ACE Recall Plus℠

Consumer Goods
Application Form
Please answer the following questions to provide ACE with the information necessary to properly evaluate your product recall insurance. This information is not only vital for evaluating your exposure; it will also provide ACE with an accurate profile of your company so that we can be an informed partner in this program:

- All questions must be answered completely – if you need more space please continue on a separate sheet of paper and indicate question number.

- Please provide a copy of the following Documents (if applicable):
  - Recall Plan
  - Quality Control / Assurance Plan
  - Six Sigma Protocols
  - Lean Manufacturing Protocols
  - Corrective Action Protocols
  - Crisis Management Plan
  - Financial Statement

- This application must be signed and dated by an officer of the company

APPLICANT’S DETAILS

1. Name and Address of Applicant: ____________________________________________________________
   (please attach list of subsidiaries, if applicable under this policy)

   Street Address

   City __________________ State __________ ZIP Code __________

2. Main Contact Name: ______________________ Main Contact Phone: _________________________

3. Website: ________________________________

4. Date first established: ____________________________

5. Prior Experience in this business under any other name:  □ Yes  □ No
   If yes, please provide name of business: ____________________________

6. Type of Operations: □ Manufacturer  □ Importer  □ Wholesaler  □ Distributor
   □ Exporter  □ Retailer  □ Other ____________________________

7. Type of Products: □ Toys  □ Appliances  □ Clothes  □ Electronics
   □ Furniture  □ Hardware  □ Educational  □ Sport Equipment  □ Computer
   □ Games  □ Other ____________________________

8. Total Number of Plants/Facilities:
   Home Country =________________________ Elsewhere = __________________________

9. Total Number of Employees:
   Home Country =________________________ Elsewhere = __________________________
10. Please list the sales figures for the upcoming year, the current year, and the prior 3 years and indicate the approximate percentage of sales per country:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Sales</th>
<th>USA (%)</th>
<th>Canada (%)</th>
<th>Europe (%)</th>
<th>Other (%)</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

11. Please complete the following information for the top 3 plants / facilities:

<table>
<thead>
<tr>
<th>Address</th>
<th>Total Sales</th>
<th>Products</th>
<th>Production Lines</th>
<th>Daily output in $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant I</td>
<td>$</td>
<td></td>
<td></td>
<td>$</td>
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<tr>
<td>Plant II</td>
<td>$</td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Plant III</td>
<td>$</td>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

12. Please comment on any spare production line or capacity as it relates to the top 3 plants / facilities listed above:

________________________________________________________________

13. Please complete the following information for the top 3 products or if coverage is contract specific, please list products to which this insurance is to apply:

<table>
<thead>
<tr>
<th>Product Name/ Type</th>
<th>Total Sales</th>
<th>Average batch size in $</th>
<th>Largest batch size in $</th>
<th>Daily output in $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product I</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Product II</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Product III</td>
<td>$</td>
<td>$</td>
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</tr>
</tbody>
</table>

14. Is coverage Contract or Product Specific?  
   (If yes, please provide a copy of the contract)  
   □ Yes  □ No
PRODUCT INFORMATION

15. Please list your top 5 customers by percentage of sales. Please classify the customer (wholesale, retail, manufacturing, broker or other):

<table>
<thead>
<tr>
<th>Customer</th>
<th>% of Applicants Sales</th>
<th>Type of Customer</th>
</tr>
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<tbody>
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</tbody>
</table>

16. Please list the estimated total sales (in percentage) by:

<table>
<thead>
<tr>
<th>Wholesale</th>
<th>Retail</th>
<th>Manufacturing</th>
<th>Broker</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

17. Please provide percentage of branded (product manufactured for others with their name), non-branded (products with no name) and/or own label products (with applicants name or brand):

<table>
<thead>
<tr>
<th>Branded</th>
<th>Non-Branded</th>
<th>Own Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

18. What percentages of your products are manufactured by outside vendors? _____%

19. Please advise how products are packed (e.g. canned, quality seals, vacuum packed, glass, cellophane, paper, cardboard, other (please specify) and whether packing is done in house or by 3rd party.

