

Inland Marine Insurance Workbook

Inland Marine Insurance provides specialized coverage for property in transit, movable or mobile property, and property instrumental to transportation or communication. It's essential for businesses with goods frequently on the move, equipment used off-site, or unique property exposures not covered under standard property policies.



Inland Marine Insurance Workbook



Contents

- 1. Key Components of Inland Marine Insurance 1**
 - a. Transportation of Goods (Transit Coverage): 1
 - b. Bailee’s Customer Coverage: 1
 - c. Contractor’s Equipment Coverage:..... 1
 - d. Installation Floater: 2
 - e. Builders’ Risk Coverage: 2
 - f. Fine Arts Coverage:..... 2
- 2. Differences Between Inland Marine and Other Property Insurance 3**
 - a. Coverage Flexibility and Scope: 3
 - b. Perils Covered: 3
 - c. Claims Handling and Adjustments:..... 4
- 3. Do's and Don'ts for Selling Inland Marine Insurance..... 4**
- 4. Selling Strategies for Inland Marine Insurance 5**
 - Questions to Ask Prospective Clients:..... 5
 - Sales Techniques: 5
- 5. Servicing Components of Inland Marine Insurance..... 6**
 - Key Areas of Focus: 6
 - Follow-Up Strategies: 6
- 6. Inland Marine Insurance Checklists 6**
 - a. Inland Marine Coverage Checklist..... 6
 - b. Risk Assessment and Management Checklist..... 7
- 7. FYI Section 8**
 - The Importance of Documentation and Valuation 8
 - The Role of Security and Loss Prevention 8
 - Understanding Policy Limits and Sublimits..... 9
 - Navigating the Claims Process..... 9
 - Tailoring Coverage to Changing Needs..... 9
- 8. Definitions Section 10**
 - Key Terms and Definitions 10



Inland Marine Insurance Workbook

1. Key Components of Inland Marine Insurance

Inland Marine Insurance covers a wide range of property types and risks. Here's a detailed breakdown of the common types of Inland Marine coverages:

Types of Inland Marine Coverages:

a. Transportation of Goods (Transit Coverage):

- **Definition:** Protects goods being transported over land by trucks, trains, or other vehicles.
- **Key Features:**
 - Covers goods from the point of origin to the final destination.
 - Includes both owner-shipped and third-party-shipped goods.
- **Underwriting Considerations:**
 - Type of goods being transported (perishable, valuable, hazardous).
 - Shipping routes and methods (local, regional, national, international).
 - Security measures and packaging standards.

b. Bailee's Customer Coverage:

- **Definition:** Provides coverage for businesses that have custody of their clients' property, such as dry cleaners, repair shops, or storage facilities.
- **Key Features:**
 - Covers loss or damage to customers' property while in the business's care, custody, or control.
- **Underwriting Considerations:**
 - Nature and value of the property being held.
 - Security measures and storage conditions.
 - History of past claims related to customer property.

c. Contractor's Equipment Coverage:

- **Definition:** Insures tools and equipment used by contractors that are frequently moved from one job site to another.
- **Key Features:**
 - Covers a wide range of equipment, from small tools to large machinery.
 - Provides coverage on and off job sites, in transit, and in storage.



Inland Marine Insurance Workbook

- **Underwriting Considerations:**
 - Age and condition of equipment.
 - Security measures in place when equipment is not in use.
 - Type of work and associated risks.

d. Installation Floater:

- **Definition:** Covers materials, supplies, and equipment during transportation to a job site, while being installed, and until they are accepted by the client.
- **Key Features:**
 - Protects against risks such as theft, vandalism, and damage during installation.
- **Underwriting Considerations:**
 - Type and value of materials being installed.
 - Duration and location of the installation project.
 - Security and storage measures at the job site.

e. Builders' Risk Coverage:

- **Definition:** Covers buildings and structures under construction, including materials on-site, in transit, or stored off-site.
- **Key Features:**
 - Typically written on an "all-risk" basis, covering all perils unless specifically excluded.
- **Underwriting Considerations:**
 - Type and scope of construction project.
 - Timeline and phased completion considerations.
 - Security and safety measures at the construction site.

f. Fine Arts Coverage:

- **Definition:** Protects valuable art pieces, antiques, and collectibles, whether owned by businesses or temporarily on loan.
- **Key Features:**
 - Covers items while in transit, on display, or in storage.
- **Underwriting Considerations:**
 - Value and rarity of items.
 - Security measures for handling and display.
 - Appraisal and documentation of items.



