

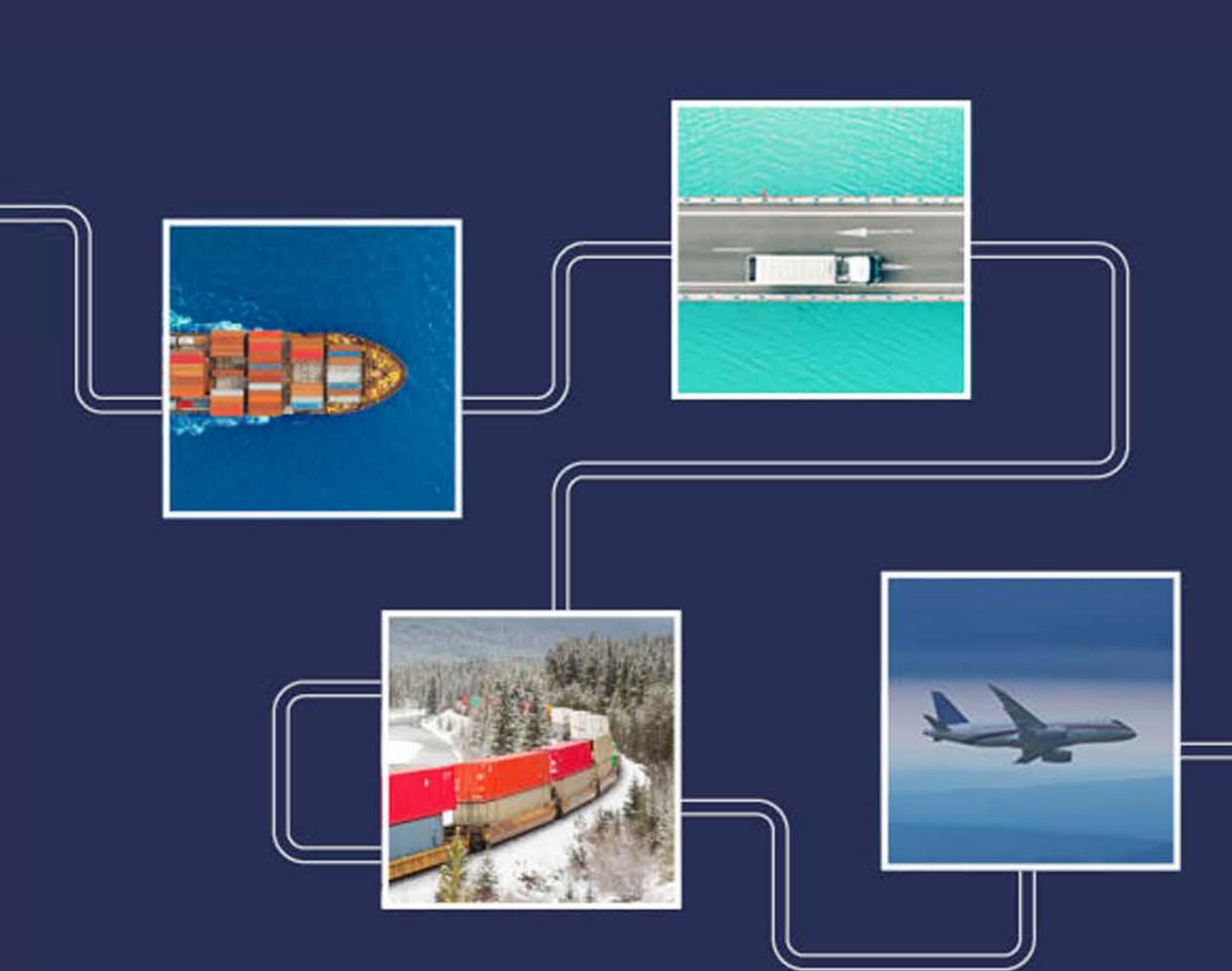
# Rethinking supply chains series

Lloyd's Futureset's 'Rethinking supply chains' series explores three industry supply chains critical to global trade. Each report provides recommendations and insight as to how the insurance industry is and could further support companies with risk transfer.

### Industry issue

Businesses have always relied on supply chains to get their products and services from concept, to manufacturing and finally into their customers hands.

But in the last six decades – the era of globalisation – supply chains have grown in size, volume and complexity, in tandem their associated risks have also increased.



## How can the insurance industry support supply chain resilience?

#### 1. Innovative solutions

- The (re)insurance industry can help to build long-term resilience by deploying its capital to remove risks from customers' balance sheets and reduce their exposure to supply chain risks
- For some industries, like those explored in this series, further modelling, data partnerships and in-depth conversations are needed to support innovation



