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Policyholder Alert

Was Your Shipment Stuck in the Suez? Your Insurance Policy May Cover the Loss



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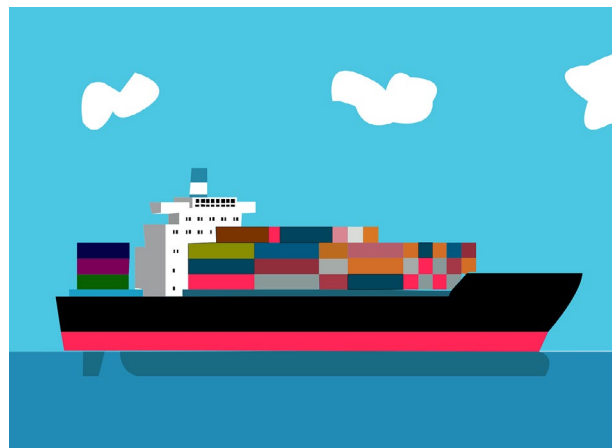
When the giant container ship Ever Given ran aground in the Suez Canal last month, blocking passage of all shipping in both directions, some 10% of the world's trade was halted. For more than six days at least 360 ships, carrying everything from cars to oil to grain, were stuck awaiting clearance. Fitch Ratings **forecast** that global reinsurers would likely face hundreds of millions of Euros in claims. Lloyds of London estimated its own loss at \$100 million or more.

Coverage for Delayed Shipments

If the Suez Canal blockage caused shipment delays that affected your company's business, your current insurance program may provide coverage.

Contingent Business Interruption Coverage

Contingent business interruption (CBI) coverage may be triggered by the Ever Given's blockade. CBI is a form of business income insurance that provides protection against revenue losses resulting from a third-party supplier or distributor shutdown that affects the insured's ability to produce a product or provide a service. This disruption must relate to physical damage or another



commercial property insurance claim covered by the policyholder's policy.

Divers who inspected the Ever Given determined that the ship was damaged while stuck in the Suez Canal, potentially triggering contingent business interruption coverage for businesses affected by the resulting trade disruption. The Suez Canal itself was also damaged, another potential trigger for third parties seeking to recover for delay damages.

Supply Chain Coverage

Supply chain insurance provides coverage for loss resulting in a delay or disruption in the receipt of products, components, or services from a supplier. This coverage does not re-

quire physical loss or damage and can be triggered by a host of unexpected events such as natural disasters, industrial accidents, labor issues, production process problems, civil or military action, regulatory issues, financial issues — and closure of roads, bridges, or other transportation infrastructure like the Suez Canal.

What Should I Do Next?

If your company has suffered a loss stemming from the Ever Given grounding, review your policies, speak with your insurance brokers, and contact an insurance professional if questions arise concerning the scope of coverage for loss. ▲

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