

TCI and Insurance Institute of India release a joint report on the insurance requirements of India's logistics and warehousing sector

Exploratory study recommends mandatory insurance of cargo by shipper & a comprehensive risk management policy for logistics service providers



Tuesday, April 17th, 2018: TCI, India's leading multimodal integrated logistics provider, released an exploratory study, conducted jointly with the Insurance Institute of India (III), that explored the need for insurance in India's logistics sector. The report, titled **'Insurance Requirements of the Indian Logistics and Warehousing Industry and their Customers'**, was launched by the **Honourable Minister for Road Transport & Highways, Shipping and Water Resources, Shri Nitin Gadkari** at a gala event held at the Transport Bhawan in New Delhi on 17th of April, 2018.

The joint exploratory study found that Logistics Service Providers (LSPs) continue to be highly vulnerable due to the often; unfair allocation of risk between them and shippers. Shippers are sometimes absolved of liability even where they are at fault, and these costs are borne by the LSPs.

With this in mind, the study recommended that LSPs appeal to the government to mandate the insurance of goods in freight by the cargo owner. It also suggested that the sector build internal capacity to understand insurance needs, evaluate its own risk capacity, and make informed decisions with respect to insurance purchases in the future.

Commenting on the launch, **Mr. Vineet Agarwal, MD-TCI Group** said, "The logistics and transport industry in India is faced with some unique challenges. Unlike more developed economies, all goods being transported are not insured. In fact, LSPs and Warehouse Service Providers (WSPs), and Transporters end up taking insurance on behalf of their customers for 'direct cash debits' for

significantly high amounts. This is a huge cost and the risk impact is not only on large organized players but on the small transporters it is an unbearable risk. Hence, this study was instituted by TCI and IIL to highlight the various issues and factors which we would want our clients, as well as insurers and surveyors to be aware of.”

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About Group TCI: Group TCI, with revenues of over Rs.3,700 Cr, is India's leading integrated supply chain and logistics solutions provider. TCI group with expertise developed over 6 decades has an extensive network of company owned offices, 11 mn. Sq. ft. of Warehousing space and a strong team of trained employees. With its customer-centric approach, world class resources, State-of-Art technology and professional management, the group follows strong corporate governance and is committed to value creation for its stakeholders and social responsibilities. TCI was the first to launch several solutions in the logistics field. Its product offering includes:

TCI Freight: India’s leading surface transport entity. This division is fully equipped to provide total transport solutions for cargo of any dimension or product segment. It transports cargo on FTL (Full truck load)/ LTL (Less than truck load)/ Small packages and consignments/ Over Dimensional cargo.

TCI Supply Chain Solutions: TCI SCS is a single window enabler of integrated supply chain solutions right from conceptualization and designing the logistics network to actual implementation. The core service offerings are Supply Chain Consultancy, Inbound Logistics, Warehousing / Distribution Centre Management & Outbound Logistics.

TCI Seaways: TCI Seaways has well equipped six ships in its fleet and caters to the coastal cargo requirements for transporting containers and bulk cargo.

TCI Express Ltd: A leading express distribution specialist, it offers a single window door-to-door & time definite solution for customers’ express requirements. It services 40,000 locations in India and 202 countries abroad.

TCI Developers Ltd: It is undertaking development of large modern Warehouses, Logistics Parks etc.

TCI Foundation: As the group’s social arm, TCIF fulfils corporate social responsibility and runs charitable hospitals and schools for the under-privileged in the rural areas. It has also collaborated with the Bill & Melinda Gates Foundation & National Aids Control Organization to run programs on AIDS interventions and education among the vulnerable trucking community.

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