

LS Prime® Political Risk Insurance

"What Would Happen?' Series

Claims Scenario # 1 - Wastage Peril

The Scenario

A drug company procures sensitive research materials from a supplier overseas under the condition that the drug company take ownership prior to shipment. Due to the supplier's location, the materials are transported by truck to a neighboring country, where they will be transferred to an air cargo carrier. At the transfer point in the intermediary country, the government stops all goods passing through customs for 30 days. The sensitive materials are inappropriately stored during the delay, making them unusable.

The Solution

Berkley Life Sciences' political risk insurance addresses unique risks faced by life science companies with highly regulated, international business operations. One such risk is the potential wastage of sensitive materials that can happen during governmental delay or detention. "Wastage", common to life science operations, is not addressed by standalone political risk insurance. Berkley Life Sciences has created a unique coverage to address this coverage gap: "Wastage of Perishable Life Science Material". "Wastage" coverage responds when detention or delay by a governmental official causes expiration of product shelf life, or damage to sensitive material, due to improper storage by government agents.

The Claim Resolution

LS Prime® Political Risk Insurance pays the drug company, up to the limit of insurance, for the R&D materials rendered unusable due to the government's improper storage during detention.

This new coverage is unavailable in the standard political risk market, has been specifically crafted for life science companies and is available only through LS Prime®. [Click here](#) for more information on this leading-edge coverage or contact your Berkley Life Sciences underwriter.

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