

# Recall Plus® Insurance for Consumable Products Q&A

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 Growers, Processors, Manufacturers, Packaging, Distributors, Importers, Wholesalers, Exporters and Retailers of any topical and ingestible products for human use or consumption.

## **Q. Why does a business need Product Recall Insurance?**

**A.** 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 insured's 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?**

**A.** Coverage applies to any topical or ingestible products for human use or consumption (including their ingredients, components or packaging) 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?**

**A.** The policy is triggered by a voluntary, involuntary or mandatory stock recovery, market withdrawal or recall (by or on behalf of its insured, its customer or regulatory body) of an adulterated insured product where the consumption results in (or would result in) bodily injury or property damage.

**Q. What does adulterated mean?**

**A.** Adulterated means:

- Accidentally or unintentionally contaminated or impaired by a microbiological, chemical, allergen or physical hazard; or
- Mislabeled; or
- Deliberately, maliciously, or illegally tampered or threatened to be tampered

**Q. Does the policy include Governmental Recalls?**

**A.** As outlined in Insured event, the policy covers those recall or withdrawal events by or on behalf of a regularly constituted federal, state or regulatory or administrative body.

**Q. What coverages are included in the base policy form?**

**A.** Coverages include:

- Recall Costs (both Insured and Third Party) – Including printed advertising, shipping costs, storage costs, personnel costs, disposal costs and cancellation fees, etc.
- Consultant Costs – Including 24-hour hotline for post-incident assistance (costs are covered on a first dollar basis outside the policy limits).

**Q. What coverages are available to add to the basic Consumable Products Policy Form?**

**A.** Coverage endorsements available include the following:

- Replacement Costs – Including refunds, costs to repair or replace, labor costs, stock costs, redistribution costs of affected Insured Products
- Loss of Gross Profit – Loss of revenue after the decrease in sales caused by an insured event

- Extra Expenses – Costs to continue operations, minimize the suspension of business, costs to maintain employees
- 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.
- Extortion Costs – Cash or Money Instruments paid in response to product extortion demands
- Consequential Damages – 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
- Adverse Publicity – The naming of the Insured and Insured’s Product in any local, regional or national media with the implication that the insured’s product is adulterated and the consumption or use has resulted in (or would result in) BI or PD.

**Q. What limits and self-insured retentions are available?**

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

**Q. Are higher limits available?**

**A.** Yes, over our own primary \$1 million we provide up to \$4 million in excess limits. At \$5 million we can provide up to \$15 million in excess capacity.

**Q. How can I find out more about Recall Plus coverage?**

**A.** Check out our website for our contact information, forms and applications: [www.chubb.com](http://www.chubb.com)

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

- Minimum premium \$1,000 – No Risk Too Big or Too Small
- Limits \$50,000 to \$10M+ 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 and Ingredient Suppliers, Distributors, Co-Packers, Retailers, Wholesalers, Importers, Exporters, Bottlers and Assemblers

**Contact**

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