

CASE STUDY

Unlocking the Full Value of Discretionary Credit Limits

Executive Snapshot

- Supported limit increased from \$50K to \$500K
- No changes to policy, insurer, or DCL authority
- Human-led analysis uncovered deeper financial insight
- More projected sales brought within insured coverage
- Better information enabled stronger discretionary decisions



→ Situation

A ProfitGuard client extending trade credit under an existing Discretionary Credit Limit was constrained by third-party credit data. Public-domain information and automated bureau reporting showed no adverse credit indicators, but limited financial transparency capped the buyer's supported limit at approximately \$50,000. Projected sales well exceeded this amount, leaving a meaningful portion of revenue outside coverage.

→ Constraint

The challenge was not credit risk, policy structure, or insurer appetite. It was information quality. Without analyst-developed financial insight, the client's DCL authority could not be exercised to its full potential, despite favorable credit characteristics.



→ PG Credit Assessment

ProfitGuard conducted a human analyst-led credit review designed specifically to support discretionary credit decisions. PG analysts engaged directly with the buyer to obtain confidential financial information unavailable through bureau-only sources. This analysis evaluated operating performance, liquidity, leverage, and repayment capacity using professional judgment rather than algorithmic limits.

→ Insight Shared with the Client

Using PG's credit report, the client supported a materially higher discretionary limit under the same policy terms and authority. For the same underlying credit risk, the supported limit increased from approximately \$50,000 to \$500,000, bringing all projected sales within insured coverage. No changes were made to the buyer relationship, insurer, or policy structure.

“ ProfitGuard equips credit teams with the strongest possible support for discretionary decisions.

→ Why This Matters for DCL Users

Discretionary Credit Limits are designed to provide flexibility, but are often underutilized when insureds rely on automated reports or historical trade experience alone. This is especially relevant in environments requiring periodic DCL refreshes, where bureau-driven reviews can unintentionally reduce effective limits. ProfitGuard equips credit teams with the strongest possible support for discretionary decisions, helping maximize insured revenue while preserving sound credit discipline.

→ What Changed With Better Credit Information

- The credit risk profile of the buyer did not change.
- The policy, insurer, and discretionary authority remained the same.
- The only change was the depth and quality of credit information supporting the decision.
- Human analyst engagement unlocked financial insight automated tools could not capture.

→ How PG Fits Into a Strong DCL Workflow

- Analyst-led reviews strengthen both initial DCL qualification and annual refreshes.
- Direct financial engagement supports higher limits with defensible documentation.
- Credit teams retain full authority while improving consistency across discretionary decisions.
- Better-qualified limits translate directly into higher insured revenue.

