

# What is Product Recall Coverage?

Recall Insurance covers the cost to return a defective product or food item to the manufacturer and defend the client's reputation. Standalone Liability policies excluded this critical supply-chain exposure.



## WHY BUY PRODUCT RECALL INSURANCE

Product recalls can strike anywhere. In a recent event originating in the fields of Yuma, Arizona, at least five have died and over 200 more were sickened from eating E-Coli-tainted romaine lettuce. Same brands never recover from a single event let alone an event of this magnitude. Farm-to-table produce increases the points of possible contamination. New technologies make tracking supply-chain touch points much easier, putting more suppliers in that chain at risk of liability claims. Higher consumer awareness will continue to increase recall risks.

## THE COST OF PRODUCT RECALLS CONTINUE TO RISE:

Whether in food or in manufacturing, recalls are increasing in the US and abroad. Since 2002, food recalls have almost doubled. Contaminated Product coverage helps manufacturers, wholesalers, retailers and food, beverage and ingestible product distributors manager growing threats to their products, brand reputations and financial futures.

When a product recall looms, your client must trace, locate, recall and destroy the product, and then restock, Reputational risk can permanently damage a brand. Supply chains are more complex, and recalls can be challenging and costly. Help your clients recover quickly with Product Recall Insurance.

## INSURANCE COVERAGE HIGHLIGHTS

### Coverage is available for:

- Accidental Contamination
- Government Recall
- Malicious Product Tampering
- Product Extortion
- Adverse Publicity
- Mislabeling

### Covered cost include:

- Pre-Incident Consultants Costs
- Pre-Recall Expenses
- Crisis Consultants Cost
- Recall Costs
- Destruction Costs
- Redistribution Cost
- Replacement Costs
- Insured Product Extortion Costs
- Business Interruption Expenses
- Brand Rehabilitation Expenses
- Third-Party Recall Costs
- Third-Party extensions are available for:
  - Customer Loss of Gross Profits
  - Third-Party Recall Liability

### Coverage for US companies with operations and facilities worldwide

"Although 2017 appears to be much better than prior years in the frequency or severity of insureds recalls, losses from 2015 and 2016 have matured... with worse-than-expected losses. The risk seems to be increasing across all product lines."

- Business Insurance



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