Insurance for Textile Companies Involves Several Insurers for High Risk

Contributed by Maizer
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Textile company operations are vulnerable to fire risk. To avoid this, textile businesses use loss insurance products to maintain the supply of raw materials and machinery in factories.

But covering a textile company is not small. Executive Director of the Indonesian General Insurance Association (AAUI) Dody U.S. Dalimunthe revealed that to cover textile companies, they usually use a co-insurance scheme or insurance coverage covered by more than one guarantor. "Usually, textiles cannot be alone, but co-insurance. The technical policy is issued by the coinsurance leader, but all co-insurance providers are responsible according to their respective parts, "said Dody. Because of the large amount of cover, usually the insurance involved is still in the same group as the creditors of textile companies. For example, banks that have insurance companies. However not all textile occupations use insurance because there is one covered by a guarantor. But with typical high-risk coverage such as textiles, the use of co-insurance as a way to mitigate and spread risk. For the amount covered by insurance, it depends on the preference of the guarantor starting from the risk profile covered and the risk appetite of the guarantor.