



Marsh Specialty

Protecting valuable products: Stock throughput



The transfer of materials and goods through supply chains has never been more fragile. The disruptions over the last few years from geopolitical conflicts, trade tariffs, labor shortages, and the pandemic's turbulence have exposed the profound interdependencies and inherent vulnerabilities in globalized supply chains. This has driven costs higher for moving goods and products from origin to final destination by any means of transportation.

Our cargo and logistics teams give you greater risk understanding and visibility of your cargo interests at a time when traditional insurance is evolving to meet the demands of the digital age. We can provide you with the right insurance protection at the right time and at the right place, utilizing the latest technologies that cover the entire supply chain when goods and products are static, including while under process, or on the move in this dynamic environment. We understand the impacts from geographical, political, environmental, and technological sources, and believe in fully customized innovative solutions tailored to your operations.

Stock throughput policy

A stock throughput policy (STP) is a marine cargo policy extended to insure a company's inventory as well as flow of goods from a manufacturing location to its final destination, whether at a place of storage or a retail store.

STPs integrate deliveries of raw material through all stages of transit and storage to final delivery of the finished products at the retail store or at your doorstep, without any interruption of cover.



Purchasing an STP, rather than a separate transit and storage or property policy, can provide more seamless coverage of goods, as well as more control of inventory risks throughout the entire supply chain, from the supplier or point of origin through to the goods' final destination.

BENEFITS OF STP

Protection

Insurance under a single STP agreement is designed to cover all raw materials, other stocks, and "finished" products or commodities, whether in transit, storage, or otherwise.

Limits

Limits apply to all perils on a "per-location" basis, allowing for a relatively low limit to provide a significant amount of property coverage. Similar to traditional property placements, major catastrophic perils such as flood, windstorm, and earthquake are typically subject to separate annual aggregate sublimits. However, aggregate catastrophe (CAT) limits may be tailored to include separate limits for the three major perils of earthquake, windstorm, and flood, or may be extended to include additional aggregate limits as needed or desired.

Deductibles

Lower nominal flat dollar deductibles, rather than percentage deductibles, are often achievable in an STP.

Coverage

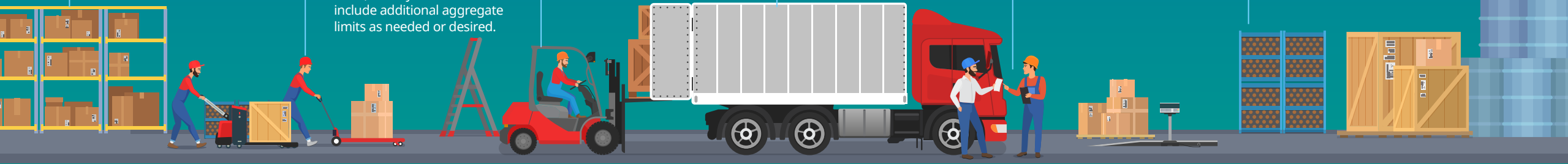
Coverage is designed to allow for consistent insuring conditions and a flexible approach to self-insured retention.

Flexibility

The marine cargo insurance market is known for its ability to manuscript wording without significant barriers, thus allowing some of the more complex or less standard risks to be incorporated into the already broad cargo policy form.

Premium

A single rate is often applied to sales to create a simplified program from cradle to grave.



INVENTORY PROTECTION

By insuring your product inventory under an STP, you have access to broader coverage, flexible (including selling price) valuation, easier claims reporting, and quicker claims settlement in comparison to a standard property policy, while being able to meet your contractual obligations for inventory processing and storage.

Through a typical STP, you will have coverage for:



Damage due to loss of refrigeration.



A separate limit for extra expense.



Damage due to earthquake, windstorm, or flood.



RETAIN CONTROL OVER DAMAGED PRODUCT

With an STP, you will have coverage for the full right to control over what happens to your product after it sustains damage. In addition, the policy is designed to enable you to prevent any product deemed by you to be unfit for use to be sold or otherwise disposed of except by you or with your consent. This protects both your brand and your reputation.

It also allows for the following enhancement: If a government authority rejects a partially damaged product, resulting in a total loss to you, the total loss would be covered.



