

## Euler Hermes welcomes Norwegian state support scheme

- **Landmark NOK 20bn support scheme agreed between government and private sector insurers**
- **Norwegian businesses will continue to benefit from extensive credit cover as economy emerges from lockdown**

**OSLO, 24 JUNE 2020** – Euler Hermes, the world leader in trade credit insurance, welcomes the Norwegian government’s agreement to support intercompany trade by guaranteeing transactions insured by trade credit insurers.

This state support scheme is the first of its kind in Norway and is the result of close co-operation between the Government, GIEK and private trade credit insurers. It enables the insurers to continue to provide extensive cover to their clients, and pursue their mission of securing B2B trade in the face of the unprecedented challenges to supply chains posed by Covid-19.

**John Justad, chief executive of Euler Hermes Norway, said;** “Through this landmark agreement the public and private sectors are joining forces to support business by maintaining liquidity and confidence in the intercompany trade credit market. This will help our customers through this difficult period, help them to remain competitive, and allow them to take every opportunity to restart trading with confidence as the Norwegian economy emerges from lockdown.”

The scheme will provide a NOK 20bn guarantee for trade credit insured transactions from 01 January 2020 until the end of this year. Trade credit insurers are making a significant contribution to the scheme; they will share a large proportion of their premiums with the state and commit to maintain extensive credit coverage to their clients. All Norwegian based businesses with a trade credit insurance policy are covered for both their domestic and export trade.

Trade credit insurance covers B2B companies against the risk of late or non-payment. The current crisis brings with it a significant increase in unpaid invoices and risk of non-payment due to the considerable deterioration of companies’ credit worthiness in Norway and around the world.

By allowing the insurers to maintain insurance cover, this scheme will shield credit-insured companies from these risks, which will substantially reduce the domino effect that payment defaults can create across the supply chain. It will also ensure that a number of buyers which experience temporary difficulties due to Covid-19 do not face an additional strain from reduction in supplier credit available to them.

John Justad added: “The shared commitment from credit insurers and the public sector helps to minimise the impact when trading and maintain liquidity and trust across the supply chain. Credit insurance is a vital tool that allows companies to trade with each other in confidence. This scheme will undoubtedly have a positive impact on the Norwegian economy and save companies from insolvency.”

Euler Hermes introduced several measures at the end of March to support its clients, such as a longer payment period for insurance premiums and extending the claim notification period.

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