

Product Recall Insurance Fact Sheet

Value of Product Recall Insurance

- Brand name and balance sheet protection. Product Recall costs and expenses resulting from an unsafe, defective, contaminated or tampered product are normally excluded from a general liability policy. These expenses can cripple a company.
- Contractual requirements. More customers (ex. box stores, department stores, building material stores, grocery chains) are requiring evidence of Product Recall Insurance prior to product delivery.
- Rising trend of product recalls involving various new legislation from regulatory bodies. Including FDA (Food & Drugs - new FSMA regulations), USDA (Agriculture), CPSC (Consumer Products) and NHTSA (Highway and Traffic Safety).

Value of Crisis Consultants

- Key to successful pre-incident loss prevention as well as post-incident response
- Provide assistance with subjectivity compliance and safety plan review
- Consultant costs are included in addition to insurance coverages

Policy Highlights & Insured Event Triggers

All policy forms include: pre-recall expenses, recall costs, replacement costs, crisis consultant costs, plus optional consequential damage (third party economic loss) or governmental determination endorsements.

- Consumer Goods Form (finished goods and products): Covers voluntary or involuntary stock recovery, market withdrawal or recall of a defective or unsafe insured product that has resulted in or would result in bodily injury or property damage. Optional consumer PLUS endorsement includes loss of gross profit, extra expenses and rehabilitation expenses.
- Component Parts Form (parts designed to be incorporated into a final product): Covers voluntary or involuntary stock recovery, market withdrawal or recall of a defective or unsafe insured product that has either resulted in or would result in bodily injury or property damage or impaired property. Coverage also includes impaired property (customer's product cannot be used, is less useful or is unfit or fails to perform its intended function because of the insured's defective part).
- Consumable Products Form (food, cosmetics, pharmaceuticals, ingestible products): Covers accidental contamination, adulteration or mislabeling of an insured product (resulting in bodily injury or property damage); malicious product tampering (causing harm to reputation or finances of insured); product extortion (threat of malicious tampering). Coverage also includes loss of gross profit, extra expenses, rehabilitation expenses, extortion costs and optional product refusal.



Do your clients have a Product Recall exposure?

If your insured is a manufacturer, co-packer, processor, service provider, assembler, importer, exporter, distributor or supplier of consumer goods, then the answer is likely yes.

Submissions:

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Scan the QR code with your mobile camera.