

STOCK THROUGHPUT



This specific type of coverage offered through Falvey Cargo Underwriting transfers inventory from the property program into the marine cargo policy, providing seamless policy coverage for raw materials, work in process, and finished goods throughout the product supply chain, including goods in transit.

Why STOCK THROUGHPUT?

A stock throughput is an extension of the Marine insurance policy that provides coverage for an Assured's inventory (stock) including raw material, work in process (WIP), and finished product anywhere in the world (following the coverage territory clause of the Marine policy).

How CAN A STOCK THROUGHPUT HELP?

A stock throughput policy helps with broader insurance for inventory risks moving throughout the supply chain. Many property policies exclude or provide limited coverage for goods, especially outside of the United States, in the event of damage by natural disasters. Stock throughput policies take into account that the goods are constantly moving through the supply chain - there is no dispute on which coverage applies to a claim (cargo vs property). A stock throughout also provides selling price for finished goods to allow for "one turn" of BI. Additionally, a stock throughput policy provides Earthquake, Wind and Flood coverage at lower deductibles so a DIC policy is not required.

Who CAN A STOCK THROUGHPUT HELP?

Companies who import, distribute, or export merchandise, including:

- Pharmaceutical Manufacturers
- Manufacturers:
 - Importing raw materials, components or parts
 - Exporting finished products
- Wholesalers
- Distributors
- Retailers
- Commodity Traders
- Logistics Firms

Coverage Highlights

- Coverage for stock at third party locations (includes raw material, WIP and finished product) including goods in transit
- Worldwide coverage included
- Flexible valuation options including selling price for finished goods
- Provides increased capacity outside of the property program
- Eliminates debate between cargo and property program for inventory losses
- Coverage for Catastrophic perils such as Flood, Windstorm and Earthquake are available
- Deductibles are typically lower than the property program for catastrophic perils

Solutions That Make a Difference

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