TravelCard has transformed the travel insurance claims process to 3 simple steps (called Real-Time

assistance). TravelCard issue travellers with MasterCards at the time they take out a Travel Insurance policy. Travellers take the Mastercard with them on their holiday/trip. Should a claimable event occur, travellers simply contact TravelCard who top up the MasterCard with funds and travellers use the card to pay service providers at the time the expense is incurred. The process usually takes minutes. This revolutionary process means travellers avoid situations where they would otherwise find themselves significantly out of pocket for upfront expenses such as purchasing clothing and personal items when luggage goes missing, hospital and medical bills in an emergency or flight cancellations to name a few. The claims process avoids mountains of paperwork.

TravelCard also operates a 24/7 helpline which provides assistance to travellers in locating appropriate medical and other support appropriate for the circumstances (even English-speaking Doctors, where necessary). For example, TravelCard's Real-Time assistance means travellers who have delayed or missing luggage on arrival at their destination will have almost immediate access to funds to purchase necessary emergency items using the TravelCard by withdrawing cash at any ATM whilst still in the airport, thereby taking the stress out of the situation.

When an unexpected illness or injury arises, TravelCard's Real-Time assistance is there to help travellers arrange and pay medical bills whilst still travelling.

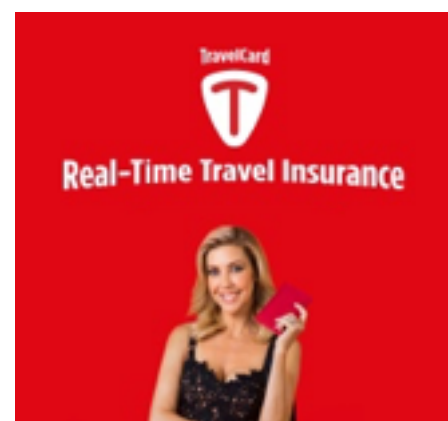
In another first, we have arranged with TravelCard to offer staff of FTA members Business Class for Employees Travel Insurance, which accesses corporate style benefits for staff leisure travel.

This also includes the real-time claims assistance program.

To find out more about Corporate Travel insurance refer to

www.logicalinsurance.com.au/corporate-travel

To find out more about Business Class for Employees Travel Insurance, refer to www.logicalinsurance.com.au/business-class-for-employees-travel-insurance/



About TravelCard

TravelCard as part of a global network with well over 1 million travel insurance card holders worldwide.

Disclaimer: The articles on page 28 and 29 are designed to provide helpful general guidance on some key issues relevant to this topic. It should not be relied on as legal advice. It does not cover everything that may be relevant to you and does not take into account your particular circumstances. It is only current as at the date of release. You must ensure that you seek appropriate professional advice in relation to this topic as well as to the currency, accuracy and relevance of this material for you.

