



United Insurance Brokers Ltd

## Stock Throughput insurance

A Stock Throughput is a specific policy written to encompass all transit, stock and marine exposures identified by the Insured where they have title to or financial interest in the goods in question. It is the policy of choice for the majority of insured's in the manufacturing and distribution sectors. It is commodity independent and adaptable to all industry sectors.

The benefits of a Stock Throughput are many and varied and can be summarised under the following three broad headings;

- Cost
- Cover
- Administration.

Some of the benefits are outlined below:

### Cover

- 'All Risks' cover applying on all aspects of the Insured's exposures, raw materials, work in progress and finished goods, in a consistent and cohesive manner
- Deductibles applying as a fixed monetary amount as opposed to a percentage of sum insured or loss, irrespective of the nature of any loss or the coverage element affected

- Generally, no differentiation of deductible with regard to catastrophe perils and generally such deductibles are lower than the property market equivalents
- Tailored wordings designed to address specific risk issues (i.e not standard underwriter-drafted wordings). Tailor-made coverage for unique exposures
- Selling Price basis of valuation, thus mitigating the Insured's Business Interruption programme
- Avoidance of potential 'division of loss' problems by having all coverage elements, overseas transit, inland transits, inventory and other static exposures, placed under a single policy with a single insurer on (generally) common terms.

### Cost

- Non-tariff rating, allowing underwriters to assess their own requirements of the premium necessary to support the risk presented
- 'Flexible' approach of marine underwriters towards difficult risk exposures
- Bulk purchasing power is generated by the combination of premiums previously fragmented across a number of individual policies
- The impact of significant claims in any given exposure area is offset by that combined premium, leading to greater sustainability and consistency of pricing.

### Administration

- Premium levels are established by means of an annual appraisal of fully disclosed potential exposures. Effectively a snapshot is taken at time of quoting and a premium is established accordingly, rather than premium being based and tied to a very defined and rigid rating model
- Premium is paid by means of a Deposit Premium, which amount is then subject to a single annual adjustment at an all-encompassing rate applied to a readily available figure such as annual sales turnover
- Declarations of individual shipments falling within the scope of the policy are not required
- Periodic declarations of individual static exposures are generally not required and, with some exceptions, specification of individual location limits is avoided

### Education

Many (re)insureds are embracing the concept of a Stock Throughput for the first time and we realise the need for us to impart the many years of experience that we have dealing with this policy model.

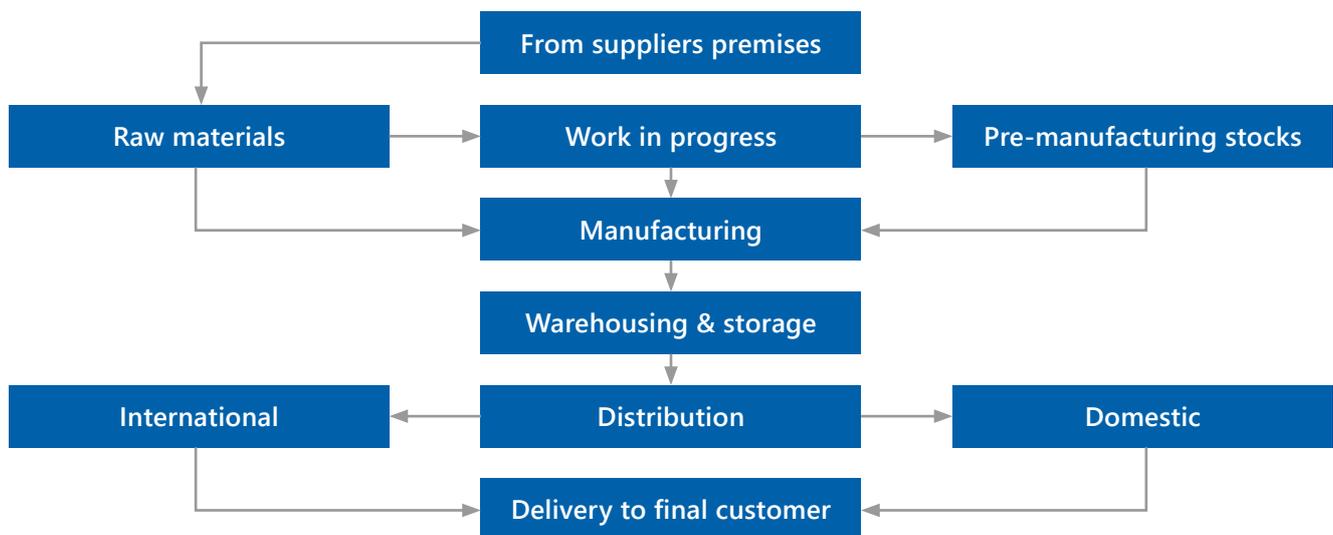
We encourage an open dialogue as the best means of achieving that aim but can also provide reading matter for your guidance, such as;

- Proposal form together with an example completed form for additional guidance
- Case studies and success stories
- A Question and Answer document
- A unique Stock Throughput power point that provides detailed technical reasoning and background to each bullet point

### Other UIB Cargo Products

We also have facilities for:

- Rust on steel
- War on land in Iraq and Afghanistan
- Hi tech goods including mobile phones
- Deductible buy back
- Ultimate oil wording
- Delay in Start Up projects
- Traders Facility



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