<table>
<thead>
<tr>
<th>Product</th>
<th>Type of Packaging</th>
<th>In-House or 3rd Party</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

20. What is the average useful life of your products (as a percentage of total sales)?
   a. One week to one month: _____%
   b. One month to six months: _____%
   c. Six months to a year: _____%
   d. More than 1 year: _____%
21. Do products require the following:
   - External power source to operate? □ Yes □ No
   - Special storage facilities? □ Yes □ No
   - Assembly after delivery? □ Yes □ No
   - Installation? □ Yes □ No

   If yes, what are the average costs of installation per product? ________________

22. Please indicate any new products that have commenced production or have entered the public stream of commerce within the last 12 month:

_________________________________________________________________

SUPPLIER INFORMATION

23. Please indicate the estimated number of suppliers: _______

24. Please indicate the average length of contractual relationship with key suppliers: _______

25. Please indicate how many of your suppliers are domestic and how many are foreign:
   Domestic = _______  Foreign = _______

26. Please complete in respect of your top 5 suppliers and then all other, per below:

<table>
<thead>
<tr>
<th>Suppliers Name</th>
<th>Domestic or Foreign</th>
<th>Product(s)</th>
<th>% component of product?</th>
</tr>
</thead>
<tbody>
<tr>
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<td>%</td>
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<td>%</td>
</tr>
</tbody>
</table>

27. Do you require suppliers to abide by specified standards? □ Yes □ No

28. Are suppliers quality standards monitored? □ Yes □ No

   If yes, how are the standards monitored? ______________________________

29. Are the products ordered to your specifications? □ Yes □ No

30. Do you have a process change protocol in place with all of your suppliers? □ Yes □ No

31. Do you have a Vendor Approval Program in place?
   (if yes, please provide a copy) □ Yes □ No

32. Do you audit your third party suppliers?
   (if yes, please provide copies of last audits for top 5 suppliers) □ Yes □ No

33. Do you have contracts in place with all of your suppliers? □ Yes □ No

34. Do you have rights of subrogation against all your suppliers?
   (please provide sample copy of contract with suppliers) □ Yes □ No
35. Do you require your suppliers to carry Product Recall Insurance?  
   a. If yes, what limits are they required to purchase? 
   b. What coverage are they required to purchase? 

36. Do you require your suppliers to carry Product Liability Insurance?  
   If yes, what limits are they required to purchase? 

37. Do you require them to add your company as additional insured? 

38. What percentage of your foreign suppliers and/or manufacturers: 

<table>
<thead>
<tr>
<th></th>
<th>Suppliers %</th>
<th>Manufacturers %</th>
<th>If yes,</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Carry U.S. Products Liability Coverage?</td>
<td>%</td>
<td>%</td>
<td>Limits: $</td>
</tr>
<tr>
<td>b) Have Vendors Liability Insurance coverage</td>
<td>%</td>
<td>%</td>
<td>Limits: $</td>
</tr>
<tr>
<td>c) Operate a U.S domiciled location</td>
<td>%</td>
<td>%</td>
<td>Location:</td>
</tr>
</tbody>
</table>

QUALITY CONTROL & TESTING 

39. Do you have a Quality Assurance Plan in place? (if yes, please provide copy) 

40. Do you have any SOPs (Standard Operating Procedures) or GMPs (Good Manufacturing Practices) in place? (please provide copy) 

41. Do you have Six Sigma protocols in place? (please provide copy) 

42. Do you practice lean manufacturing? (please provide copy) 

43. Do you practice preventative maintenance? (please provide copy) 

44. Do you practice predictive maintenance? (please provide copy) 

45. Is there a Quality Assurance Department? 

46. Do you have a testing program at critical control points on the following: 
   i. Incoming material (incl. packaging and labels) 
   ii. Manufacturing / Processing 
   iii. End product (incl. packaging and labels) 

47. Do you have procedures for new product validation? 

48. Do you use internal and/or external testing laboratory?  
   Internal  External 

49. Are labels inspected?  

50. Do warning labels meet applicable industry standards? 

51. Are audits performed by an accredited third party? 

52. Do all of your products, as insured under this policy, comply with all US / Europe regulations and / or local law in the country where sold?
RECALL PREPAREDNESS & TRACEABILITY

