

## METALS

### THE PRODUCT

United Insurance Brokers Ltd have negotiated an extensive wording that has been written specifically for the insurance of metals/steel and steel related products.

Coverage granted by our first class markets is available on a full Stock Throughput basis and provides protection against all risks of physical loss of or damage to the subject matter insured with the following coverage extensions:

- (A) All protected/packaged goods and/or merchandise, such as galvanized steel sheet in coil, and/or hot dipped galvalume, pipes and tubing wrapped in waterproof paper, are insured:

Against all risks of physical loss or damage from any external cause whatsoever, and including rust, oxidation and/or discolouration howsoever caused and/or arising, excepting those risks that may be excluded by the F.C. & S. warranty S.R. & C.C. warranty and/or other warranties or exclusions specified in this policy, unless covered elsewhere herein, irrespective of percentage.

- (B) All unprotected goods and/or merchandise including hot rolled steel in coils are insured:

Against all risks of physical loss or damage from any external cause; (excepting risks excluded by the F.C. & S., S.R. & C.C. warranties unless covered elsewhere herein), excluding rust, oxidation, and discoloration unless caused by contact with seawater or contact with other cargoes or the result of a F.P.A. peril, irrespective of percentage. Excluding atmospheric rust.

Coverage can also be extended in particular circumstances to include the following clause:

### Bundled Shipments

Underwriters hereon are also to pay for shortage, meaning the difference between the number of items loaded/bundled or alleged to have been loaded/bundled as per the shipper's invoice or packing list or any other accepted document of the Insured's trade and/or business, and the number of items delivered to the consignee or their agent wheresoever and whensoever occurring, notwithstanding that the bundle arrived intact.



Coverage for twisting and bending and "end-damage" is on application.

### THE DIFFERENTIATORS

This is very wide, industry specific coverage offered by very few markets around the world.

Most markets are generally limited by their treaty capacity to coverage that is much more restrictive than our form and do not offer coverage for rust, oxidation and discolouration. We offer it on two levels.

Coverage is provided on an intelligent level that reflects the risk exposures faced by the insured:

Slabs, bars and the like are insured on narrower, but appropriate, levels of coverage which naturally are less expensive to purchase.

More "damage" susceptible product is granted appropriately wider coverage as outlined above.

Effectively, Underwriters allow themselves to be selected against, receiving lower premiums in some areas and offering the widest coverage in others, neither one adversely affecting the other.

Our form allows for generous reductions or waivers in coverage additional steamer surcharges. Metal, being a high density commodity, would normally attract high end scale additional premiums especially as most of the steel/metal producing areas of the world are accustomed to using older vessels.

Through our specific industry contacts we can arrange for risk management programmes by industry experts. We have used these companies in order to significantly reduce the premium spend and/or claims cost of some of our larger customers.

Our relationship with these industry experts is important too for their presence during shipment

outturn. In many cases a clear lack of knowledge has resulted in losses being declared when the goods are actually in sound condition but discoloured from surface oxidation. Appropriate attention from specialists helps to avoid this problem.

United Insurance Brokers can call upon this industry specific knowledge for reference and training and bring it to bear for the benefit of your customers. We have taken advantage of appropriate steel/metal training courses enabling us to offer intelligent product risk advice.

We strive to provide the widest most suitable coverage for these commodities. We do this whilst maintaining a highly competitive edge.

### THE TARGET MARKETS

Our facility is adaptable to all aspects of the metal sector, such as, but not limited to:

- Steel mills/Rolling mills
- Metal service centres
- Steel works
- Metal traders
- Stock holders
- Specialist Logistics Providers

### REAL SCENARIOS

- We were courting a steel producer in the U.S who were at the time insured by a domestic market carrier. The turnover of this company was in the hundreds of millions of dollars and of a size to command the widest coverage available.
- It turned out that this company had been required to absorb a loss onto their balance sheet of circa US\$ 750,000 subsequent to a claim having been declined by their Underwriters as their coverage "excluded rust, oxidation and discolouration howsoever arising".
- An insured were asked to supply "blue" steel (steel shipped when still warm/hot) however when this arrived at the port of destination the "general"

surveyor who received the goods declined the shipment as it was showing signs of rust. We immediately appointed our specialist surveyor who attended the port only to discover that the goods were in perfect specification and the rust in fact was a surface oxidation from the cooling. By acting quickly and in conjunction with our market experts, we were able to ensure that our client could continue to supply their customer without them making a claim against their policy which could well have meant an increase in premiums at the next renewal.

- Another of our clients had received notice of cancellation from their current Underwriters due to their extremely poor losses. Through work with our Underwriters and our risk management surveyors, we were able to
  - i) replace coverage,
  - ii) provide wider coverage,
  - iii) save them US\$ 600,000 against their previous premium spend of US\$ 2.5 million and
  - iv) provide long term benefit to their company, the risk management having eliminated nearly all losses and allowed for further reductions in premiums at subsequent renewals.

### OTHER UIB CARGO PRODUCTS

We also have facilities for:

- Stock throughputs
- Deterioration on fruit
- War on land in Iraq and Afghanistan
- Hi tech goods including mobile phones
- Deductible buy back
- Ultimate oil wording
- Delay in Start Up projects



# UIB

United Insurance Brokers Ltd  
69 Mansell Street, London, E1 8AN  
T: +44 (0)20 7264 1639 T: +44 (0)20 7264 1677  
E: philip.levers@uib.co.uk or neil.willett@uib.co.uk  
W: www.uibgroup.com

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