Inland Marine Insurance Workbook

2. Differences Between Inland Marine and Other Property Insurance

Inland Marine insurance differs significantly from standard property insurance. Here's a detailed breakdown of these differences:

a. Coverage Flexibility and Scope:

- **Inland Marine Insurance:**
 - **Scope:** Covers property that is mobile or not fixed to a specific location, including goods in transit and property used off-site.
 - **Flexibility:** Highly customizable, tailored to cover specific exposures like high-value items, mobile equipment, or goods in transit.
 - **Key Coverage Areas:** Provides protection for specific categories like contractor's equipment, transportation risks, and property in the custody of others.
- **Standard Property Insurance:**
 - **Scope:** Generally limited to property that is fixed at a specific location (e.g., buildings and contents within a business premises).
 - **Flexibility:** Less flexible in covering mobile or specialized property; coverage typically applies only to specified locations.
 - **Key Coverage Areas:** Protects against common perils like fire, theft, and vandalism for property at the insured location.

b. Perils Covered:

- **Inland Marine Insurance:**
 - Often written on an "all-risk" basis, covering all perils unless explicitly excluded.
 - Protects against unique risks like theft during transit, accidental damage while installing equipment, and environmental factors (wind, rain) that affect goods on the move.
- **Standard Property Insurance:**
 - Usually covers "named perils," such as fire, theft, and water damage.
 - May not cover unique risks associated with transportation or off-site activities unless specifically endorsed.



Inland Marine Insurance Workbook

c. Claims Handling and Adjustments:

- **Inland Marine Insurance:**
 - Claims often require specialized adjusters due to the nature of the insured property (e.g., antiques, fine arts, heavy machinery).
 - Claims processes may be more complex due to the need to establish the condition and value of items at the time of loss.
- **Standard Property Insurance:**
 - Claims are generally more straightforward, focusing on property fixed at a location.
 - Adjustments are typically based on repair or replacement costs for buildings and contents.

3. Do's and Don'ts for Selling Inland Marine Insurance

Do's:

- **Identify Key Exposures:** Understand and identify specific exposures that standard property insurance may not cover (e.g., goods in transit, contractor's equipment).
- **Educate on the Need for Coverage:** Explain the potential gaps in standard property policies and the need for Inland Marine coverage to protect these unique risks.
- **Tailor Coverage to Client Needs:** Customize policies based on the specific operations and risks of the business, such as the type of goods transported or the nature of off-site equipment usage.
- **Highlight Benefits Over Other Policies:** Emphasize the broader coverage of Inland Marine policies, particularly for clients with high-value or mobile property.

Don'ts:

- **Don't Assume Clients Understand Inland Marine:** It's a specialized form of insurance; avoid assuming clients know what it is or why they need it.
- **Avoid Overcomplicating the Sale:** While Inland Marine can be complex, simplify the benefits and coverages when explaining to clients.
- **Don't Overlook Emerging Risks:** Stay informed about new risks and advise clients on how to adapt their coverage as needed, such as increasing cyber threats or changes in supply chain dynamics.



Inland Marine Insurance Workbook

4. Selling Strategies for Inland Marine Insurance

- **Questions to Ask Prospective Clients:**

1. **Do you frequently transport goods or equipment off-site?**
 - Identifies the need for transit coverage or contractor's equipment coverage.
2. **Do you have custody of other people's property as part of your business operations?**
 - Highlights the need for Bailee's Customer Coverage.
3. **Are there any high-value or specialized items you own or have on loan that might not be covered by standard property insurance?**
 - Points to the potential need for Fine Arts or specialized Inland Marine coverage.
4. **What security measures do you have in place for goods in transit or equipment used off-site?**
 - Helps assess the risk level and potential need for additional coverage or policy endorsements.

- **Sales Techniques:**

- **Use Real-World Scenarios:** Illustrate how Inland Marine insurance could have prevented a significant loss in a real-world scenario (e.g., stolen equipment from a job site).
- **Visual Demonstrations:** Utilize visuals such as maps or diagrams showing the transit path of goods and where coverage applies.
- **Leverage Case Studies:** Share success stories where Inland Marine insurance provided critical coverage, preventing financial loss and ensuring business continuity.
- **Cross-Selling Opportunities:** Position Inland Marine as an extension of a CPP to provide a comprehensive insurance solution, especially for businesses with diverse operations.



