



RETAIL, WHOLESALE, FOOD, AND BEVERAGE PRACTICE

# Marsh Supplier Select<sup>SM</sup>: Industry-Leading Product Liability Coverage

Amid an uncertain trading environment, it's important for purchasing departments within US-based retail and wholesale companies to diversify where they source both products and materials. But the tug of war between reducing costs and finding suppliers that can also meet insurance requirements can create potential burdens for both procurement and risk management departments.

Marsh Supplier Select<sup>SM</sup> — powered by our Bluestream technology — offers insurance to the suppliers of retail and wholesale companies that may lack adequate product liability coverage or are otherwise unable to demonstrate contractually required coverage.

## Challenges Faced by Third-Party Suppliers

Products sold by retailers and wholesalers often come from third-party suppliers and can present sizable risks, including the potential for bodily harm or property damage losses. Risk management teams often build insurance requirements into their contractual agreements with suppliers in order to protect their organizations. But suppliers can struggle to meet these requirements — and purchasing departments often struggle to verify compliance.

Retailers' and wholesalers' purchasing departments typically have little or no visibility into their suppliers' operations. Without quality assurance audits of suppliers, retailers or wholesalers generally cannot know whether a supplier's coverage suffices.

Buyers also often cannot be certain that their suppliers are meeting contractual insurance requirements. Foreign suppliers without US operations, which generally lack access to US insurance markets, often purchase insurance in their home countries, but these coverages may be harder to evaluate.

Marsh Supplier Select significantly mitigates this uncertainty for retailers and wholesalers.

## Product Features

- Marsh Supplier Select is designed to provide insurance to suppliers that may not have access to and/or adequate product liability coverage or are unable to provide evidence of contractually required coverage. The retail/wholesale company can direct their suppliers to a digital platform through which they can apply directly for coverage.
- Supplier Select offers retailers and wholesalers an additional feature to collect and verify suppliers' insurance certificates. Suppliers upload their certificates to the platform, which are processed and verified based on the client's requirements.

Noncompliant suppliers are directed to purchase coverage and receive an offer to purchase that coverage from Marsh Supplier Select.

- The Marsh Supplier Select product liability policy names a retail or wholesale company as the first named insured, with suppliers listed as additional insureds.
- The policy typically includes limits of either \$1 million per occurrence and \$2 million in aggregate or \$2 million per occurrence and \$5 million in aggregate, but can be adjusted to meet an individual policyholder's needs.
- With Marsh Supplier Select, a retail or wholesale company fronts a portion of the policy premium. Suppliers then pay their portion of the premium when they join the program annually, which can subsidize the program cost.
- Policyholders can access a view of suppliers that have purchased coverage under the program. This can largely eliminate the need to request proof of coverage from suppliers, which can reduce the administrative burden on risk management teams and buyers. Suppliers gain proof of coverage immediately.

## Managing Claims and Losses

Marsh Supplier Select provides retail and wholesale companies with greater confidence that their suppliers have met contractual insurance requirements and have consistent coverage terms in the event of a loss. Backed by a highly-rated US-based insurer, enhancing confidence that valid claims will be paid. Claims are tagged to individual suppliers rather than a retail or wholesale company's general liability policy.

In the event of a loss, retail and wholesale companies purchasing the policy can also benefit from the services of Marsh's experienced claims advocates. Our team of claims professionals have extensive industry and product liability and supply chain knowledge, and can help you resolve even the most complex and potentially contentious claims.

For more information on Marsh Supplier Select, visit [marsh.com](http://marsh.com), contact your Marsh representative, or contact:

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## WHY MARSH?

Marsh's Retail, Wholesale, Food, and Beverage Practice is comprised of more than 600 colleagues dedicated to serving the needs of our clients and is backed by experts across our risk practices, Marsh Risk Analytics, and Marsh Risk Consulting. Our clients include:

- More than 60 of the top 100 retailers, including the top 10, as ranked by the National Retail Federation.
- More than 20 of the top 50 convenience stores in North America, as ranked by Convenience Store News.
- More than 30 of the top 75 supermarkets in North America, as ranked by Supermarket News.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

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