

## Covid-19: Effects on Stock and Storage

At this uncertain time we are presently in it is important to think about insurance relating to stock levels as these are now likely to differ from previously planned. There are a number of reasons for this being the case; with many territories and locations coming to a halt and going on lockdown, goods are commonly unable to move.

### 1. Stockpiling

Stockpiling, whether deliberate or not, could lead to an accidental uninsured exposure. For example, this could be deliberately stockpiling due to goods becoming scarcely available or accidental due to not being able to ship out previously planned for orders. It is therefore important to check your storage limit and to ensure your stock does not go above this without updating your insurance.

### 2. Temporary Storage

Furthermore, with regards to territories going into lockdown, this could lead to goods being stuck at port or during another point of the journey. Most marine cargo policies (under Cargo Clause A) will include cover for goods are covered whilst in storage during the ordinary course of transit for a period of 60 days. With ports closing and the surrounding uncertainty of when normality may resume, goods could be forced into storage for a period exceeding the 60 days.

If you have goods being held somewhere around the world, please let us know so we can keep a check on cover and when it would expire. We also recommend developing a contingency plan before sending any goods out, if they do get held somewhere is there a plan in place for their storage?

### 3. Contingency and Risk Management

Lastly, thought should also be put into the storage of goods containing perishable items. Most marine cargo policies (under Cargo Clause A) will contain an exclusion for both 'Inherent Vice' and also 'Delay'.

Inherent Vice is damage to goods due to their nature rather than an external force; for example, a banana rotting or metal rusting. This means that consideration must be put into the routes being chosen if goods are likely to perish if any delay occurs.

Delay must be taken into account for not only perishable goods but also for the effect on your business. Policies covering damage to property historically cover physical loss and damage to goods, this means a claim cannot be submitted for financial loss only. As such, it is important where possible to consider the implications of delays on orders arriving to you/your customers.

If you are uncertain as to the scope of cover you have concerning the storage of goods, please do not hesitate to contact a member of the team to ensure there is the appropriate level cover is in place.

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Managing *your* risk  
is *our* business