

Pull out your current policy and check the box next to any coverage you can confirm is already in place — anything unchecked is worth a quick conversation with your advisor. Coverage checklist for any business that sells on credit terms and wants to protect its accounts receivable. Priorities reflect typical exposure; confirm against your actual customers, terms, and financing.

COREPREVALENTSITUATIONAL

— Core: almost always needed · Prevalent: commonly carried by businesses in this class · Situational: depends on specific exposure

COVERAGE	WHY THIS BUSINESS NEEDS IT	PRIORITY
☐ Trade Credit Insurance (Whole Turnover or Key Account)	Pays when a customer goes bankrupt or doesn't pay — property and liability policies never cover unpaid invoices.	CORE
☐ Insolvency Coverage	Covers buyers that file bankruptcy, go into receivership, or close owing you money.	CORE
☐ Protracted Default Coverage	Covers buyers that simply stop paying past the policy's waiting period, without a formal bankruptcy.	CORE
☐ Credit Limits on Top Customers	Not a policy you buy — confirm the insurer has approved limits that match what your largest buyers owe.	CORE
☐ Export / Political Risk Coverage	Covers foreign buyers and losses from currency controls, war, or government action.	PREVALENT
☐ Lender Loss Payee Endorsement	Assigns claim proceeds to your bank so receivables qualify for better financing.	PREVALENT
☐ Pre-Delivery / Work-in-Progress Cover	Covers costs on custom orders when a buyer fails before shipment.	SITUATIONAL
☐ Preference Payment Coverage	Covers payments a bankruptcy trustee forces you to return — often excluded unless added.	SITUATIONAL
☐ Collections Services	Insurer-provided collection on past-due accounts, often required before a claim.	SITUATIONAL
☐ Crime / Social Engineering	Covers payments diverted by fake buyer or vendor instructions — not covered by credit insurance.	SITUATIONAL
☐ Business Income (Dependent Customer)	Covers income lost when a major customer's plant shuts down after a physical loss.	SITUATIONAL
☐ Directors & Officers	Covers management for lender or investor claims after a large bad debt.	SITUATIONAL

COMMON COVERAGE GAP FOR THIS CLASS

The gap most often missed with trade credit insurance is assuming every customer is covered. Insurers approve a credit limit for each buyer, and an invoice above that limit, or to a buyer the insurer declined or later reduced, is not covered. Policies also require you to report past-due accounts within set deadlines and to stop shipping, and missing either can void the claim. With U.S. bankruptcies at their highest since 2010, review approved limits against your largest balances every month, and calendar the policy's overdue reporting deadlines.

IMPORTANT — PLEASE READ

This checklist is a free educational tool from Cory Washington & Co. to help you review your own coverage and have a more informed conversation with a licensed insurance professional. It is general information only — not insurance, legal, or financial advice, and not a recommendation to buy, change, or cancel any policy. The Core / Prevalent / Situational labels describe general patterns observed for this class of business — what is commonly carried, not a personalized recommendation or needs analysis for your specific operations. Coverage terms, availability, limits, and requirements vary by policy, carrier, and state, and only the language in your actual policy governs what is and isn't covered. Checking or leaving blank any item above does not indicate that you are adequately insured or under-insured. Using this checklist does not create a client, agency, or fiduciary relationship. Always consult a licensed professional about your specific situation.