

# ***Manufacturer Recall Insurance Application***

## **Company Details**

1. (a) Name of company and all subsidiary companies to be insured under this policy:

\_\_\_\_\_

\_\_\_\_\_

(b) Company address:

\_\_\_\_\_

\_\_\_\_\_

(c) Web site:

\_\_\_\_\_

(d) Description of Applicant's business activities:

\_\_\_\_\_

\_\_\_\_\_

2. Limits of Liability requested: **IF KNOWN**

\$ \_\_\_\_\_ per event/annual

3. Deductible requested:

\$ \_\_\_\_\_ each and every loss

4. Additional Coverage Options:

Rehabilitation Expenses   
Restore, Repair, Refund   
Loss of Gross Profit

Third Party Recall Expenses   
Product Extortion

5. (a) Estimated Annual Revenue Prior Year: \$ \_\_\_\_\_

(b) Projected Annual Revenue, next 12 months: \$ \_\_\_\_\_

(c) Total number of Plants/Facilities in home country: \_\_\_\_\_ Facilities elsewhere: \_\_\_\_\_

(d) Are products exported out of country of domicile?  Yes  No ...If yes, fill in the following:

Sales by country:                    200 (actual)                    200\_ (actual)                    200\_ (projection)

Country \_\_\_\_\_

Country \_\_\_\_\_

Country \_\_\_\_\_

6. Please provide a list of products subject to this coverage (continue on additional pages as necessary):

Product Lines And Brand Names	% of Annual Sales	Mfg, Retail or Wholesale	Finished good or Component	Commercial or Consumer End User

7. List Company's products sold as part of or under another company's label or brand name:

\_\_\_\_\_

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

\_\_\_\_\_

9. Percentage of your products manufactured by outside vendor (include location of vendor)

\_\_\_\_\_

10. (a) Estimated number of suppliers: \_\_\_\_\_

(b) Do you import products or component parts- please list item and Country: \_\_\_\_\_

11. Total number of company employees: \_\_\_\_\_

12. (a) Has the Company had any strikes, riots, work-stoppages, or plant closings in the last three (3) years?                     Yes     No

(b) Has the Company ever been a direct target of political, racial, environmental, or other extremist or special interest groups?                     Yes     No  
If yes, provide details: \_\_\_\_\_

13. Do products require external power source to operate:                     Yes     No

14. Do products require special storage facilities?                     Yes     No

15. Do products require installation?     Yes     No    Average cost of installation per product: \$ \_\_\_\_\_

16. Do products require assembly after delivery?                     Yes     No

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## **Quality Control and Assurance**

17. (a) Do you have a written, in-force Quality Assurance Plan?  Yes  No
- (b) Do all products meet registration standards?  Yes  No  
 ISO 9000 (1994) or  ISO 9000 – 2000 or  Others: \_\_\_\_\_
18. Do all of the products which are the subject of this proposal conform in all respects with requirements of law or regulation, including applicable industry guidelines or any other jurisdiction thereof? \_\_\_\_\_  Yes  No If no, provide details:  
\_\_\_\_\_  
\_\_\_\_\_
19. (a) Is there a Quality Control Department?  Yes  No
- (b) Who is responsible for overseeing and implementing QA procedures? \_\_\_\_\_  
\_\_\_\_\_
20. (a) Are suppliers' quality standards monitored?  Yes  No
- (b) Do you require your suppliers to abide by specified standards?  Yes  No
- (c) What steps are taken to assess the quality standards adhered to by your suppliers? (Application, references, health inspection reports, etc.) \_\_\_\_\_  
\_\_\_\_\_
21. How do you collect and monitor customer complaints? \_\_\_\_\_  
\_\_\_\_\_
22. (a) Are Quality Assurance audits performed in-house or by an independent third party? \_\_\_\_\_
- (b) How often are these audits performed? \_\_\_\_\_

## **Product Testing**

23. Is product testing utilized?  Yes  No
- (a) At what point in the manufacturing process is testing performed?  
 in line  end-product  raw materials  other:-
- (b) Do you have an in-house testing laboratory?  Yes  No
- (c) If not, do you retain an outside testing laboratory?  Yes  No
24. (a) Are labels inspected?  Yes  No ...If yes, when and by whom? \_\_\_\_\_
- (b) Do warning labels meet applicable industry Standards?  Yes  No  
If no, please explain: \_\_\_\_\_
- (c) Do user instructions, manuals and packaging meet applicable industry Standards?  Yes  No  
If no, please explain: \_\_\_\_\_

## Recall Preparedness

25. Information concerning Recall Manuals and Crisis Management Plan:

- (a) Recall Plan  Yes  No  
When were these plans last reviewed and/or updated? \_\_\_\_\_
- (b) Crisis Management Plan  Yes  No  
When were these plans last reviewed and/or updated? \_\_\_\_\_
- (c) Is a batch coding system utilized? \_\_\_\_\_  Yes  No If yes, please provide details  
(recorded by location, date, shift, etc.) \_\_\_\_\_  
\_\_\_\_\_
- (d) Has new bar/batch coding equipment been installed within the last 5 years?  Yes  No
- (e) Is bar/batch coding equipment serviced annually?  Yes  No
- (f) Who can initiate a major product recall? \_\_\_\_\_  
\_\_\_\_\_

