



## **NCI** – Strengthening the steel institute together!

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By Kirk Cheesman and James Thornberry





# Who are NCI?

1. A specialist trade credit insurance broker, offering **only** trade credit insurance and credit risk management solutions – incorporated 1985
2. We have 3,500+ clients
3. Owned by Steadfast Group
4. Located in:
  - Australia
  - New Zealand
  - Singapore
  - Malaysia





# NCI Solutions

- From start to finish
- Online credit application to commercial collections
- Total insured turnover: \$77Bn



## TRADE CREDIT SOLUTIONS - UNDER ONE ROOF



**CREDENTIAL**



**INFORMATION  
& REPORTS**



**CREDIT RISK  
MANAGEMENT**



**TRADE CREDIT  
INSURANCE**



**PREMIUM  
FUNDING**



**TOP-UP**



**RADAR**



**PPSR**



**COVERGAP**



**SPECIALTY  
RISKS**



**SURETY  
BONDS**

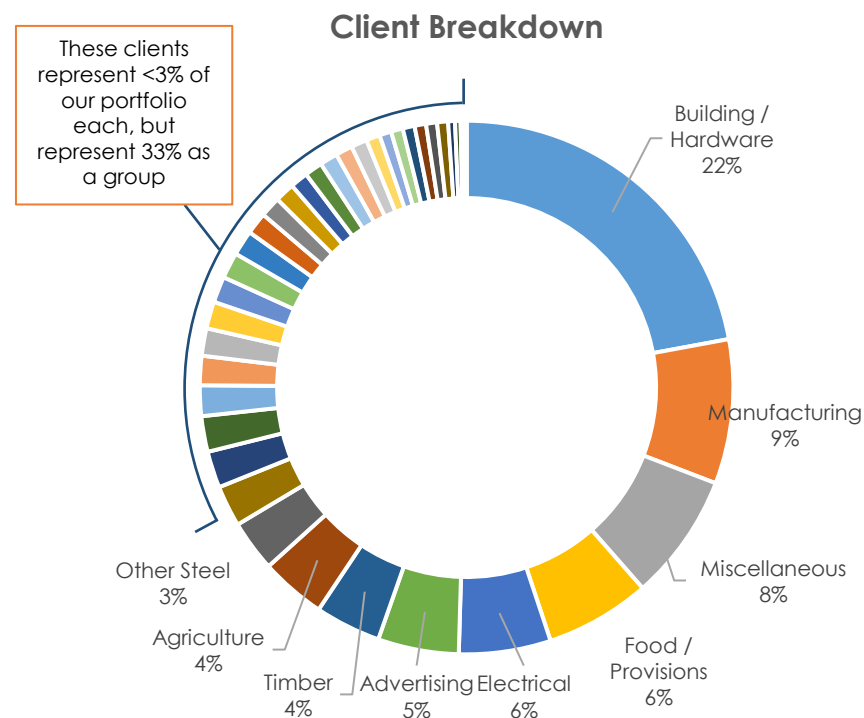


**COMMERCIAL  
COLLECTIONS**



## A typical client

1. Trades on credit terms
2. Turnover >\$2m
3. Specific industries
4. Where do claims occur?



## NCI limits in the Steel sector

NUMBER  
OF LIMITS

36,653

TOTAL VALUE  
OF LIMITS **\$1.97Bn**





## The benefits of credit insurance

BENEFITS



- **Preserves profit**, strengthens balance sheet & lowers risk of financial loss.
- **Strengthens credit management** with additional data and coverage.
- **Protects liquidity & cashflow** through claim payments.
- **Increases profit**, enables you to offer competitive terms of payment. Grow sales.
- **Adds security** & enhances financing.