ENHANCED PROTECTION – PERISHABLES

Under an STP, coverage for shipments of perishables is expanded and broadened from a standard cargo policy to include losses due to:

- Delay
- Decay
- Deterioration
- Spoilage

An STP also allows for the following enhancements:

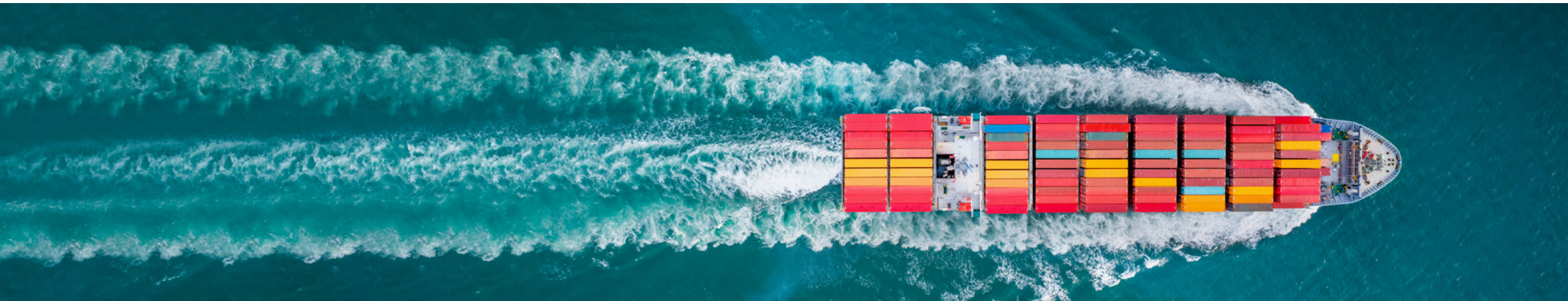
- There is no time deductible, which is usually required when shipping perishables.
- Any delay due to government inspection of damaged product would be typically covered.

ALTERNATIVE RISK TRANSFER

Having established an STP, you can gain further benefits on your transit and storage risk approach through alternative risk transfer solutions such as captive insurance. A captive is an alternative way to finance part of your risk while gaining greater financial flexibility and protection as you concurrently embed your STP program within your overall risk management approach.

We can help your organization create a captive program that aligns with your strategic and financial goals. By combining our expertise with industry-leading analytics, we will assess your needs, make recommendations, and quantify the advantages that captive insurance can offer your organization today and in the future.

One-in-four captives worldwide are managed by Marsh. More captive owners choose us than any other captive manager — so you can be confident that you have the experience, expertise, and resources needed to manage risk on your own terms and maximize your captive's performance.



OUR EXPERTISE

A comprehensive approach to risk management is essential for organizations to ensure they are prepared for a continuously evolving maritime sector.

With our broad range of cargo and logistics expertise, our team of advisors at Marsh will work with your company to minimize your risk exposures and navigate business-related challenges through our innovative application of data, analytics, and benchmarking.

With our specialist STP team, you not only gain an in-depth understanding of your existing risk profile and potential gaps, but also can establish a plan for emerging challenges in your industry. And, in the event you need to pursue third parties in recourse of insured (subrogated) or uninsured (recovery) losses, our team is here to help.



For further information, please contact our marine cargo specialists at a local Marsh office or visit our website at [marsh.ca](https://www.marsh.ca).





About Marsh

Marsh is the world's leading insurance broker and risk advisor. With around 45,000 colleagues operating in 130 countries, Marsh serves commercial and individual clients with data-driven risk solutions and advisory services. Marsh is a business of [Marsh McLennan](#) (NYSE: MMC), the world's leading professional services firm in the areas of risk, strategy and people. With annual revenue nearly \$20 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses: [Marsh](#), [Guy Carpenter](#), [Mercer](#) and [Oliver Wyman](#). For more information, visit [marsh.com](#), follow us on [LinkedIn](#) and [Twitter](#) or subscribe to [BRINK](#).

Marsh is a business of Marsh McLennan.

This document and any recommendations, analysis, or advice provided by Marsh (collectively, the "Marsh Analysis") are not intended to be taken as advice regarding any individual situation and should not be relied upon as such. This document contains proprietary, confidential information of Marsh and may not be shared with any third party, including other insurance producers, without Marsh's prior written consent. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, accounting, tax, or legal advice, for which you should consult your own professional advisors. Any modelling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Except as may be set forth in an agreement between you and Marsh, Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party with regard to the Marsh Analysis or to any services provided by a third party to you or Marsh. Marsh makes no representation or warranty concerning the application of policy wordings or the financial condition or solvency of insurers or re-insurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage.