

Chubb Assembly - For Your Manufacturing Business

With the fast-changing pace of the manufacturing world, the manufacturing industry requires new strategies to manage and mitigate risks. In response, we have introduced Chubb Assembly, a scalable modular insurance solution tailored to help manufacturers close gaps typically inherent in traditional insurance programs.



Chubb Assembly Coverage Highlights



Public and Product Liability

- Offers broad protection for third party bodily injury and tangible property damage claims regardless of whether the Insured design, manufacture, install or distribute the product.
- Third-party injury or property damage arising from your operation or at your premises.
- First and third-party product recall expense.



Manufacturers Errors & Omissions Liability

- Respond on a manufacturer's behalf to third-party claims alleging financial or economic injury arising from actual or suspected product defects or failure of products to perform or failure to perform a service in accordance with a contract.



Cyber Risk Management

- Provides an Incident Response Platform to mitigate and resolve cyber incidents that may result in business interruption, data recovery costs, extortion negotiation and Third-Party Liability arising from a Cyber Incident.



For enquiries on Chubb Assembly, please get in touch with:
Our Casualty team at Casualty.HK@chubb.com

Why Chubb?

- ✓ Ability to write business in 54 countries and territories
- ✓ Award-winning claims performance
- ✓ Deeply engrained local manufacturing underwriting expertise within a global network
- ✓ Over 400 risk engineers around the world to help identify and mitigate risk for our clients

Why Chubb Assembly?

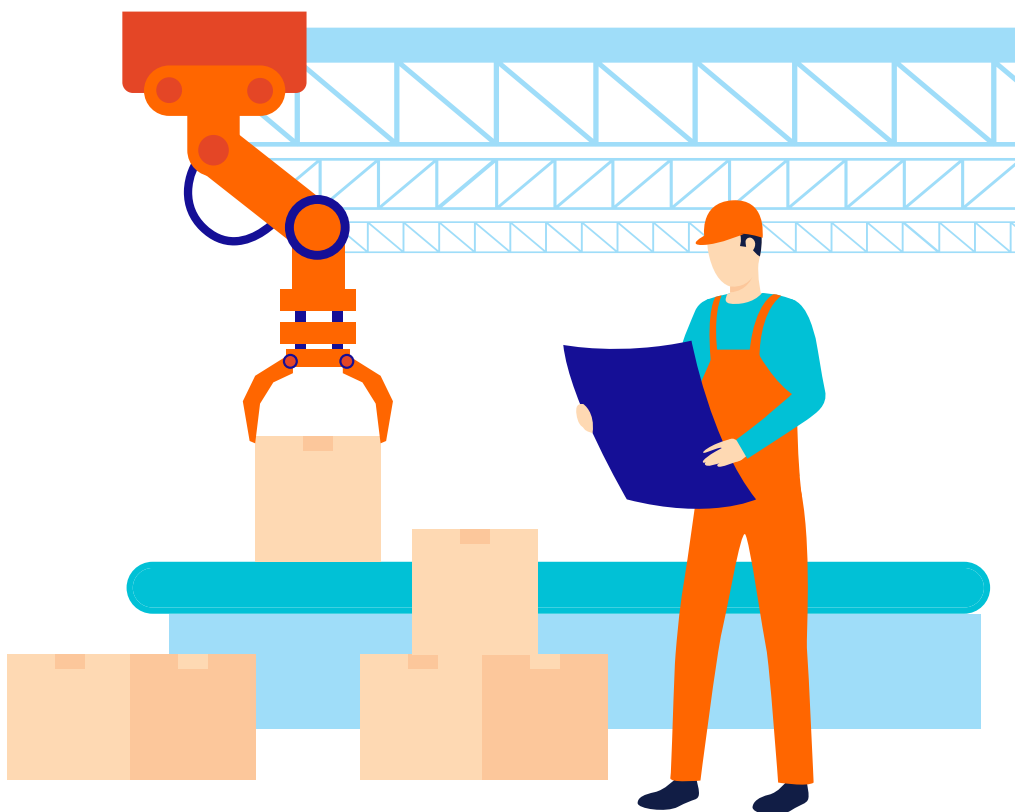
Chubb Assembly is a comprehensive package solution, that can keep pace with a manufacturing company's needs in the complex.

Who/What do we insure?

- ✓ Component parts, subsystems or completed products
- ✓ Own product/brand name
- ✓ Contract manufacturers
- ✓ Distributors

Risk appetite

- Machinery
- Metal Products
- Component Parts
- Electrical Equipment
- Furniture & Apparel
- Food & Beverage (F&B)
- Household Appliances
- Plastic & Rubber Products



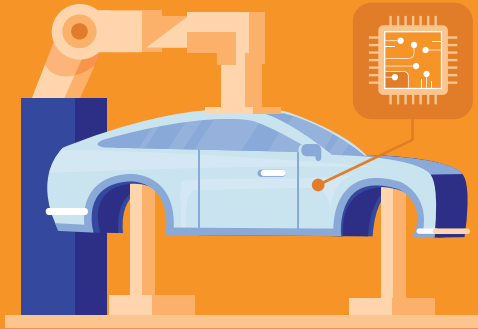
Claims Scenarios

Manufacturing Errors & Omissions Liability

These changes present an array of new risks that manufacturers may not be adequately protected against through a traditional General or Product Liability policy, in the absence of bodily injury or tangible property damage.

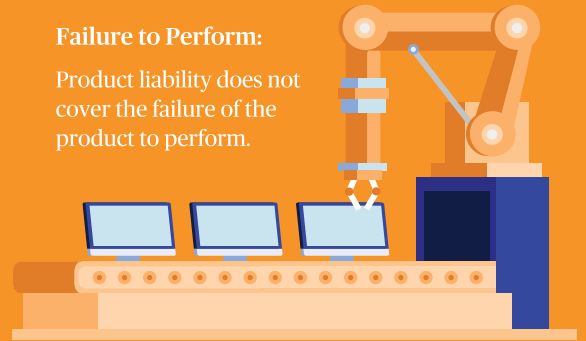
Loss of Use:

Products that include technology (software, circuit boards, firmware, etc) are susceptible to digital malfunction resulting in loss of use claims from end users.



Failure to Perform:

Product liability does not cover the failure of the product to perform.

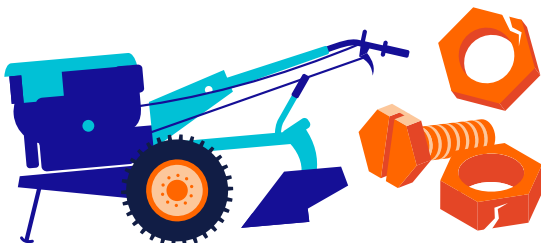


Integrated “Solution Provider”

A claim was made by a shipping company against a manufacturer of an integrated temperature monitoring “solution” used to monitor the temperature of cargo while in-transit. The shipper alleged that the in-transit temperature monitoring “solution” did not accurately record temperatures at established intervals, thereby leading to a wholesale grocery distributor rejecting a load of perishable goods.

Mislabelling of Consumer Products

A claim was made by retailers against a costume jewellery manufacturer that failed to comply with labelling requirements of consumer product safety laws. The retailers incurred costs to remove the non-compliant product from their shelves, and also lost revenue.



Contract Terminated due to Supplier’s Error

A claim for compensation was made against a manufacturer of custom bolts by a farm equipment manufacturer for their failure to fulfil a client’s contract. A raw material supplied to the bolt manufacturer by a third party was found to be defective, rendering the bolts unsafe. The farm equipment manufacturer couldn’t use the bolts and terminated the supply contract with the bolt manufacturer.

Machinery Manufacturer

A claim was made against a machinery manufacturer for loss of production time. The machinery manufacturer was performing a routine maintenance visit for a product sold to their client. Whilst modifying the equipment, it resulted in slower than expected production speeds and subsequently lower output capacity.



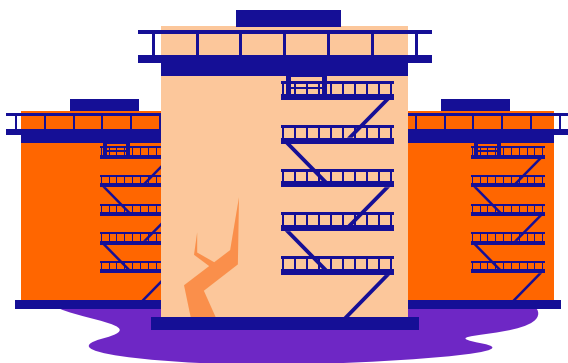
Claims Scenarios

Product Liability



Defective Product

Several suppliers and retailers filed lawsuits against an electronic household appliance manufacturer, seeking compensation for financial losses incurred and lost revenue when they were unable to fulfil orders. There were several news reports that rice cookers from the manufacturer were malfunctioning, causing short circuits, fire and damaging property. After investigation, the manufacturer discovered that 10 out of each batch of 1,000 rice cookers are defective and launched a product recall exercise.



Environmental Pollution

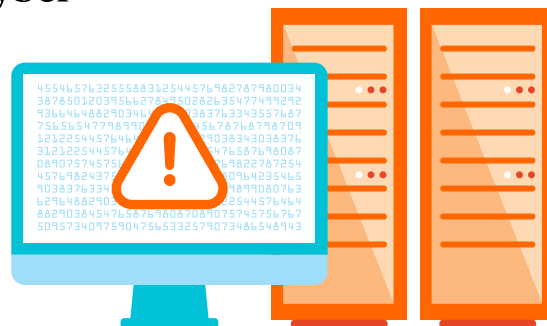
A claim was made against a manufacturer of storage tanks for environmental pollution liability. A chemical plant purchased several tanks from the manufacturer for storage of industrial solvents. However, due to a manufacturing defect, one of the tanks ruptured, releasing solvents into the ground.



Property Damage

A claim was made against a fire protection system manufacturer when the fire sprinkler system in a F&B establishment did not activate during a fire, causing property damage, business interruption and financial loss.

Cyber



Ransomware Attack

A F&B manufacturer was targeted by cyber criminals in a ransomware attack, via a malicious file which infected the company's servers. With servers down, production work at the factory came to a standstill as the manufacturer was unable to access their clients' order details or fulfill any orders. Operations were only restored 5 days after ransom was paid.

The company incurred business interruption costs and financial loss, and clients sued them for loss from non-fulfilment of orders.

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