Shipping isn’t a matter of life or death. Well, sometimes it is.

CASE STUDY:
Pacific East Aquaculture
The largest indoor coral farm and reef livestock retail and wholesale operation in the US, serving hobbyists and reef keepers nationwide.

Challenge
Time and temperature are critical when shipping one-of-a-kind, live coral from coast to coast. Pacific East was losing product due to mis-sorts that left their coral sitting in a shipping hub. Customers were frustrated, and their carrier didn’t offer insurance to cover the loss.

Solution
UPS Next Day Air® shipping, backed by Flexible Parcel Time-in-Transit Insurance from UPS Capital Insurance Agency, Inc.

Results
Significantly reduced shipping and delivery issues, and provided the peace of mind that if something unexpected happens, Pacific East and its customers are covered.

“When you ship live animals across the country, you put a lot of faith in your shipper,” relates Dr. Mac Terzich, who, with his wife, Rachel, founded Pacific East Aquaculture in 1999. Located in Mardela Springs, MD, in a remote part of the Delmarva Peninsula, Pacific East is the largest indoor coral farm in the US.

Pacific East imports exotic, fragile coral — considered an endangered animal — from Indonesia and the Solomon Islands, then studies, preserves and grows them in a state-of-the-art, temperature-controlled aquaculture community. They also sell coral to hobbyists and reef-keepers, who maintain elaborate aquarium habitats in their homes or businesses. At retail, one coral can cost thousands of dollars.

“Once removed from a natural habitat, coral can live for 36-48 hours in ideal conditions,” says Dr. Mac, a board-certified veterinary pathologist who left his long-time job with Perdue Farms to turn a life-long passion into his business. “It’s very temperature sensitive, and requires oxygen.”

All of which means shipping is crucial to Pacific East. “We ship a lot of high-value packages overnight,” Dr. Mac says. “And as soon as you pack that coral in the box, the clock starts ticking.”
Real insurance. For real peace of mind.

Pacific East had been using another shipping company for a long time, but was getting increasingly frustrated. “For some reason, we had a lot of delayed shipments, and our coral would sit at the carrier’s facility for a few days,“ Dr. Mac recalls. “It was a fairly regular event, so we had quite a few irate customers.”

To make matters worse, the Terzichs thought their coral – a perishable - was insured through their declared value carrier liability coverage. When something went wrong, they were offered compensation in the form of free shipping. But this didn’t reimburse them for the invoice value of their goods, which could be thousands of dollars. “It was inconsistent,” Rachel recalls. “And it rarely made us whole. Plus it was a hassle.”

**Overnight delivery + time-in-transit Insurance. Who knew!**

Enter Paul Wilson, a UPS account executive, who told Dr. Mac and Rachel that not only could UPS ship their coral overnight, but UPS Capital could also put a Flexible Parcel Time-in-Transit Insurance policy in place to cover the unexpected. That policy would cover them — up to the retail value of the goods — if a loss occurred.

“We just assumed the other guys were for air, and UPS was only for ground,” says Rachel. “Once we met Paul, we learned that wasn’t the case at all, and we could get much better service from UPS. We learned that UPS was an integrated carrier, offering both air and ground shipping through the same company, which we didn’t have before. Now we can ship some local packages by ground. We save money and know it’ll get there the next day.”

“Based on what he’d been through before, Dr. Mac was a little skeptical when we told him about Flexible Parcel Insurance,” Paul says. “But when he compared the Flex policy with his carrier liability coverage, he realized he had significant gaps in protection. He wasn’t covered for loss and damage of perishables, nor was he covered up to the retail value of his goods. The Flex policy covered that.”

**Improved visibility for a better customer experience.**

UPS integrated Worldship® shipping technology into Pacific East’s order system, along with UPS Quantum View to enhance visibility and let customers track their own packages. “Now when we see that the package has been delivered,” says Rachel, “We’ll call the customer, let them know it’s there and make sure everything is OK.”

Pacific East still has the occasional claim, “but UPS Capital takes care of it quickly and painlessly,” Rachel says. “Real insurance through UPS Capital is a big thing. We went from a jury-rigged situation to a very mapped-out business situation.”

Added Dr. Mac: “For us it’s about peace of mind. And this is revolutionary!”

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**Peace of mind for coral. And just about anything else you ship.**

Flexible Parcel Insurance is an alternative to standard carrier liability coverage. It protects your packages against loss, damage or delay, reduces the hassle of annoying claims and provides peace of mind with every package you insure. You’re also covered up to the full sales price, not just the value of the item.

**Basic** Covers loss or damage to goods in transit, up to the sales price.

**Expanded** Basic coverage, plus coverage for consequential losses, like penalties, fees or lost revenue, that go beyond just the actual value of the shipment. Covers items excluded from a carrier’s standard tariff, including those with face value, like gift cards and tickets.

**Time-In-Transit** Covers loss or damage from delays in transit for time-sensitive or perishable goods, like live coral.

**Benefits:**
- Coverage for domestic inbound, outbound, freight collect and third-party shipments, as well as international outbound shipments
- Insurance selection integrated with standard shipping systems
- Coverage at the time of shipping with no upfront costs or deposits
- Simplified billing, with transactional charges incorporated on your UPS bill
- Dedicated customer service
- Most claims settled in about 12 days
- Multi-carrier option insures all small package shipments, regardless of carrier

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