

# Commercial Risk Summary – Wholesalers & Distributors

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## CLOTHING - WHOLESALE

UK SIC CODE: 46420 (2007) / 51429 (2003) Clothing (wholesale)

**Description of operations:** Wholesale clothing stores can sell a variety of new and used clothing and accessories for men, women, children, and infants. Some specialise in men, women, or children, while others are more general. Others specialise in a type of clothing such as hats, coats, hosiery, or wedding dresses.

**Property exposure** is light for ignition but high for damageability and fire load. High-end women's clothes and lingerie is the most susceptible with the least salvage potential. It is important to consider the type of storage racks; whether on pallets or on the floor; whether or not the operation constructs the wood pallets; and the size, shape, cut-offs, and fire walls within the storage facility. Because certain items, such as 'name' items or leather items are very attractive in the market place, adequate theft control must be in place. Are alarms, guards, lighting, fencing, or other protections used?

**Crime exposure** is from Employee Dishonesty. There must be separation of duties in the ordering and inventorying of goods. Employees must be monitored to prevent theft from the warehouse. These items are attractive because of a high street value that encourages employees to remove items unless a good security system is in place to discourage theft.

**Premises liability** is low, provided customers are not permitted on grounds to pick up goods. If customers pick up goods, loading bays must be user-friendly. Areas for pickup must be clearly marked and customers should be confined to the specific areas.

**Products exposures** are low, provided this is only a wholesaler and all manufacturers are insured.

**Motor liability** comes from two different sources. First, there is the salespersons' fleet. Where do they travel? Where are vehicles maintained? Is personal use permitted? Second is the vehicles that deliver. What is the radius of operations? What is the procedure for drivers who are involved in accidents or violations? Where are vehicles stored when not in use? Is there unloading? For all motor vehicle exposure, driving records must be ordered on a regular basis and vehicles must be maintained with documentation kept in a central location.

**Employers' liability exposure** comes primarily from lifting which can cause back injury, hernia, sprain, and strain. What kind of training do employees receive, and what types of material lifting or conveying devices are used within the warehouse or wholesale facility? There is also the motor vehicle delivery hazard. What is the training of drivers? Are periodic medical check-ups required? Are driving records reviewed periodically? Do drivers do the unloading? Is this done manually, or are lifting and conveying devices used during loading and unloading?

**Other exposure** is primarily from Goods in Transit. These may be transported on owners' lorries or may come via common carriers or trains. Goods are subject to breakage losses or transit damage. What types of crime controls—such as alarms—are on vehicles? Are vehicles marked with logos and names of manufacturers? Are vehicles left unattended when loaded? What type of bill of lading is used?

### Minimum recommended cover:

Machinery and Contents, Business Interruption, Book Debts, Computers, Goods in Transit, Employee Dishonesty, Public/Product Liability, Employee Benefits, Excess of Loss/Difference in Cover, Commercial Motor, Employers' Liability

### Other covers to consider:

Building, Material Damage, Money and Securities, Computer Fraud, Employment Practices Liability

# Commercial Risk Checklist – Wholesalers & Distributors

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**Broker:** The covers listed below are suggested for consideration. After evaluating each of the listed covers, check the recommended blank by those that apply specifically to the client. Make sure both the exposure and the cover are explained thoroughly to the client.

**Client:** For each of the covers that the broker has recommended, initial whether you have chosen to accept or reject that cover in the blanks provided.

**Please note that this list is NOT exhaustive. If you have a specific need not on the list, please contact us at Robison & Co Ltd to address your needs and to arrange a bespoke policy.**

## CLIENT/BROKER COVER AGREEMENT

	Recommend	Accept	Reject	N/A
<b>PROPERTY</b>				
Buildings				
Standard Cover	_____	_____	_____	_____
Basic (Additional Perils)	_____	_____	_____	_____
Catastrophe (FLEA)	_____	_____	_____	_____
Additional Building Covers				
Accidental Damage	_____	_____	_____	_____
Subsidence	_____	_____	_____	_____
Terrorism	_____	_____	_____	_____
Domestic Perils	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
Tenants Improvements				
Machinery and Contents				
Premises	_____	_____	_____	_____
Portable	_____	_____	_____	_____
Office Contents				
Premises	_____	_____	_____	_____
Portable	_____	_____	_____	_____
E-Risks				
Computer Hardware	_____	_____	_____	_____
Computer Software	_____	_____	_____	_____
Computer Data	_____	_____	_____	_____
Stock				
	_____	_____	_____	_____
	<b>Recommend</b>	<b>Accept</b>	<b>Reject</b>	<b>N/A</b>

