

Supply Chain Insurance

Supply chain risk assessment and insurance is a multi-award winning proposition from Zurich that is designed to cover supply chain failures including those due to non-material damage – when supplies are not delivered – that have a financial impact on a company's operations.



Our solution

We offer 'all-risks' business interruption cover which is not restricted to property damage or physical damage. The trigger under this policy is simply 'any reduction in supply (subject to policy conditions) that leads to a loss of output and/or gross profit'.

We offer a policy coverage with few exclusions and coverage that can be tailored to meet requirements and budgets.

Supply chain insurance is based around named supplies and suppliers – however cover can extend through the various levels of supplier tiers and can also include additional costs and expenses, such as increased cost of working, liquidated damages etc.

We normally offer a capacity limit of up to USD 100 million per policy.

Supply chain insurance is a 12 month policy with a maximum indemnity period of 12 months. The indemnity period begins either from the first reduction in supply or from the first notification of circumstances which subsequently leads to a reduction in supply, whichever occurs first.

Our appetite

As almost every company can have a disruption in their supply chain that can impact their business, the supply chain policy applies to many industry sectors.

Some of the key industries that have benefited from our supply chain insurance and/or associated risk assessment work include:

- high tech manufacturing
- heavy industry (including automotive and aerospace)
- pharmaceutical/chemical
- service industries
- luxury retail
- construction
- food and beverage
- technology companies.



Why choose Zurich?

This is an innovative cover in the market – Zurich was the first company to provide an ‘all-risks’ Supply Chain policy. It helps customers protect their profits in what they recognise to be one of their top complex risk areas.

We lead the industry in this area and have worked with customers across nearly all major industry sectors over the last six years to refine the risk assessment approach, the risk tools we use and the insurance proposition.

Supply Chain Risk Assessment – our supply chain risk assessment of critical supply chains is a proven methodology that increasingly makes use of technology and big data to provide a deeper understanding of the potential profit exposures and mitigation actions to help reduce the likelihood and impact from a disruption in the supply chain. We can and do work alongside brokers or other third parties in this risk assessment activity.

The following information is typically evaluated for the Named Supplier/Supply in a supply chain risk assessment:

- Supply Chain value maps which seek to identify multi tier exposure.
- Risk factor information on key suppliers from an economic, political, social and geographic perspective.
- Various potential disruption scenarios.

The comprehensive assessment is based on a detailed framework which looks at 23 different supply chain risk factors.

Customer benefits

Supply chain risk assessments and the risk mitigation steps taken as a result can help protect profits, balance sheet, brand and company reputation against the significant implications of supply chain disruption from both a profit and share price perspective.

The solution is also cost effective in that customers do not have to develop their own risk assessment methodology. As a global multi-line insurer, we are able to cost effectively apply a range of risk tools and data sets to produce valuable insights for our customers. Our strength is in helping customers understand complex risks such as those found in the supply chain.

Supply Chain Risk Technology Solutions

We have a range of supply chain risk solutions to help us provide ‘**actionable risk insights**’ to our customers. These include information on supply chain disruption data broken down by industry sector, supply chain mapping and profit accumulation. These have already helped customers accelerate their protection process and hence avoid disruption events.

Overall solution benefits

There are numerous customer potential benefits from this solution:

- Faster and more cost effective improved critical supply chain resilience:
 - Resource cost/time savings.
 - Reduced disruption costs in terms of frequency and impact.
- Balance Sheet and Cash Flow protection given a disruption event occurs.
- Ongoing access to our multi-award winning supply chain resilience innovations.

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