

Abstract Diploma thesis covers the field of risk management that companies need to deal with when trading on open account. Basis for this research is the question, whether credit risk management positively influences health of a company and whether credit insurance is effective tool when protecting against credit risk. The subject is firstly discussed in the context of current economic crisis and its impact on entrepreneurial environment, companies' payment behaviour and the volume of insolvencies. Further there are characterized types of credit risk, outlined risk management methods and compared selected instruments used for credit risk protection. Attention is devoted particularly to trade credit insurance. Finally effectiveness and actual usefulness of credit insurance is evaluated on selected models and a case study. Presented case study demonstrates a real life insurance contract and quantifies the cost saving resulting from risk protection through trade credit insurance. Keywords: economic crisis, payment behaviour, insolvency, risk management, trade credit insurance