

Introducing an expert  
that is proficient in  
providing both cargo  
*and* cargo insurance  
solutions.



UPS Capital®





Cargo insurance from a logistics company? Now that makes sense.

## 52 containers

are lost or damaged at sea each week<sup>1</sup>

## 156 daily cargo thefts

estimated within the European Union<sup>2</sup>

Your supply chain is critical to your business; it may also be complicated and global, involving multiple carriers using several different modes of transport. And crossing borders, using different languages, currencies and laws.

There are risks every step of the way. Smart businesses need to actively manage that risk, making sure they are prepared for the unexpected. Today, more and more businesses are turning to a supply chain expert to provide insurance solutions for their shipments — UPS Capital®, an affiliate of UPS®.

**Because we are logistics experts, we bring a world of supply chain expertise to protecting your goods against loss, damage or theft.**

You have probably never thought of looking to a UPS company for insurance advice. But when you think about it, getting cargo insurance solutions from a global logistics expert makes all the sense in the world.

As one of the world's largest and most experienced transportation and logistics companies, UPS knows all about moving goods. We do it for millions of companies

around the world. And every day, UPS Capital puts that knowledge and expertise to work for businesses like yours. To mitigate risk and provide peace of mind.

Brokers and general insurance companies that offer a broad range of business insurance coverage may not have this same level of expertise in transportation and logistics.

***Is your existing insurance sufficient to cover a major loss?***

*Today more than ever, it is important to understand the coverage on your shipments. Many businesses believe they have adequate coverage for their in-transit goods. Upon closer inspection, however, their existing coverage may be far below what is needed. Let our supply chain experts examine your policies. We may be able to show you a better, more efficient way to get the coverage you need.*





60.7% of reported incidents  
involved theft from a vehicle<sup>3</sup>

#### Solutions tailored specifically to meet *your* needs.

Every supply chain is unique. That is why the insurance professionals at UPS Capital work closely with you to fully understand your specific needs and unique level of risk. Then we customise insurance and risk mitigation solutions exclusively for the way you do business. UPS Capital seeks to provide you with the coverage you need at a competitive rate instead of a one-size-fits all solution.

Because we're experts in transporting goods, we can better help protect your business from loss, damage or theft. But if a claim event does occur, we pride ourselves on providing a quick and efficient service, designed to help protect your cash flow.

***Don't assume carrier liability has you covered.*** Carrier liability is designed primarily to protect the carrier, not you. Generally, you must prove the carrier is at fault before a claim will be paid. Coverage limits can vary by goods, mode of transport and carrier. And even when the carrier is at fault, you may not recover the full amount of your claim, no matter how much you declare. It is not that carrier liability is bad insurance. It is not insurance at all.



The coverage you need; no matter what carrier you use.

UPS Capital offers a wide range of customised cargo insurance solutions, which may include benefits such as:

- Customised sums insured
- Multi-modal protection against loss or damage, regardless of carrier
- An open annual policy so you can budget for the expense
- An experienced, dedicated staff that works exclusively with cargo insurance
- Fast claims processing and a simplified claims form that specifies the information needed in the event of an incident

#### Available coverage includes:

- Concealed damage to goods when there is no visible evidence of damage to packaging
- Expediting expenses for rush orders to replace lost or damaged goods
- General average contributions
- Coverage of transportation risks regardless of who is bearing the risk
- Consequential cargo losses
- Costs of customs fees including duties and taxes
- Coverage for unique situations such as tradeshow, exhibitions and fairs
- And more

# Will you be ready if something happens to your company's cargo?

TAKE OUR QUIZ TO FIND OUT

According to a recent survey, 70% of global organisations reported at least one supply chain incident that caused a significant disruption in the previous 12 months. 34% of these respondents reported cumulative losses of at least 1 million Euros. Yet almost half of these organisations don't insure supply chain losses at all.<sup>1</sup>

Take this quick self-evaluation quiz to help assess your supply chain risk and risk management processes.\*

Answer the following questions  
using the following scale:

1 = Minimal

2 = Average

3 = Comprehensive

- 1 How well do you understand the amount of new sales you would need to generate in order to make up for a loss?

**Loss Impact Calculation:**

Using your margin and average value, calculate the amount of new sales your company would need to generate in order to make up for a loss.

$$\frac{(\text{AMOUNT OF LOSS}) \times 100}{\text{MARGIN}}$$

**Example: A £30,000 loss at 5% profit margin would equal £600,000 of new sales needed.**

- 2 What is your level of knowledge regarding Incoterms, the level of liability at each stage of your global supply chain and the point at which risk transfer takes place?