Inland Marine Insurance Workbook

5. Servicing Components of Inland Marine Insurance

- **Key Areas of Focus:**
 - **Claims Handling:** Educate clients on the claims process for Inland Marine coverage, which may require detailed documentation of the property's value and condition before transit or use.
 - **Policy Endorsements and Adjustments:** Regularly review and adjust policies to reflect changes in the business, such as acquiring new equipment or changing transport methods.
 - **Risk Management Support:** Offer guidance on best practices for securing high-value items in transit and implementing loss prevention measures.
- **Follow-Up Strategies:**
 - **Annual Reviews:** Conduct regular policy reviews to adjust coverage based on any changes in the client's operations or property.
 - **Client Education:** Provide updates on new risks, such as changes in transportation regulations or emerging threats that could affect mobile property.
 - **Customer Feedback:** Implement surveys or feedback loops to understand client satisfaction and identify areas for improvement in service or coverage options.

6. Inland Marine Insurance Checklists

Checklists are essential tools that help agents ensure they have thoroughly assessed a client's needs and that all necessary coverages are considered.

a. Inland Marine Coverage Checklist

This checklist helps agents evaluate whether Inland Marine coverage is needed and determine the appropriate types of coverage based on the client's specific risks.

- **Transportation of Goods (Transit Coverage)**
 - Does the business regularly transport goods over land?
 - Are the goods transported valuable, perishable, or subject to theft?
 - Is there a need for coverage from point of origin to final destination?
- **Bailee's Customer Coverage**
 - Does the business take custody of customers' property?



Inland Marine Insurance Workbook

- Are there proper storage and security measures in place for customer property?
- Has the business experienced any past claims or incidents involving customer property?
- **Contractor's Equipment Coverage**
 - Does the business own or lease mobile equipment used off-site?
 - Is the equipment frequently moved between locations or job sites?
 - Are there security measures in place to protect equipment when not in use?
- **Installation Floater**
 - Does the business install equipment, materials, or supplies at customer locations?
 - Is there a need to cover property from the point of shipment to installation completion?
 - Are there risks associated with theft, vandalism, or damage during installation?
- **Builders' Risk Coverage**
 - Is the business involved in construction or renovation projects?
 - Does the coverage need to include materials on-site, in transit, or stored off-site?
 - Are there specific perils that need coverage, such as theft or natural disasters?
- **Fine Arts Coverage**
 - Does the business own, loan, or display valuable art, antiques, or collectibles?
 - Are there specific security measures for handling and displaying these items?
 - Has an appraisal been conducted to determine the value of these items?

Checklist Notes: Use this checklist during client consultations to assess their needs and identify the appropriate Inland Marine coverages.

b. Risk Assessment and Management Checklist

A tool to help identify potential risks related to mobile or movable property and recommend mitigation strategies.

- **Transit Risks**
 - Are goods properly packaged and secured for transport?
 - Is there a history of losses or damages during transit?
 - Are there security protocols for high-value goods (e.g., tracking devices, secure carriers)?



Inland Marine Insurance Workbook

- **Off-Site Equipment Risks**
 - Is equipment regularly inspected and maintained?
 - Are there protocols for securing equipment when not in use?
 - Are operators trained in equipment safety and proper use?
- **Customer Property Risks**
 - Are there documented procedures for handling and storing customer property?
 - Are there adequate security measures (e.g., alarms, surveillance cameras)?
 - Is there a system for tracking and monitoring customer property?
- **Installation and Construction Risks**
 - Are installation sites secured against theft and vandalism?
 - Are materials and supplies protected from environmental risks (e.g., rain, wind)?
 - Are there safety protocols for workers during installation?

Checklist Notes: Use this checklist to identify areas where risk management practices can be improved, reducing the likelihood of claims and potentially lowering premiums.

7. FYI Section

The FYI section provides valuable insights and tips that help agents understand the nuances of Inland Marine Insurance and effectively communicate its benefits to clients.

