

Talking Trade with Bruce Glaub, Trade Acceptance Group

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In the latest episode of “Talking Trade,” Trade Acceptance Group Principal Bruce Glaub underlines the importance of export credit insurance.

If an exporter isn’t paid by a client, the insurer will pay out a percentage of that unpaid amount, Glaub explained. That’s useful at the international level because exporters have fewer options for recouping their losses from outside the country, he said.

“Rather than what you do in the U.S., using the law maybe as your heavy hand, internationally, it’s great to use trade credit insurance,” he said. “That gives you the ‘stick,’ per say, if you need to collect from someone.”

Glaub also noted this type of policy can help exporters offer longer payment terms to their customers amid the ongoing supply chain delays. He said that’s helpful for customers, as they’re more likely to have received the shipment by the time the payment is due.

“The way it helps you, is you now have a longer term but it’s a protected term,” he said. “You have that guaranteed payment. So you know that, ‘Okay, I’m not going to get paid in 30 days but I’m definitely going to get paid in 90. And if I don’t, I have this insurance policy that’s going to pay me if something catastrophic happens.”

He added those longer terms will likely be shortened in time as supply chains continue to untangle.