26. Estimate the cost to recall your leading brand if known:

Maximum: \$ \_\_\_\_\_ Average: \$ \_\_\_\_\_ Minimum: \$ \_\_\_\_\_

## Loss Information

27. Has the company's products or any of its premises ever been the subject of review, comment or complaint by any governmental agency or department in the past five (5) years?  Yes  No  
If yes, please provide details (which agency, date, nature of complaint, outcome, date resolved): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

28. Claims history of the Company:

- (a) Have any products been recalled due to an error in design, manufacturing, or packaging in the last ten (10) years?  Yes  No If yes, please advise product, reason for recall, date of recall, recall method utilised, and cost of recall: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- (b) Were any contracts lost/discontinued as a result? \_\_\_\_\_
- (c) Have any products been recalled for actual, threatened or suspected malicious alteration in the last ten (10) years?  Yes  No If yes, please advise product, reason for recall, date of recall, recall method utilised, and cost of recall: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- (d) Have any products been recalled due to an error in labeling, instruction manuals, or packaging, in the last ten (10) years?  Yes  No If yes, please advise product, reason for recall, date of recall, recall method utilised, and cost of recall: \_\_\_\_\_  
\_\_\_\_\_

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(e) Have any products been recalled due to an accidental omission, introduction or substitution of a component or substance in the last ten (10) years? Yes No If yes, please advise product, reason for recall, date of recall, recall method utilised, and cost of recall: \_\_\_\_\_

\_\_\_\_\_

29. Does the Company, its directors and officers or any other person known to them have knowledge or information of any specific fact which may reasonably give rise to a claim under the proposed policy? Yes No If yes, provide details: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

***SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE.***

**Declaration**

I declare that the statements and particulars in this proposal are true and that no material facts have been mis-stated or suppressed after enquiry. I agree that this proposal, together with any other information supplied shall form the basis of any contract of insurance affected thereon. I undertake to inform the Insurers of any material alternation 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.

Signed \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

# **CONSUMER PRODUCTS / HARD GOODS RECALL COVERAGE DESCRIPTION**

## **Section One: Pre-Recall Expenses -**

- Reasonable and necessary costs of chemical analysis and / or physical examination in order to ascertain whether the Insured Products have been subject to an Insured Event.

### **Recall Expenses-**

- expenses of communications including emergency incident phone lines, public relations specialists, radio, television, internet and media announcements, newspaper and magazine advertising ii) transportation costs in recalling and / or withdrawing Harmful Products;
- expense for rent or hire of additional warehouse space;
- the cost of hire of additional persons, other than regular employees of the Insured, and of additional accommodation for such persons
- remuneration paid to employees of the Insured for overtime incurred solely and directly as a result of an Insured Event covered by this Policy;
- out of pocket expenses incurred by personnel under paragraphs (iv) and (v) above, including transportation, other than to and from the employees' normal place of work;
- costs incurred by the Insured in destroying or disposing of Harmful Products, including disposal or destruction of packaging material that cannot be reused, providing that the costs of disposal or destruction do not exceed the costs incurred in reworking Harmful Products and delivering the reworked products to customers or their nominated agents.
- similar directly related expenses.

## **Section Two: Product Reworking Costs or Product Replacement or Reimbursement Costs-**

- costs incurred by the Insured in the reworking of Harmful Products and in delivering reworked products to customers provided that the total cost of reworking and delivery does not exceed the cost of replacing or reimbursing the value of the Harmful Products whichever is less.
- costs incurred by the Insured of credits or allowances for or reimbursing the value of Harmful Products, up to the amount received by or due to the Insured for such Harmful Products, which have been or will need to be disposed of or destroyed, or
- costs incurred by the Insured in replacing Harmful Products and delivering such replacement products to customers.

## **Section Three: Third Party Recall Expenses-**

- Recall Expenses incurred by a customer of the Insured, and which the Insured has a legal obligation to reimburse or pay that customer, in recalling a Harmful Product which has been manufactured, assembled, packaged or labelled (including instructions for use) or distributed by the Insured on behalf of such customer and which have been incurred due solely to the Insured Product being subject to an Insured Event. Underwriters' liability will, however, be limited to the equivalent Recall Expenses that the Insured would have incurred if it had carried out the recall or withdrawal itself.

## **Section Four: Extortion Demand Payments**

- A threat or threats that, unless a demand for money or other valuable consideration is met, Insured Products will be subject to intentional, malicious and illegal alteration or adulteration so as to make them dangerous or unfit for the use.

**OPTIONAL COVERAGES:** Insured Loss of Revenue, Customer Lost Profits, Sabotage & Terrorism