& PARTNERS

Advice that makes a difference ®

Specialist insurance for

Food and Drink businesses

Why do you need a food & drink risk adviser?

The UK Food & Drink sector in the 2020s is a challenging place. As you consider the risks that face you, how many of your insurance contracts really help you overcome these challenges?

We believe that a next-generation risk advisory business needs a much wider range of solutions, coupled with innate knowledge of the drivers behind your industry.

Overlaying this with deep understanding of your operation enables us to build resilience by:

- Challenging thinking and assumptions, and by bringing fresh insight to the table;
- Supporting you and the business across its life-cycle by applying selective innovative diagnostic and risk control solutions from the ecosystem we build around you;
- Enabling you to perform with minimal distraction: we can even release opportunity, helping you achieve your objectives.

The UK Food and Drink industry has been burdened by increasing pressure in recent years; from COVID and Brexit to increasing regulation, changing consumer trends, and now skills shortages – on top of the day-to-day challenges that all businesses face. The need for the right advice has never been greater.

Who we support

Keeping the flow of food and drink onto the nation's plates requires us to work across the supply chain:

- Producers, processors and manufacturers
- Wholesalers & distributors
- Food service operations
- Retailers
- Hospitality

What our clients **are telling us**

The conversations we're having with clients reveal some significant issues facing this sector:

Supply chain vulnerability
Consolidated and globalised supply lines have proven to be vulnerable to disruption in recent years, with many operations shifting from linear to matrix/networked supply chains with increasingly complex relationships, needing specialist skills, systems and controls to manage effectively.

Continued labour market challenges
Skills shortages remains a limiting factor – drivers, warehouse operatives, production line, front of house, checkout staff, managerial and administrative staff… - it's across the board. With automation part of the solution, the issue moves to technical and engineer level - simply finding and retaining good people and keeping volume and quality up is seeing renewed focus on the employer proposition

Reliance on data and automation
Even non-household names are increasingly vulnerable to cyber-attacks and network disruption as criminals recognise that a business's networks and data have a value

Food quality & safety
The reputational impact of even an allegation of a safety failing is now amplified by a social media driven news-cycle, especially when it comes to own-brands

Sustainability
Getting ahead of the inevitable direction of travel: the speed of turning strategy into KPIs to engage and take the business forward to become either a motor…or an anchor

Input cost inflation
Global commodity and economic fluctuations caused by climate change, geo-political instability and the recovery from COVID mean a more volatile input cost-base: from raw ingredients to other materials like steel to finished goods required in the operation

Debt in the system
Many businesses in the sector saw their own credit profile deteriorate as a result of COVID, so the availability of credit when it comes to arranging their own supplies is becoming more of a challenge, in addition to working with customers downstream who themselves may be struggling financially post-COVID themselves.

ESG
With an increased focus on ESG to secure investment and finance, or structuring M&A deals, we are seeing greater emphasis placed on risk and governance to enable businesses to move their operation forward.

Who is currently **supporting you with these challenges?**

We have developed our ability to support our clients across a wide spectrum of challenges and risks to a business's operation.

Whether it be through our own in-house capabilities or via our ecosystem of aligned partners, whatever challenge you are facing, you can be sure that we are well placed to support your business's progress towards its objectives.

Find out more about risks in the food and drink industry in the resources section on our website

FOOD AND DRINK RESOURCES

We've got **you covered**

We believe the arrangement and placement of the general insurance programme to be the most basic element of what we do, but nevertheless a key cornerstone of any risk programme.

Rest assured, we do not take this for granted: we spend time with you and your teams making sure your programme is set up correctly and fit for purpose, so it responds as you expect it to.

If you do need to call upon your insurance policy, our claims proposition, which is founded upon our own, in-house loss adjusting expertise, sees us stand shoulder-to-shoulder with you just when you need the most support.

In addition to the standard covers, we normally find the most questions around the following specialist areas:

Contaminated product recall
What are the true costs of a recall event if my product is contaminated or unsafe? Is it possible to quantify the reputational impact?

Movement & deterioration of product
Why do I need insurance for my product beyond the standard contracts with my haulier?

Cyber risks
I know we've invested in IT infrastructure and automation, but how attractive a target are food & drink businesses really to cyber criminals?

Business protection
How can I protect myself against the impact to my business of the death or critical illness of a key person or shareholder?

Credit risks
How can I influence my credit terms with my suppliers, and how can I manage the credit risk in my customer book?

Employee wellbeing and engagement packages
How can I improve our appeal to employees to help with staff attraction and retention?

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What if?

...you lost your primary production facility or a critical ingredient supply line?

...your design team mis-label the ingredients on a product?

...the systems controlling your production lines and access to traceability records is subject to a cyber attack?

