



4D Training

Product Recall & Contamination Insurance (Half Day)

Who Would Benefit

Brokers, underwriters, assistant underwriters, underwriting assistants, technicians and claims handlers who have clients who are concerned with their exposure to product recall.

Workshop Objectives

On completion of the workshop delegates will be able to:

- List major product recall and contamination incidents which illustrate the need for the coverage
- Explain legal and regulatory developments that have increased the exposure of manufacturers to product recall and contamination risks
- Identify which types of organisation have greatest exposure to product recall or contamination claims
- Identify the first party and third party costs which are incurred in the event of product contamination or recall
- Explain the limitation of other coverage such as Products Liability and Business Interruption in protecting insureds
- Describe the coverage provided by product recall and product contamination insurances
- Identify the principal exclusions that apply to such policies
- Explain the principal underwriting considerations of product recall and contamination policies
- Outline the best practice for handling product recall incidents and claims
- Describe best practices for product safety risk management

Workshop Content

Product recall and contamination incidents including

- Chinese milk
- Cadburys
- Premier foods – Sudan 1
- Firestone
- Horsemeat scandal
- Toys – Mattel
- Toyota

Legal & Regulatory Framework

- EU Products Directive/Consumer Protection Act
- EU General Product Safety Directive 2001
- RAPEX and RASFF
- National differences

Types of organisation with exposure

- Food & Drink
- Pharmaceutical
- Toys
- Automotive
- Electrical
- Clothing
- Restaurants
- Water utilities
- Most frequently notified products
- Most frequently notified risks



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Costs

- Pre recall expenses
- Recall costs
- First party recall expenses
- Third party recall
- Defence costs
- Rehabilitation expenses
- Consultancy costs
- Loss of gross profit
- Customer loss of gross profit

Existing coverages limitations

- Products Liability
- Property Damage/Business Interruption

Product recall/contamination coverage

- Product contamination v First party product recall v Third party product recall
 - Operative clauses
 - Accidental contamination
 - Malicious product contamination
 - Product extortion
 - Adverse publicity
 - Government recall
 - Costs covered
 - Triggers
 - Limits/deductibles and coinsurance
 - Exclusions

Underwriting considerations

Product recall claims handling

- Notice
- Handling incidents
- Consultancy advice

Product safety risk management

- Quality management
- Contingency planning
- Reputation and crisis management

Duration

Half day

Pre-requisites

Some understanding of public/products liability coverage is useful but not essential.