

Recall Plus™ Insurance for Component Parts

Chubb Product Recall

CHUBB



Product Recall Insurance is a first-party coverage, protecting the insured's balance sheet and business by reimbursing them for financial loss resulting from an insured event. This policy was developed for manufacturers, processors, distributors, importers, wholesalers, and exporters of component parts – parts that become a part of a final product in the industrial, aircraft, automotive or general manufacturing sectors.

Q. Why Does a Business Need Product Recall Insurance?

Product recalls are occurring on a regular basis making the need for the coverage critical. A recall event can be debilitating to an insured's balance sheet, which can put a company at risk for going out of business. Product Recall Insurance is a first-party coverage protecting the insureds balance sheet by reimbursing the insured for expenses and other financial loss which are typically excluded on a General Liability policy.

Q. Which Products are Covered?

All products that are in production, processed, manufactured, handled, and distributed by either the Insured or on behalf of the insured. Coverage can be tailored for product or contract-specific needs.

Q. What is the Insured Event That Triggers This Policy?

“Insured event” means a voluntary, involuntary or mandatory recovery of “stock,” market withdrawal or recall of an “insured product(s)” by or on behalf of its manufacturer, producer, processor, distributor, purchaser, retailer, wholesaler, importer, exporter, a regularly constituted federal, state, or local regulatory or administrative body, or user of the “insured product(s)” because of an error or omission that occurred during the “manufacturing process” provided that the use of or exposure to such “insured product(s)” has resulted in or would result in “bodily injury,” “property damage or “impaired property.”

Q. Can You Define Impaired Property?

“Impaired property” means tangible property of others, that cannot be used; or is less useful because it “incorporates” your “insured product(s)” that is known to be defective, deficient, inadequate or dangerous provided that such tangible property can be restored to use by the repair, replacement, adjustment or removal of your “insured product(s).”

Q. Does the Policy Include Governmental-Related Recalls?

The policy may cover recall situations by or on behalf of a regularly constituted federal, state or local regulatory or administrative body.

Q. What are the Basic Coverages on This Policy?

Coverages include:

- Recall costs (both insured and third parties) – including printed advertising, shipping costs, storage costs, personnel costs, disposal costs, and cancellation fees
- Consultant costs (post-incident) – including 24-hour hotline for post-incident assistance
- Defense costs

Q. What Coverages are Available to Add to the Basic Component Parts Policy Form?

Coverage endorsements available include the following:

- Replacement costs – including refunds, costs to repair or replace, labor costs, stock costs, and redistribution costs of affected insured products and/or impaired property
- Consequential damages – including those amounts or economic loss a customer has incurred caused directly in connection with a covered recall event which insured is legally obligated to reimburse
- Business interruption – loss of revenue after the decrease in sales caused by an insured event
- Brand rehabilitation expenses – expenses incurred as a result of a covered recall event to re-establish the insured products to the projected level of sales anticipated prior to that event

Q. Are Retroactive Dates Available?

Yes, we can offer up a retroactive date of up to 60 months. Once the policy is inception, the retroactive date will remain the same as long as during the tenure the insured has the policy.

Q. What Limits and Self-Insured Retentions are Available?

On a primary basis, you can buy a policy to start at limits as low as \$50,000 up to \$1M, and with an SIR as low as \$5,000.

Q. What Limits are Available?

Chubb’s Product Recall unit has \$5 million in limits available on a primary or excess basis. Additional capacity may be considered on a case-by-case basis.

Q. How Can I Find Out More About Recall Plus™ Coverage?

Check out our website for our contact information, forms and applications at chubb.com/productrecall.

We offer coverage tailored and customized to your insured’s needs:

- Minimum premium \$1,000 – no risk too big or too small
- Limits \$25,000 to \$5M and self-insured retentions from \$5,000
- Consultant costs included with 24-hour hotline
- Submission requirements – application, quality control manual, recall plan
- Broad appetite in component parts, consumer goods, and consumable products – including manufacturers, part suppliers, distributors, co-packers, retailers, wholesalers, importers, exporters, bottlers, and assemblers

Contact Us

We’re here to help you understand, sell, and cross-sell this valuable coverage to your clients before a recall event!

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