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Exclusive: Germany, credit insurers agree plan to keep trade flowing - sources

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MUNICH/BERLIN (Reuters) - The German government and the country's credit insurance industry have agreed to help to maintain insurance cover for trade despite economic hardship related to the coronavirus outbreak, three people with knowledge of the plan said on Wednesday.

Under the plan, the government would guarantee up to 30 billion euros (\$32.8 billion) for the commercial credit insurance industry, the sources said.

In return, the credit insurers are committing to maintain or even extend their coverage and to pay two-thirds of their premiums to the government this year. The credit insurers, along with the government, would also absorb the first 500 million euros in losses.

Credit insurance helps to ensure the smooth flow of trade in goods at home and abroad, especially in the retail sector, protecting suppliers against the risk that customers cannot pay.

Germany's biggest trade credit insurer Allianz-owned Euler Hermes ([ALVG.DE](#)) declined to comment, as did the GDV insurance lobby, the Finance Ministry and the Economics Ministry.

The EU Commission is yet to approve the aid programme. It is expected in the next few days, one source said.

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