



UPS Capital®

## How one distributor declared an end to the declared-value claims battle.



### Case Study: JCR Distributors

From its Dallas, TX warehouse, JCR Distributors ships high-end residential kitchen and bath products from exclusive manufacturers to customers across the United States. Their customers are kitchen and bath showrooms, architectural hardware showrooms, locksmiths, wholesalers and cabinet shops. They carry a large inventory of goods with the goal to ship all in-stock orders the same day.

### Challenge

Shipping high-end, fragile porcelain and glass comes with risk. Losses were stacking up, and customer orders were being delayed while JCR waited for claims to be resolved.

### Solution

InsureShield™ for UPS Packages and InsureShield™ Complete through UPS Capital were introduced to protect both individual small packages and larger LTL shipments.

### Results

Customers are getting better service. JCR no longer worries about claims and can quickly replace a customer's order without thinking about how much they have to write off each year.

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Brad Sledge considered himself a savvy shipper.

As General Manager for JCR Distributors for many years, he'd been responsible for everything from purchasing and sales operations to logistics and customer service. "We do thousands of shipments each year, all over the country," Brad says. "Everything from delicate lightbulbs and fixtures to expensive, designer toilets."

Though JCR put great care into their packaging, sometimes goods got damaged in transit. "Not often, maybe one percent of the time," Brad recalls. "But when you ship as much as we do, that can add up."

Like most shippers, JCR relied on each carrier's declared value to "insure" their shipments. But when something went wrong, they found themselves spending valuable time and resources trying to prove the carrier was liable for the damage or loss. In the end, JCR felt lucky if they recovered 30% of their losses.

"The only world I knew was fighting a losing battle," Brad remembers. "I didn't know there was a better option."

## Declared value is not insurance. Who knew?

"I just assumed that declared value was insurance," Brad recalls. His story is not unusual. Today, most shippers — even those who ship lots of packages like JCR — rely on the carrier's liability program to protect their shipments. In fact, nearly 40% of them believe that declared value is actual insurance\*.

All carriers are required by law to offer a liability program. But it is not insurance and coverage varies widely by carrier. There are also numerous exceptions carriers can use to deny a claim.

Brad experienced this first-hand with his small-package shipments. Then, as JCR grew, he saw it with LTL shipments, too. "Dealing with LTLs on declared-value claims is not fun," Brad says. "If you're lucky you might get a third of your value back. Most times you get nothing."

### The solution

Brad was introduced to UPS Capital, UPS's insurance and financial services subsidiary. Terry Giebler, UPS Capital's Business Development Officer for JCR, shared the differences between carrier

liability and insurance and discussed the benefits of an insurance policy through UPS Capital.

With InsureShield™ for UPS Packages, JCR could choose to fully insure any small package shipment right when they were preparing the shipping label.

"It's so much better than declaring value!" Brad says. "It's less expensive and our claims process is the best it's ever been."

### All-carrier LTL coverage

Because more than 50% of JCR's orders ship LTL, Giebler and the UPS Capital team also set up Brad with InsureShield™ Complete — an all-risk cargo insurance policy with all-carrier coverage. This solved another problem that was frustrating JCR.

"Our deliveries are custom orders," Brad says. "But not every shipment gets opened the day of delivery. Packages can go unopened for more than a week until they're needed. So, any concealed damage isn't reported until the box is

opened." Giebler explains: "LTLs require that concealed damage be reported within five days if you want to file a claim. That can be problematic. We told Brad that with an InsureShield policy, he had 90 days to file a claim."

"I said, 'Where do I sign?'" Brad laughs. "You just can't expect people to go through every box on a pallet in a few days. We were losing our hat on damages that were discovered weeks after delivery, and there was nothing I could do about it."

Brad says his policy pays for itself each year, and he doesn't miss fighting the claims battle with carriers. Whether it's InsureShield Complete or InsureShield for UPS Packages, Brad says, "The best part is that we can reship a replacement product to a customer immediately. Because I know I'm going to get paid."

Learn more about InsureShield insurance options at [upscapital.com](https://upscapital.com).

**Why UPS Capital?** Nobody understands transportation and logistics like UPS. And while you've probably never thought of a UPS company for financing and insurance services, our global supply chain expertise uniquely positions us to help protect companies from risk, and leverage cash in their supply chains. Insurance companies and banks can't say that.

\*Source: Harris Poll, 2018

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Brad Sledge  
General manager, JCR Distributors

## Ensuring payments, too.

When it comes to risk, Brad Sledge is "a big fan of peace of mind." In addition to trusting UPS Capital to insure his shipments, he also counts on them to help protect his bottom line.

**C.O.D. Payment Options** — "We didn't take credit cards back then," Brad recalls. "And it was common to get bad checks." After signing up for C.O.D. Secure®, JCR received C.O.D. payments in 2–3 days from delivery, with guaranteed payments to a pre-determined limit.

**Trade Credit Insurance** — With Trade Credit Insurance, JCR knows they'll get paid, even if a customer doesn't pay them. "We had some high-risk accounts," Brad says. "As a small business, one bad customer can put you out of business. We've only had to use it a few times. But it's paid for itself."