- 3 How thorough is your organisation's understanding of your current goods-in-transit coverage? (liability limits, deductible, coverage for general average loss, modes of transportation covered, etc.)

- 4 As a supply chain / finance professional, what is your level of involvement in the selection of protection against loss, damage or theft for your shipments?

- 5 How much knowledge do you have regarding the limits of your carrier's liability versus the value of your shipments?

- 6 How robust is your action plan to avoid loss, theft and damage (including packaging)?

- 7 How well do you know your suppliers and their supply chain disruption contingency plans?

- 8 How complete is your documented loss and damage, and claims recovery history?

- 9 What is your level of involvement in regard to monitoring and managing risk strategies of your logistics provider?

- 10 How extensively do you partner with an insurance professional specialising in marine cargo to select the right coverage for your global and domestic shipments?



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<sup>1</sup>Business Continuity Institute and Zurich Insurance Group Ltd. "Business Continuity Institute Supply Chain Resilience Report 2016", pages 2-3. Available at: <http://www.thebci.org/index.php/bci-supply-chain-resilience-report-2016> (accessed on May 30, 2017).

\* This self-assessment tool is designed for educational purposes only and is not intended to provide advice of any kind.

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## How did you do?

### 10–15 points

Your process can definitely be improved. You should benchmark best-in-class, and partner with a supply chain risk expert to develop a multi-year plan, which often includes insurance designed for supply chain disruption protection.

### 16–23 points

You have an adequate process, and are in a solid position on which to build. You now need a multi-year plan to improve your risk management process. Partner with a supply chain risk management expert in the insurance field.

### 24–27 points

You have a good to excellent supply chain risk management process for your cargo shipments. Build on your strengths, but honestly assess and address your weaknesses, continuously.

### 28–30 points

You have an outstanding process for managing cargo risk. To make sure you keep it that way, make every effort to stay up-to-date on the latest developments in the marketplace. The bar is being raised every day. Find the expertise you need to keep challenging yourself and continuing to excel in your risk management practices.



## There's a better way. Take action today. Call UPS Capital.

Whether you are just starting out on the journey to transform your supply chain or are part of a world-class supply chain process, the risk mitigation experts at UPS Capital can help.



**UPS Capital®**

**Contact +44 (0)20 7949 0144** to talk to a member of our team. Together, we can structure a cargo insurance policy designed especially for your needs. [upscapital.com](https://www.upscapital.com)



### Get insurance advice from a company with real supply chain expertise.

You can roll the dice with standard carrier liability or with a cargo insurance policy from a company that has little experience with supply chains. Or you can let the insurance solutions specialists at UPS Capital analyse your business and recommend a cargo insurance policy that meets your needs — based on our extensive knowledge of both cargo and insurance.

For additional information or to purchase a cargo insurance policy, please contact us at +44 (0)20 7949 0144 or email [riskolutionsuk@ups.com](mailto:riskolutionsuk@ups.com)



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<sup>1</sup>World Shipping Council - Survey Results for Containers Lost at Sea - 2014 Update. Available at: [http://www.worldshipping.org/industry-issues/safety/containers\\_lost\\_at\\_sea\\_-\\_2014\\_update\\_final\\_for\\_dist.pdf](http://www.worldshipping.org/industry-issues/safety/containers_lost_at_sea_-_2014_update_final_for_dist.pdf) (accessed on May 30, 2017).

<sup>2</sup>Zurich Insurance Group Ltd., "Risk Topics Cargo Theft in Europe", July 2015, page 1. Available at: [http://www.zurichservices.com/zsc/reel.nsf/dfc6d9e7d99d318848257a56001ad239/cfeb6e5bc21e2451c1257d7a0030a6af/\\$FILE/rt\\_CargoTheft\\_Europe.pdf](http://www.zurichservices.com/zsc/reel.nsf/dfc6d9e7d99d318848257a56001ad239/cfeb6e5bc21e2451c1257d7a0030a6af/$FILE/rt_CargoTheft_Europe.pdf)

<sup>3</sup>Transported Asset Protection Association. "Recorded Cargo Crimes in EMEA - 2016" Vigilant (February 2017), page 3. Available at: [https://www.tapaemea.org/fileadmin/public/downloads/vigilant/2017/TAPA\\_EMEA\\_-\\_Vigilant\\_e-Magazine\\_-\\_February\\_2017.pdf](https://www.tapaemea.org/fileadmin/public/downloads/vigilant/2017/TAPA_EMEA_-_Vigilant_e-Magazine_-_February_2017.pdf) (accessed on May 30, 2017).

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