53. Does the company have a Recall Plan in place? (if yes please provide a copy) □ Yes □ No

54. Does your company have electronic issue identification and escalation protocol in place? □ Yes □ No

55. Does the company have a Crisis Management Plan in place? (if yes, please provide copy) □ Yes □ No

56. Does the company have a batch coding system utilized? □ Yes □ No

57. What percentage of your products can the company identify by the following:

<table>
<thead>
<tr>
<th>Product Name:</th>
<th>%</th>
<th>Day:</th>
<th>%</th>
<th>Hour:</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Batch:</td>
<td>%</td>
<td>Shift:</td>
<td>%</td>
<td>Other:</td>
<td>%</td>
</tr>
</tbody>
</table>

58. Is your traceability process electronic? □ Yes □ No

59. To what level can you trace your products handled, manufactured or produced once they have left your care, custody and control? Please provide details: ________________________________________

60. Are records kept of all shipments? □ Yes □ No

   If yes, for how long: ________________________________________

61. Do you collect and monitor customer complaints? □ Yes □ No

62. Who can initiate a product recall? ________________________________________

63. What is your estimate likely cost of recall? _______________________________________

LOSS INFORMATION

64. Have you, your premises, products or processes been the subject of recommendations or complaints made by any regulatory body, internal or third party audit over the past 10 years? □ Yes □ No

   If yes, please provide details: ________________________________________

65. In the last 10 years have you withdrawn or recalled any products or have you been responsible for the costs incurred by any third party arising from the withdrawal or recall of any products regardless of any subrogation? □ Yes □ No

   If yes, please complete a claims supplemental form.

66. Does the company, its directors and officers have any knowledge of any current situation, fact or circumstances which might lead to a claim under this policy? □ Yes □ No

   If yes, please provide details: ________________________________________

67. Do you maintain any Product Liability Insurance? □ Yes □ No

   If yes, what are the limits and deductibles / SIR? ________________________

68. Do you maintain any E&O Insurance? □ Yes □ No

   If yes, what are the limits and deductibles / SIR? ________________________
LIMITS & SELF INSURED RETENTION

Limits of Insurance requested: $______________
Self-Insured Retention Requested: $______________

COVERAGE

Base coverage under this policy includes Recall Costs (incl. third party recall costs) and Consultant Costs.

Please indicate what additional elements of Loss you would like to have covered:

- Loss of Profit
- Rehabilitation Expenses  □ 25%  □ 50%  □ 75%  □ 100%
- Extra Expense
- Replacement Costs
- Extortion Costs
- Customer Loss of Profit
- Customer Rehabilitation Expense
- Customer Extra Expense
- Defense Costs
- Governmental Recall
- Adverse Publicity
- 15 Month Indemnification Period
- 18 Month Indemnification Period
- Long Term Agreement

DECLARATIONS

I declare that the statements and particulars in this application are true and that no material facts have been misstated or suppressed after enquiry. I agree that this application, together with any other information supplied shall form the basis of any contract of insurance effected thereon. I undertake to inform the Insurers of any material alteration to those facts occurring before completion of the contract of insurance. A material fact is one which would influence the acceptance or assessment of the risk.

I certify that I have read and understand the applicable fraud warning set forth below:

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, DC, FL, HI, MA, MD, NE, OH, OK, OR, VT or WA- see Additional Fraud Notices attached hereto for these States). INSURANCE BENEFITS MAY ALSO BE DENIED.

Signature: __________________________  Date: __________________
Position: __________________________

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FRAUD WARNING STATEMENTS

NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

NOTICE TO ARKANSAS, LOUISIANA AND WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MINNESOTA APPLICANTS: A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or another person, files an application for insurance or statement of claim containing any materially false information, or conceals information for the purpose of misleading, commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO ALL OTHER APPLICANTS:

ANY PERSON WHO KNOWINGLY AND WITH INTEN TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.