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Work in Progress	_____	_____	_____	_____
Customers Goods Held in Trust	_____	_____	_____	_____

**Other Property Covers**

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Settlement Bases**

Indemnity	_____	_____	_____	_____
Reinstatement	_____	_____	_____	_____
Day One – uplift NN%	_____	_____	_____	_____
85% Average	_____	_____	_____	_____
Other _____	_____	_____	_____	_____

**CONSTRUCTION/SITE RISKS**

Contract Works (Contractors All Risks)	_____	_____	_____	_____
Permanent	_____	_____	_____	_____
Temporary	_____	_____	_____	_____
Contractors Plant and Equipment	_____	_____	_____	_____
Own Plant	_____	_____	_____	_____
Hired In Plant	_____	_____	_____	_____
Offsite Storage (Materials)	_____	_____	_____	_____
Site Cabins and Temporary Buildings	_____	_____	_____	_____

**Other Construction/Site Risks**

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**ENGINEERING COVERS**

Damage and Breakdown	_____	_____	_____	_____
	<b>Recommend</b>	<b>Accept</b>	<b>Reject</b>	<b>N/A</b>
Boilers and Pressure Plant	_____	_____	_____	_____

## Commercial Risk Checklist – Wholesalers & Distributors

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Engine Plant	_____	_____	_____	_____
Electrical and Mechanical Plant	_____	_____	_____	_____
Lifting Machinery	_____	_____	_____	_____
Erection and Installation	_____	_____	_____	_____
Inspection	_____	_____	_____	_____
Engineering Interruption	_____	_____	_____	_____
Machinery Movement	_____	_____	_____	_____
Computers	_____	_____	_____	_____
<b>Other Engineering Covers</b>				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

### **BUSINESS INTERRUPTION COVERS**

Business Interruption With Increased Expenditures	_____	_____	_____	_____
Gross Profit / Revenue / Rentals/ Other	_____	_____	_____	_____
_____				
Increased Cost of Working	_____	_____	_____	_____
Additional Increased Costs	_____	_____	_____	_____
Declaration Uplift NN%	_____	_____	_____	_____
Indemnity Period NN months	_____	_____	_____	_____
Extensions				
Prevention of Access	_____	_____	_____	_____
Failure of Utilities – Station Only	_____	_____	_____	_____
Failure of Utilities – Terminal Supply	_____	_____	_____	_____
Key Suppliers - Specified	_____	_____	_____	_____
Key Suppliers - Unspecified	_____	_____	_____	_____
Key Customers - Specified	_____	_____	_____	_____
	<b>Recommend</b>	<b>Accept</b>	<b>Reject</b>	<b>N/A</b>
Key Customers - Unspecified	_____	_____	_____	_____
Goods in Transit	_____	_____	_____	_____

# Commercial Risk Checklist – Wholesalers & Distributors

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Motor Vehicles	_____	_____	_____	_____
Pattern Moulds and Dies	_____	_____	_____	_____
Contract Penalties	_____	_____	_____	_____
Loss of Attraction	_____	_____	_____	_____
Murder and Suicide	_____	_____	_____	_____
Infectious Disease	_____	_____	_____	_____
Defective Sanitation	_____	_____	_____	_____
Property Stored Elsewhere	_____	_____	_____	_____
Contract Sites	_____	_____	_____	_____
Outworkers	_____	_____	_____	_____
Other _____	_____	_____	_____	_____

**Other Business Interruption Covers**

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**LIABILITY COVERS**

Employers Liability	_____	_____	_____	_____
Public Liability	_____	_____	_____	_____
Legal Expenses	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
Products Liability	_____	_____	_____	_____
Products Recall	_____	_____	_____	_____
Financial Loss	_____	_____	_____	_____
Environmental Impairment Liability	_____	_____	_____	_____
Directors and Officers Liability	_____	_____	_____	_____
Management (Entity) Liability	_____	_____	_____	_____
	<b>Recommend</b>	<b>Accept</b>	<b>Reject</b>	<b>N/A</b>
Employment Practices Liability	_____	_____	_____	_____
Media / Cyber Liability	_____	_____	_____	_____
Special Events Liability	_____	_____	_____	_____

# Commercial Risk Checklist – Wholesalers & Distributors

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Professional Indemnity (Errors and Omissions)	_____	_____	_____	_____
Accountants	_____	_____	_____	_____
Architects	_____	_____	_____	_____
Consultants	_____	_____	_____	_____
Contractors	_____	_____	_____	_____
Engineers	_____	_____	_____	_____
Financial Advisors	_____	_____	_____	_____
Solicitors	_____	_____	_____	_____
Other _____	_____	_____	_____	_____

