



Your partner for bespoke insurance solutions Marine Cargo Insurance Business

Reach out to us for advice

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Vaccinating the world

Get underway with marine cargo solutions

With the availability of vaccines to control the COVID-19 pandemic, we are currently witnessing the largest vaccination effort in history. As such, this also includes the biggest global logistics and supply chain efforts ever undertaken by land, sea and air.

In the face of this vaccination cargo supply chain endeavour, the marine cargo industry, in particular, is encountering certain challenges that could hinder their efforts to transport and supply such sensitive materials. However, with the right mix of Munich Re expert insights, new marine services, products and innovative tech solutions, marine cargo insurers are not wholly at the mercy of these risks.

The current cold chain is evolving

The urgency of the pandemic initially called for long distance vaccine distribution to be covered by air. This, in turn, initiated global logistics companies to begin installing ultra-low temperature (ULT) warehouses close to strategic air hubs in the U.S. and Europe with the objective of storing and shipping new COVID-19 vaccines whenever and wherever they were needed.

This highly-sensitive cargo, which reacts extremely sensitively to temperature deviations, needs to be kept cool throughout the entire logistics chain - from production site down to the "last mile", i.e., hospitals, vaccination centres, doctor's office, or pharmacy. While large volumes of vaccines could be transported by sea, the implementation of specific handling requirements and a better assessment of the inherent risks was often still needed.

Perspectives 1: Logistic challenges for marine cargo business



Cold chain management

Since vaccines are highly sensitive and low temperature, sometimes up to -80 degrees Celsius, depending on the manufacturer, seamless temperature control and compliance must be maintained throughout the entire logistics. These strict requirements make it difficult to distribute large numbers of doses nationwide. Besides, cargos react extremely sensitive to temperature deviations. Cold chain management is therefore indispensable for the successful vaccine shipment. This includes special packaging, refrigeration and freezing equipment in combination with monitoring and alarm functions.



Theft risk

Theft risk can be a significant threat in some territories and requires sophisticated security and loss prevention measures throughout the supply chain.



Value concentration

Considering the enormous volume of vaccines shipped value concentration at major storage and distribution facilities like airports may reach triple-digit million USD values. It is therefore important for insureds, insurers and reinsurers to ensure suitable risk management measures are in place to monitor and control the accumulations effectively.

Perspectives 2: Challenges for marine cargo insurers



End-to-end coordination

From a marine (re)insurer's perspective, the insurance of vaccine shipments involves temperature-sensitive pharmaceuticals, a business segment with a certain proximity to total loss and an unfavourable loss history. This means that when an end-to-end coordination between the stakeholders is missing, the risk grows.



Transparency and traceability

A supply chain with a lack of transparency brings too many unknowns with it for insurers. This can be combatted with a dedication to a fully integrated ecosystem that is accessible to all players and thus enables immediate loss prevention or mitigation measures.

Munich Re insights and solutions for insurers

End-to-end coordination

We believe that an integrated ecosystem accessible to all players and a selective risk approach is key. However, where innovative technological solutions can move the prevailing limitations of insurability and support the underwriting process, we follow the Munich Re motto "not if but how".



Seamless visibility

Real-time monitoring via sensors and other tracking devices, during transportation as well as whilst goods are in storage, can help reach full transparency. This can be better actualized with real-time monitoring, compliance verification on agreed upon maximum limits in the insurance policy as well as timely corrective actions to reduce exposure, e.g., shipping to another warehouse or splitting goods over various flights.

Innovative technological solutions are essential

A more and more digitized logistic ecosystem can create more efficient processes and allow underwriters to enhance their products and services exponentially.

Internet of Things



Enhanced Augmentation



Selected Munich Re Products



Blockchain



Munich Re is standing by to transform your marine cargo business

Reducing risks for transporting vaccines has been a constant effort of Munich Re. We believe that an immutable, fast, trustworthy network includes not only technological advances but also the sharing of Munich Re's own experience and knowledge in marine with our clients. This includes innovative technological solutions and products that enable efficient risk management and ultimately improve the marine insurance of vaccine shipments. The transformation of marine cargo as we know it has already begun. Are you on board?

If you want to learn more or need guidance on mitigating your transport risks, get in touch with our experts. You can find all contact details on the front page.

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