



**InsureShield®  
Shipping Protection**

by UPS Capital Insurance Agency, Inc.

# TRUE COST OF LOSS



**When you have a lost or damaged package, you often don't think about the true cost of a loss.** With slim profit margins, the amount of additional products you need to sell to recover your loss can be quite surprising – see how below.

## SINGLE PACKAGE SCENARIO

**You ship a package valued at \$300 and it gets lost or damaged in transit or disappears after delivery due to porch piracy.**

- You need to reship immediately to make things right for your customer!
- Your profit margin is 12%

**It will require an additional \$2,500 in new sales to offset the \$300 shipment loss.**

- Here's the math:  $(\$300 / .12)$

## MULTI-PIECE SHIPMENT SCENARIO

**You ship 15 packages out on the day, each valued at \$150 and the truck is in an accident and your goods get crushed.**

- Total value of packages: \$2,250
- Your profit margin is 8%

**It will require an additional \$28,125 in new sales to offset the \$2,250 shipment loss.**

- Here's the math:  $(\$2,250 / .08)$

## How Many New Sales Does It Take to Make Up for One Loss?

Calculate Your True Loss Potential Before You Ship

Value of goods lost (\$)



Profit margin  
on your goods (%)

=

It would take

in new sales to  
recover that loss.

### The brighter side of shipping

Give your shipments the protection they deserve by declaring the insured value at the time of shipping.

### Have questions?

Contact your licensed UPS Capital Representative.

Make sure you're  
**Declaring  
Values**

For your  
**Risk  
Tolerance**

Because sometimes  
**Bad Things  
Happen**

The fallout is  
**Bigger Than  
You Think**