Trustees Liability (Charity or Pensions) \_\_\_\_\_

**Other Liability Covers**

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**BENEFITS**

Employee Benefits	_____	_____	_____	_____
Group Personal Accident	_____	_____	_____	_____
Group Income Protection	_____	_____	_____	_____
Other _____	_____	_____	_____	_____

**GOODS IN TRANSIT COVER**

Goods in Transit	_____	_____	_____	_____
Own Goods	_____	_____	_____	_____
Consigned Goods	_____	_____	_____	_____
Freight Forwarders Liability	_____	_____	_____	_____

**Recommend    Accept    Reject    N/A**

Hauliers Liability	_____	_____	_____	_____
Warehouse Keepers Liability	_____	_____	_____	_____

**Other Goods in Transit Cover**

_____	_____	_____	_____	_____
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# Commercial Risk Checklist – Wholesalers & Distributors

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## OTHER RELEVANT BUSINESS COVERS

All Risks to Cover Portable Equipment	_____	_____	_____	_____
Book Debts	_____	_____	_____	_____
Cameras and Musical Instrument Dealers	_____	_____	_____	_____
Credit Risks and Bad Debt	_____	_____	_____	_____
Deeds and Documents	_____	_____	_____	_____
Difference In Cover / Difference in Limits (DIC/DIL)	_____	_____	_____	_____
Excess of Loss	_____	_____	_____	_____
Film Cover	_____	_____	_____	_____
Furriers Block	_____	_____	_____	_____
Glass and Signs	_____	_____	_____	_____
Goods Held in Trust	_____	_____	_____	_____
Instalment Sales	_____	_____	_____	_____
Jewellers Block	_____	_____	_____	_____
Loss of Profits or Money	_____	_____	_____	_____
Specie and Fine Arts	_____	_____	_____	_____
Specie and Fine Arts Dealer	_____	_____	_____	_____
Theatrical Property	_____	_____	_____	_____

## Other Relevant Business Covers

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Recommend    Accept    Reject    N/A**

## CRIME COVERS

### Money, Securities and Other Property

Employee Dishonesty	_____	_____	_____	_____
Computer Fraud	_____	_____	_____	_____
Funds Transfer Fraud	_____	_____	_____	_____

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Kidnap and Ransom	_____	_____	_____	_____
Loss of Money	_____	_____	_____	_____
Terrorism	_____	_____	_____	_____
Theft	_____	_____	_____	_____
Full Theft	_____	_____	_____	_____
<b>Other Crime Covers</b>				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

## COMMERCIAL MOTOR COVERS

Comprehensive	_____	_____	_____	_____
3rd Party Liability	_____	_____	_____	_____
Fire and Theft	_____	_____	_____	_____
Hired Vehicles	_____	_____	_____	_____
Hired Plant and Vehicles	_____	_____	_____	_____
Motor Fleet	_____	_____	_____	_____
Motor Trade	_____	_____	_____	_____
Garage or Internal Risks	_____	_____	_____	_____
Road Risks	_____	_____	_____	_____

## Other Commercial Motor Covers

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Recommend    Accept    Reject    N/A**

## AVIATION COVERS

Hull All Risks	_____	_____	_____	_____
Aircraft Liability	_____	_____	_____	_____
Hangarkeepers Liability	_____	_____	_____	_____
Passenger Liability	_____	_____	_____	_____
Other _____	_____	_____	_____	_____



# Commercial Risk Checklist – Wholesalers & Distributors

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Other \_\_\_\_\_

## MARINE COVERS

Cargo \_\_\_\_\_

Hull Cover \_\_\_\_\_

Owners Liability \_\_\_\_\_

War \_\_\_\_\_

Other \_\_\_\_\_

Other \_\_\_\_\_

## BONDS

Bid Bond \_\_\_\_\_

Contract Bond \_\_\_\_\_

Payment Bond \_\_\_\_\_

Licence Bond \_\_\_\_\_

Other \_\_\_\_\_

## BESPOKE COVERS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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# Commercial Risk Checklist – Wholesalers & Distributors

## Comments

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I certify that I have reviewed my cover needs in accordance with this checklist with my broker and I have accepted or rejected the recommended covers as indicated by my initials in the spaces above.

\_\_\_\_\_ Signature of Client \_\_\_\_\_ Date

\_\_\_\_\_ Title

I certify that I have reviewed the covers outlined in this checklist with my client and that the initials of the client indicate the acceptance or rejection of the covers recommended.

\_\_\_\_\_ Signature of Broker \_\_\_\_\_ Date