# What does it cost?

## Elements...

- Level of **insurable turnover** (credit sales)
- **Cover** level (85% - 95%)
- Excess / **Retention level**
- Bad debt **history**
- Size of **Credit Limit Exposures** required
- Terms of Payment (30 days – 90 days)
- Industry of trade - sectors
- 0.05% - 0.6% of annual credit sales





## Claim example – the emoji effect



**\$100,000  
Bad Debt**

Bad Debt	\$100,000
- GST	(\$9,090.91)
- Excess	(\$5,000)
Sub total	\$85,909.09
90%	
<b>Claim Payment</b>	<b>\$77,318</b>



**\$77,318  
Claim Payment**

- What would you prefer to write off?????
- Could a Trade Credit Insurance policy assist in reducing Bad Debt provisions? Expected credit losses?

**At a 10% profit margin,  
you would have to sell  
\$1,000,000 worth of  
goods to recoup the  
initial loss!**



# Who are the insurers and what is happening right now?

1. Insurer appetite?
2. The past 18-months
3. What is the outlook for the next 6 months?
4. Are the insurers the only option for mitigating trade credit risk?







## Other measures to reduce financial loss

- ▶ Trade Credit Insurance is the ultimate protection, but...
- ▶ There are other ways to reduce your members' risk
- ▶ **Know who your clients are dealing with**, use an external provider to verify and confirm entity details.
- ▶ **Get early alerts**. Find out when a customer looks like they might fail.
- ▶ **Use unique data to make better decisions**, leverage key suppliers in the market to stay informed.
- ▶ **Increase security**, register goods on the PPSR to rank as a secured creditor.
- ▶ **Onboarding**, efficiently and correctly

# ASI Member Case Studies



AUSTRALIAN STEEL INSTITUTE



## ASI Member 1:

- ▶ Member 1 has been a client of NCI's since 2011
- ▶ During this time their turnover has grown by **118%**
- ▶ TCI has enabled them to take on more customers, their limits have increased by **540%**
- ▶ Meanwhile, their insurer has paid over **\$120,000** in claims and their average premium has been just **\$32,000**

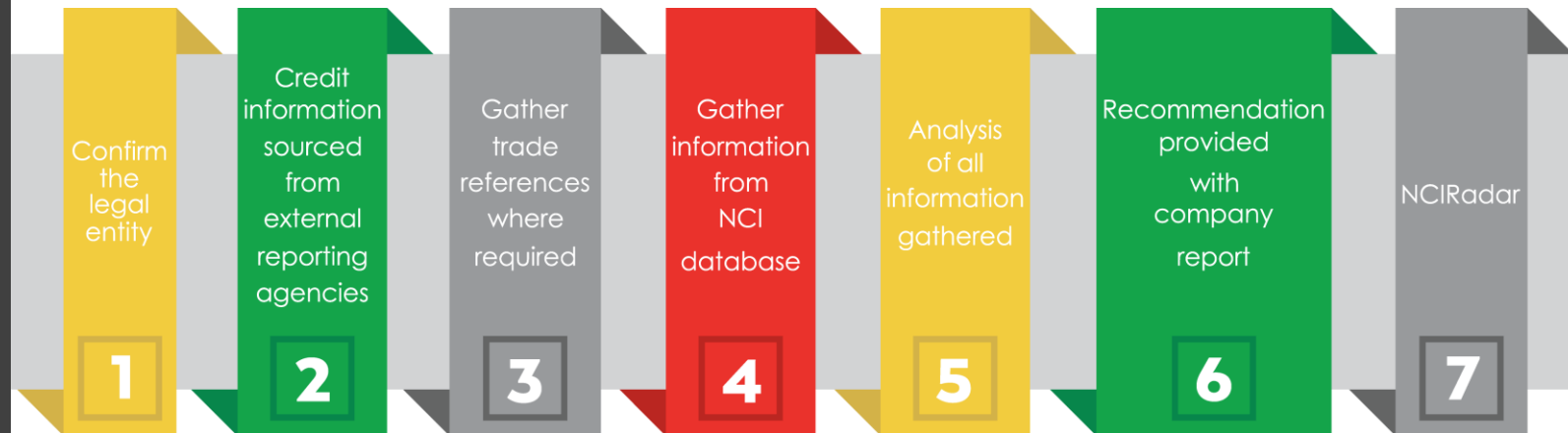
## ASI Member 2:

- ▶ Member 2 has been a client of NCI's since 2015
- ▶ During this time their turnover has grown by **104%**
- ▶ Even though their turnover has more than doubled, their premium rate has reduced by **0.07%**
- ▶ Unlike member 1, member 2's limits have only increased by **14%**, however, they have been able to successfully grow these accounts – with peace of mind!