In partnership with



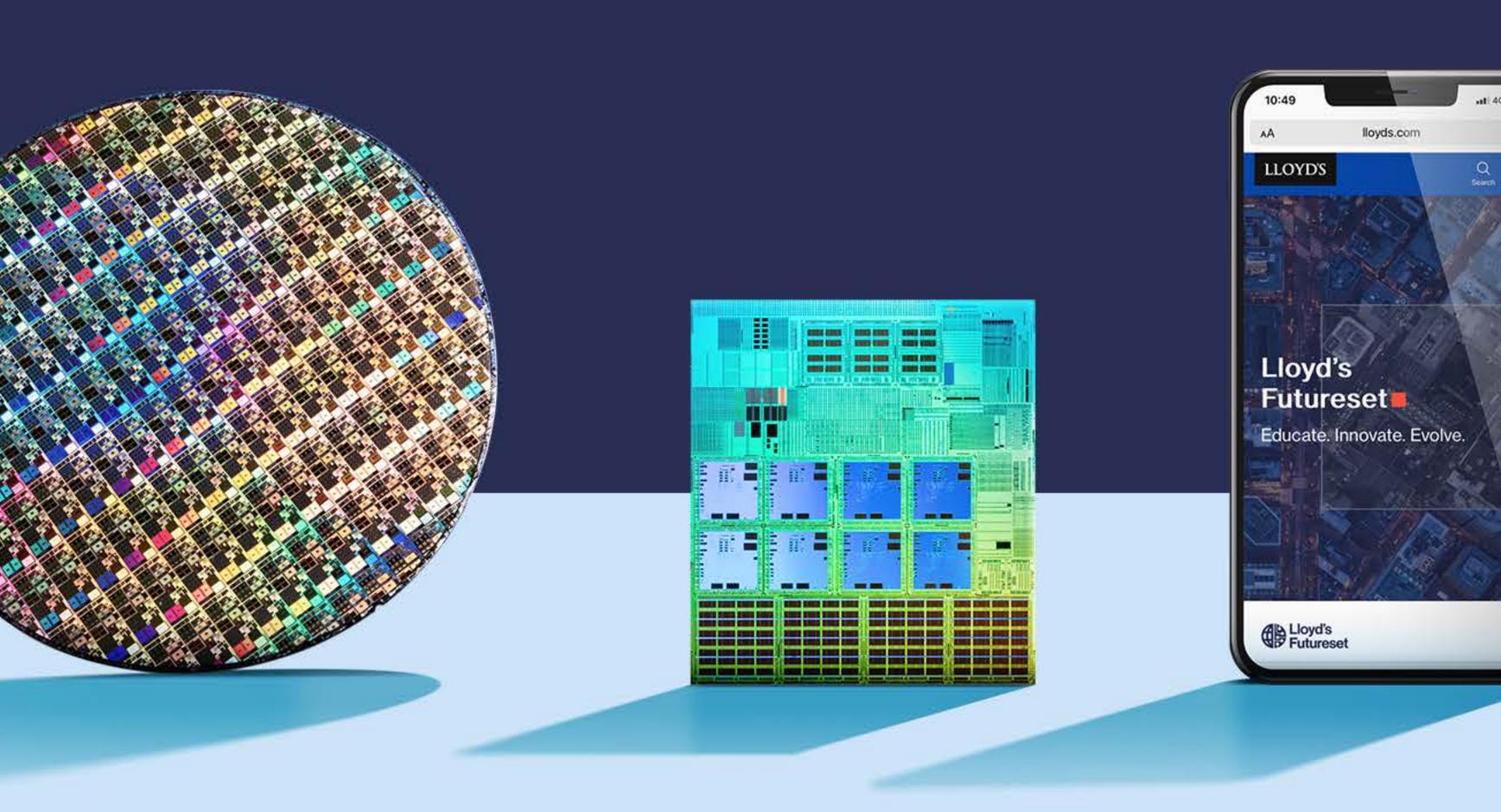
	<b>Insurance gap</b>			Examples of existing insurance solutions		
	supply chain rela	While the insurance industry supports its customers with a variety of supply chain related risks, our research revealed some gaps in coverage for each industry, where innovation opportunities exist:			Meeting ship ownerand ports and terminals needs with <b>WTW CyNav</b>	Responding to gaps with Chaucer CyberLink Marine Consortium
	<b>Food and drink</b>	Semiconductor	Transport and logistics			
/,	Loss of Tier 2 supplier	Loss of Tier 2 suppliers (and potentially further along the supply chain)	Tier 2 and below suppliers	Simplifying insurance quotation with <b>eCargo</b> , <b>Travelers</b>	Innovation cold storage with <b>Parsyl</b>	How insurers are innovating with IoT sensors for <b>Hailios</b> risks with Hailios
			Insurance that covers transportation mode changes			
	Shortfall in yield or quality	Wording improvements				
	Notifiable pests	to insurance contracts and further specified cover	Trade disruption insurance (TDI) for freight forwarders	Designing for the gap in delays and interruptions with <b>Otonomi</b>	TMK Consequential Loss and Trade Disruption insurance	Building on deep industry expertise, <b>Beazley Cargo</b>
	and diseases	Disruption caused by key bottlenecks or suppliers				
	Transit delays		Solutions covering new technologies and liabilities	Exploring innovation opportunities in marine transit disruptions: <b>OTT</b> <b>Risk</b>	How insurers are helping farmers build resilience to market volatility: <b>Stable</b>	Protecting intangible assets: Reputation risk insurance with <b>Beazley</b>
		Alternative risk transfer				
	Price volatility	solutions such as parametric cover	Business interruption insurance			
		Innovation from more traditional contingent business interruption to hybrid solutions also involving capital markets	Pooling arrangements for key bottlenecks	Risk insights as a bridge across insured and insurer from <b>ClearConnect Solutions</b> Other insurance products are available, speak to your broker for further support.		
	Reputation damage					
		New market support to	Total cost of risk			
	End to end supply chain insurance	grow new centres of semiconductor manufacturing	understanding to provide balance sheet protection			

#### 2. Collaborative actions

- Insurers, brokers and risk management service providers have a unique opportunity to support conversations between insurers and insureds
- This also extends to exploring public private partnerships as governments around the world look to secure national supply chain resilience

#### **3. Explore new data sources** and partnerships

- The improved visibility of supply chain related exposures from new data sources is critical for the insurance industry to play a meaningful role in risk mitigation



#### 4. Provide expert advice

- Through the industries analysed in this research, insurers have a unique opportunity to partner with areas that are already exploring its supply chain risks by supporting their risk management planning, mapping and modelling efforts



