

## Contact

Edward Parker  
edward.parker@tokiomarinekiln.com

T +44 (0)20 866 9000

Empowered Expertise  
[www.tokiomarinekiln.com](http://www.tokiomarinekiln.com)

# Trade Disruption Insurance

Tokio Marine Kiln's Trade Disruption Insurance (TDI) offers balance sheet protection for businesses through the entire supply chain, providing peace of mind where traditional Property & Casualty insurance offerings might not.

Taiwan Technological\* is a mid-sized chip producer based in Taiwan whose continued commercial success relies on its ability to efficiently and cost effectively deliver its products to a global market.

The company recognised that its supply chain was vulnerable to physical, political or financial events that were beyond their control, particularly where there was no physical title to the goods.

They were aware that physical perils, such as a typhoon, heavy flooding or an earthquake could potentially either delay or totally prevent delivery of the company's products to its customers.

Management also saw a potential risk if several of the company's large foreign customers defaulted on payments due to insolvency.

This could cause a significant loss of net profit to the business, while extra costs would also be incurred in searching for new, alternative markets for their product.

Finally, the business wanted to protect itself against any possible shift in the local political climate in Taiwan. For example, a hardening of opinion within the ranks of the country's ruling political party could result in a resolution proposing complete independence from the People's Republic of China.

This in turn might cause China to impose a blockade on Taiwan, and Taiwan Technological's exports could be prevented from leaving the country.

Any of these scenarios could result in loss of revenue or extra and unexpected costs and expenses.

Tokio Marine Kiln, however, was able to write tailor-made insurance protection for the business, providing peace of mind against the loss of net profits and extra costs and expenses resulting from restricted or total cessation of supply as a consequence of a named peril, and against the occurrence of specific political, physical and financial events.

\*Taiwan Technologies is a hypothetical company with insurance requirements typical to many of Tokio Marine Kiln's TDI clients

### Tokio Marine Kiln

Tokio Marine Kiln is a trading name of Tokio Marine Kiln Insurance Limited (Registered Number 989421) and Tokio Marine Kiln Syndicates Limited (Registered Number 729671) which are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Firm Reference Numbers: 202574 and 204909 respectively. The registered office of both companies is located at 20 Fenchurch Street, London EC3M 3BY. A member of the Association of British Insurers.