**TCI = Growth & Peace of mind!**



# NCI Risk Assessment







# PPSR Offering

- PPSR reviews and advice
- PPSR template
- In-house PPSR expert
- All registered via NCILink



- We can conduct a **debtor wash**



- Have access to our **compliance partners**



- Use our direct link to the **PPSR register**



- We can act as your **PPSR partner**

# Customer monitoring

## Unique data to NCI:

- Repayment arrangements / plans
- Underwriter information
- Industry specific knowledge
- Court and ASIC actions
- Information from Commercial Collection actions
- Insurer decisions on over 150,000 companies



# Pindan Group

- ▶ We had 59 clients trading with Pindan Group
- ▶ Over \$2m in claims lodged
- ▶ Multiple sources of information on the entity prior to the administrator being appointed

# PINDAN

## ALWAYS GET PAID. FIND OUT HOW 59 BUSINESSES MADE SURE THEY WOULD.

### \$80m owed to creditors in 2021's most high profile insolvency

Pindan Group Pty Ltd was made up of 11 entities and entered external administration in May 2021, owing \$80m to creditors. Businesses who ceased trading with the company before their demise may well have saved themselves from financial loss. **But, how would they have known?** NCI had 59 clients trading with Pindan, leading up to their collapse.

There were many warning signs that our clients received. For example, we had historical overdue reports dating back to 2018, with the most recent in May 2021. The total of overdue debts added up to over \$960,000 - a clear warning sign this business was in distress. In addition to this, we were helping our client's cash flow by collecting money they were owed by Pindan through our commercial collections team, meaning other clients would have been alerted to this adverse.

**The information held on Pindan Group was exclusive to NCI and it was additional to information in the public domain that was also made available.**

*NCI's involvement with our clients doesn't stop once an insolvency occurs. We are now working with clients that had a direct exposure to Pindan to ensure claims are paid in respect to potential Preference Payments, Retentions and of course, trade credit insurance.*



Winding Up  
Hearings

2



NCI Collection  
Actions

2



Court  
Actions

5



Overdues  
Reported

966k

### Businesses related to the Pindan collapse:

- Pindan Group Pty Ltd
- Pindan Contracting Pty Ltd
- Pindan Capital Pty Ltd
- Pindan Capital Investments Pty Ltd
- Pindan Constructions Pty Ltd
- Pindan Projects WA Pty Ltd
- Pindan Homes Pty Ltd
- Pindan Construction (NSW) Pty Ltd
- Pindan Developments Pty Ltd
- Pindan Realty Pty Ltd
- Moselle Holdings Pty Ltd





# ASI MEMBER?

A close-up photograph of a person's hand resting on a wooden bar chart. The hand is positioned over the bars, with fingers slightly spread. The bar chart consists of several vertical wooden blocks of varying heights, arranged in a descending sequence from left to right. In the background, a staircase-like structure made of similar wooden blocks is visible, receding into the distance. The overall scene is set against a light, neutral background, suggesting a professional or business context.

**Contact us for a free assessment of your top 10  
customers! Email [info@nci.com.au](mailto:info@nci.com.au)**

# Thank you – Questions?

## Contact us:

- [www.nci.com.au](http://www.nci.com.au)
- [info@nci.com.au](mailto:info@nci.com.au)
- 1800 654 500



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|--|--|
| ➤ Kirk Cheesman  | ➤ James Thornberry   |
| ➤ Mobile: 0419 865 313   | ➤ Mobile: 0412 413 188   |
| ➤ <a href="mailto:Kirk.cheesman@nci.com.au">Kirk.cheesman@nci.com.au</a> | ➤ <a href="mailto:James.thornberry@nci.com.au">James.thornberry@nci.com.au</a> |

