Spoilage, Change in Temperature and Change in Flavor

Perishable property is a critical asset for Food companies. Chubb helps protect against costly spoilage losses.

CHUBB®

Food companies face a unique and complex set of risks with high competition, low margins, numerous regulations, and consumers who are ever more aware of food safety issues and concerned about the environment.

For Food Processors and Distributors, perishable assets can be critical, and any malfunction or loss of power to refrigerators or freezers devastating.

Without broad all-risk coverage insuring perishable goods, food processors and distributors could face potentially significant losses if a covered loss occurs.

Chubb offers two ways to protect Food Processors and Distributors.

1. Coverage up to the full personal property limit

Chubb's Building and Personal Property contract provides full limit coverage for thirteen specified perils:

Destructive Hurricane and the Aftermath - A Loss Scenario
In 2020, Category 4 hurricane Laura made landfall in Louisiana. Before weakening to a tropical depression, it caused over $10 billion in losses across multiple states, with widespread power outages. A pasta manufacturer located in one of the affected states lost power and was unable to continue production for several days. However, because windstorm is one of the 13 specified perils, they were covered up to their full property and business income limits for resulting spoilage, change in temperature and change in flavor losses.

Thirteen Specified Perils

- Aircraft or self-propelled missiles
- Explosion
- Fire
- Leakage from fire protection equipment
- Lightning
- Riot or civil commotion
- Smoke
- Vandalism
- Vehicles
- Volcanic action
- Windstorm or hail

2. Coverage up to the Subsidiary Limits of Insurance

When the cause of loss is any covered peril other than the 13 specified perils noted above, Chubb provides insurance for spoilage and/or change in temperature and/or change in flavor up to the sub limit we determine based on insureds needs and risk exposures.

Freezer Failure and Business Income Loss Scenario
A mechanical breakdown of a freezer at a bakery resulted in spoilage of a three-day supply of production. Despite expedited repairs, the inability to supply product also resulted in a business income loss. Because mechanical breakdown is not a specified peril, this loss was covered up to the spoilage and/or change in temperature and/or change in flavor limit on the subsidiary limits of insurance endorsement. Available limits depend on the susceptibility of the property and on-site controls.

Our risk mitigation expertise helps companies find more ways to protect themselves.

At Chubb, we do more than simply offer insurance. We help our clients mitigate their risks. For companies that need higher limits but lack adequate controls, we collaborate with them, developing risk engineering recommendations to help them better protect their property, and secure limits for the full value of their perishable property.

Risk mitigation resources
We offer resources to help Food companies manage their risk of loss. Please contact your local Chubb Risk Engineering group for information on protecting perishable property.

Why Chubb?

- **Experience:** Chubb has been a leader in offering state-of-the-art property and casualty insurance protection to Food companies for more than 30 years.

- **Expertise:** We have dedicated Food underwriters and risk engineering specialists focused exclusively on providing a broad range of precisely crafted yet flexible global insurance solutions tailored for Food processors and distributors.

- **Global reach:** We have offices in 54 countries, giving us knowledge of local business conditions and trends, and helping assure a fast, personal response to claims anywhere in the world.

Chubb. Insured.℠