- **The Importance of Documentation and Valuation**
 - **Accurate Valuation:** Ensure all movable or transportable items are accurately valued and documented. This is crucial for determining adequate coverage limits and for smooth claims processing.
 - **Documentation:** Keep detailed records of inventory, equipment, and customer property, including photographs, descriptions, and serial numbers. This helps in the event of a claim and can expedite the claims process.
- **The Role of Security and Loss Prevention**
 - **Security Measures:** Implementing strong security measures (e.g., alarms, GPS tracking, secured storage) can reduce the risk of theft and damage, potentially lowering insurance premiums.



Inland Marine Insurance Workbook

- **Loss Prevention:** Encourage clients to adopt loss prevention strategies, such as employee training on handling valuable items, proper packaging of goods for transport, and regular maintenance of equipment.
- **Understanding Policy Limits and Sublimits**
 - **Policy Limits:** Inland Marine policies can have overall policy limits and sublimits for specific types of property or perils. Ensure clients understand these limits and that they align with their coverage needs.
 - **Sublimits for High-Value Items:** Items like fine art or antiques may have sublimits that are lower than the overall policy limit. Clients should be aware of these sublimits and consider additional coverage if necessary.
- **Navigating the Claims Process**
 - **Claims Reporting:** Advise clients to report claims as soon as possible to avoid delays in processing. They should provide all necessary documentation, including proof of value, photos, and incident details.
 - **Specialized Adjusters:** Inland Marine claims often involve specialized adjusters due to the unique nature of the covered property. Make sure clients know what to expect and how to prepare for an adjuster's visit.
- **Tailoring Coverage to Changing Needs**
 - **Regular Policy Reviews:** Encourage clients to review their policies regularly, especially if they acquire new equipment, expand their operations, or take on new projects. Inland Marine coverage should be adjusted to reflect these changes.
 - **Emerging Risks:** Stay informed about emerging risks, such as cyber threats to logistics systems or changes in regulations affecting transportation, and advise clients accordingly.



Inland Marine Insurance Workbook

8. Definitions Section

This section provides clear and concise definitions of key terms related to Inland Marine Insurance to help agents and clients understand the language of insurance.

Key Terms and Definitions

1. **Inland Marine Insurance:**

- Insurance that covers movable or mobile property, goods in transit over land, and property instrumental to transportation or communication, such as contractor's equipment and fine arts.

2. **Transit Coverage:**

- Coverage that protects goods while they are being transported from one location to another over land, whether by truck, train, or other vehicles.

3. **Bailee's Customer Coverage:**

- Insurance that provides protection for businesses that have temporary custody of their customers' property, covering damage or loss while in the business's care, custody, or control.

4. **Contractor's Equipment Coverage:**

- Coverage for tools and equipment that are regularly moved to different locations, typically used by contractors on various job sites.

5. **Installation Floater:**

- Insurance that covers materials, supplies, and equipment from the time they are transported to a job site until they are installed and accepted by the client.

6. **Builders' Risk Insurance:**

- Coverage for buildings and structures under construction, including materials on-site, in transit, or temporarily stored at another location.

7. **Fine Arts Coverage:**

- Insurance that covers valuable art, antiques, and collectibles against damage or loss while in transit, on display, or in storage.

8. **All-Risk Policy:**

- A type of insurance policy that covers all risks of physical loss or damage except those specifically excluded in the policy.

9. **Named Perils Policy:**



Inland Marine Insurance Workbook

- A policy that only provides coverage for specific risks or causes of loss listed in the policy, such as fire, theft, or water damage.

10. **Deductible:**

- The amount the insured must pay out-of-pocket before the insurance company pays a claim. Higher deductibles can lead to lower premiums.

11. **Sublimit:**

- A limit in an insurance policy that restricts the amount of coverage available for a specific type of property or peril within the broader policy limit.

12. **Valuation:**

- The process of determining the value of the insured property, which can affect the amount of coverage and premiums. Types of valuation include replacement cost, actual cash value, and agreed value.

13. **Loss Prevention:**

- Measures and strategies implemented to reduce the likelihood of a loss occurring, such as security systems, employee training, and proper maintenance of equipment.

14. **Specialized Adjuster:**

- An insurance adjuster with expertise in handling claims for specific types of property, such as fine arts or construction equipment, often required for Inland Marine claims.

15. **Claims Reporting:**

- The process of notifying the insurance company of a loss or damage covered under the policy, which typically requires detailed documentation and prompt communication.

16. **Risk Assessment:**

- The process of identifying potential risks and determining how they could affect the insured property, helping to inform the appropriate level of coverage and risk management strategies.