

Who's at the back of the queue when a customer goes bust?

You, probably.

Never had a customer go into administration or call in the receivers?

You may not know there's a strict pecking order about who gets paid when the assets are sold. And as a supplier or contractor you're pretty close to the back of that long and winding queue.

Who gets paid first?



1

Insolvency practitioners

They'll get their professional fees in full for managing the liquidation. They don't come cheap either. And if that leaves precious little in the kitty for any other creditors...Tough!



2

Banks and other secured creditors

When financial institutions lent money to the collapsed company they got security in return. So they get first dibs at whatever's left.



3

Employees

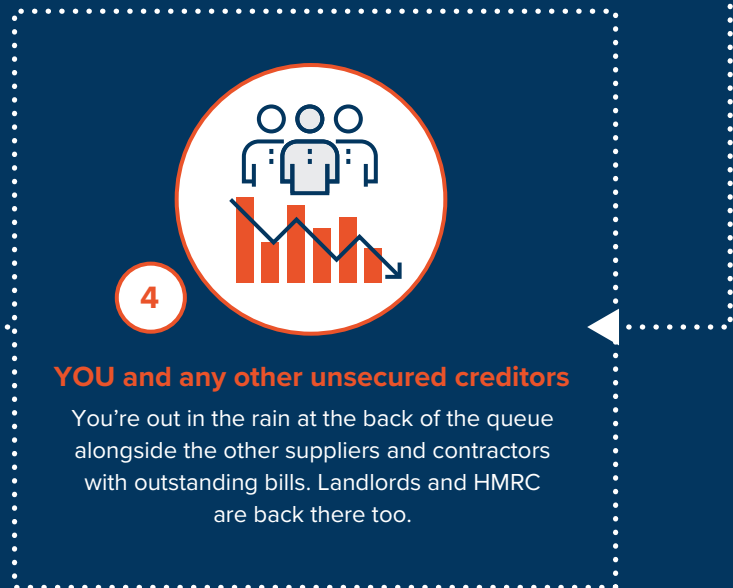
The law puts the company's employees (AKA preferential creditors) next in line – although their claims have a limit, so they rarely get everything they're owed.



5

And finally, the shareholders

They'll get whatever barrel scrapings are left. In fact they get nothing unless all the other creditors have been paid in full.



4

YOU and any other unsecured creditors

You're out in the rain at the back of the queue alongside the other suppliers and contractors with outstanding bills. Landlords and HMRC are back there too.

Now you know why it pays to "Coface it first"

- With the right credit insurance in place, you know you'll be paid if a customer goes bust
- Coface business intelligence can also help you to avoid dealing with vulnerable companies in the first place
- And you can "know more, grow more" – credit insurance helps you to drive better deals and negotiate better terms
- It's all about avoiding that scary "back of the queue" feeling