

Special Risks

Trade disruption insurance

Our team

For further information, please contact:

Oliver Lombard

T +44 20 7031 2859

E oliver.lombard@miller-insurance.com



Jamie Kearney

T +44 20 7031 2555

E jamie.kearney@miller-insurance.com



About Miller

We are a leading independent specialist (re)insurance broking firm with more than 650 people across our UK and international operations.

Our reputation as the strongest advocates in the business comes from our exceptional people delivering exceptional results for over 115 years.

With a client-first approach, we value our long-standing relationships and continue to build strong and rewarding partnerships.



Miller is a Chartered Insurance Broker, the industry's gold standard for insurance brokers. We have committed to delivering professional excellence and adhering to a Code of Ethics.



Trade disruption insurance (TDI) covers the financial consequences of disruption to the supply chain, even when there is no physical loss or damage to the policy holder's goods.

Can a TDI policy help you?

Could the business suffer any of the following financial exposures?

- Net profit lost from interrupted production or loss of sales for delayed delivery
- Extra costs and expenses
- Implementing business continuity plan
- Alternative sourcing in open market
- Transportation costs
- Management resources
- Contractual penalties

If you answered yes to any of the above questions, you should consider the coverage benefits of a TDI policy.

Typical sector profile

Those listed below often have an international dependency and revenues in excess of USD500m.



Commodities

Time sensitivity, volatile pricing, hazardous sourcing, transport dependencies and political sensitivities.



Manufacturing

Time sensitivity, limited alternative supplies, seasonal restrictions, transport dependencies, low cost emerging suppliers, and heightened political and natural perils.



Project specific

Time sensitivity, long order times and major financial consequences.



Named perils or policy triggers can include any of the following:

- Fire
- Flood
- Earthquake
- Windstorm
- Delay in delivery from conveyance breakdown or damage
- Port or waterway blockage
- Confiscation, expropriation, nationalisation or deprivation
- Embargo or licence imposition or cancellation
- Political violence, terrorism or malicious damage
- Regulatory shutdown or withdrawal of licence
- Blockade
- War on land
- Third party service provider error

Benefits of a TDI policy

- Supply chain dependent income secured
- Contingency costs covered by insurers

- Customers attracted and retained by enhanced ability to deliver on commitments
- Capital attracted by a protected income stream
- Corporate governance need to protect profitability addressed

TDI market

- Typical minimum premium of USD100,000
- Time deductibles of 30 days as standard but can be brought down to 14 days
- Wording is on a named perils basis (standard exclusions including communicable disease, withholding of labour and tariffs)

Other supply chain products

A TDI policy is only one type of supply chain product and it's always good to consider others. The first stage in securing supply chain dependent income is to ensure **physical damage cover** for the goods themselves with a comprehensive **Cargo or STP policy**.

Miller has one of the largest and most experienced supply chain teams in London placing over USD80m of premium per annum, with access to a number of exclusive facilities for a variety of industries. Get in touch to find out more.



TDI examples

	What happened?	How could TDI have helped?
Suez Canal Blockage 2021	Ever Given vessel blocks traffic going through the Suez Canal	A TDI policy would have covered the cost of alternative sourced materials and lost revenue
Flooding on the Mississippi 2019	Mississippi frequently floods making it dangerous to transport goods by barge	A TDI policy would have covered increase transportation cost, increased storage costs and loss of revenue caused by downtime in manufacturing due to lack of raw materials
Hurricane Damage - Various	Hurricane damage severely disrupted infrastructure	A TDI policy would have covered the cost of alternative sourced materials and lost revenue
Tianjin Port Explosion 2015	Explosion damages one of the busiest ports in the world	A TDI policy would have covered the extra cost of airfreight, meaning that insured's are able to get their goods to customers in time
Russia invades Crimea 2014	Invasion and Civil War in Crimea leads to breakdown in critical infrastructure	A TDI policy would have covered the increased cost of finding alternative materials and lost revenue through missed sales
Icelandic Volcano 2010	European airspace closed	A TDI policy would have covered the cost of alternative sourced materials and lost revenue