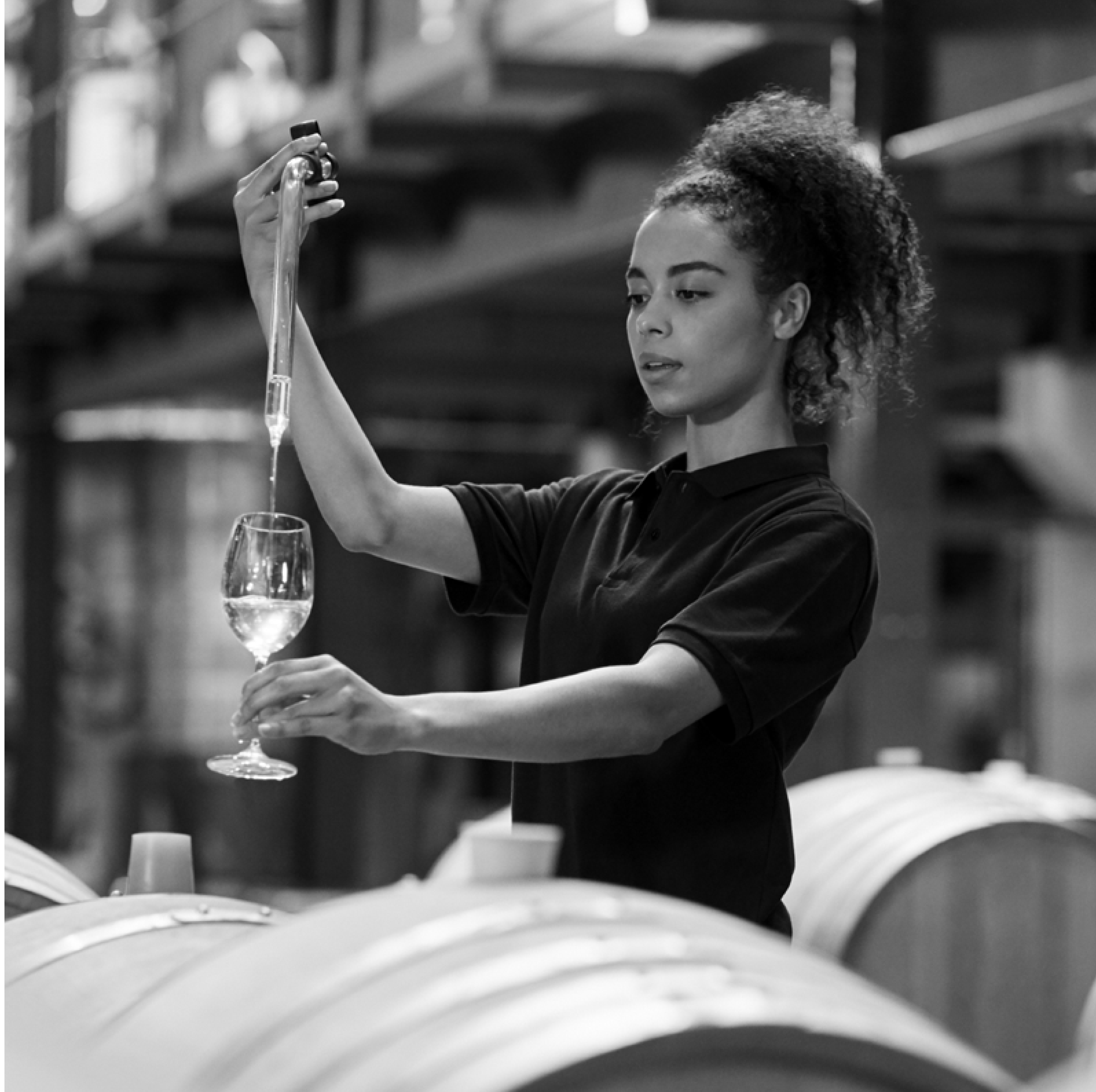
...your product was alleged to be harmful for consumers?

Did you know...

...we find many businesses underinsured as a result of basic misunderstandings of the definitions behind setting some of the critical values in the policy. Sometimes cover won't operate at all, because the business is not complying with a crucial policy condition that hasn't been explained to them. How confident are you that your cover has been arranged on the correct basis and that you understand the significant terms and conditions?

...a short shelf-life does not protect you from a recall event. Whilst the affected batches may no longer be on the shelves, your customers are unlikely to want to stock any further batches until they have assurance that the issue has been contained and addressed. These recall costs – as well as investigation, cleaning and machinery recalibration – need to be considered. Have you mapped out the full implications of a recall event?

...if steam pressure plant explodes, it is excluded as standard under the majority of material damage policies. Have you got the right arrangements in place for these and other items of specialist plant?



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