

The difference between contaminated products insurance and a standard product liability insurance policy with a recall expense extension

The world is an unpredictable place, and a crisis can emerge rapidly and threaten your business, employees or customers. At Liberty Specialty Markets (Liberty), we know that while you can't always prevent a crisis, you can be prepared for one.

Contamination of products continues to create havoc for consumers and businesses around the globe. Whether the contamination is accidental or the result of product tampering, Liberty's Contaminated Products Insurance (CPI) policy aims to help protect clients in the food, beverage, cosmetics and pharmaceutical industries.

This document outlines the key differences between Liberty's CPI policy and the coverage offered by a standard product liability insurance policy with a recall expense extension which typically only provides coverage for recall expenses incurred by the insured.

	Standard Product Liability insurance	Liberty's CPI policy
Recall costs	✓	✓
Third party recall costs	✗	✓
Replacement costs	✗	✓
Business interruption	✗	✓
Rehabilitation expense	✗	✓
Product extortion monies	✗	✓
Pre-recall costs	✗	✓
Costs associated with spoilage (quality) issues, halal contamination issues	✗	✓
Consultant and advisor costs	✗	✓

✓ Coverage provided ✗ Coverage not provided

Additional endorsements and extensions

Liberty has coverage extensions available that provide financial protection for incidents not normally covered under a standard CPI policy or by product liability insurance.

These include a:

- ▶ Customer Loss of Profits Endorsement, where we provide coverage for a named customer's loss of earnings because of an accidental contamination event suffered by the insured.
- ▶ Halal Contamination Endorsement where we provide coverage for third party recall costs incurred because of a product withdrawal of halal-certified products that are contaminated by alcohol or pork products.

Target market

Liberty's CPI policy is specially designed for clients involved in the food, beverage, pharmaceutical and cosmetic industries, including manufacturers, importers, wholesalers and retailers.

Experience when it matters

Financial coverage is only one part of a CPI policy solution. The other part is how an insurer handles an incident when clients are under stress and dealing with short deadlines from retailers, regulators and customers. Fast, specialised assistance is vital.

Liberty responds quickly because:

- ▶ Our claims team has over 10 years of experience with recall claims – we know the importance of receiving a fast response and have authority to handle and settle claims.
- ▶ Our consultants have more than 20 years of experience in the food industry, and have worked with insurers and their clients for more than 10 years – they have the experience necessary to assist as required in recall situations.
- ▶ Our consultants and claims team are situated throughout Asia, so they can offer immediate advice and guidance.

Global reach. Financial strength. Local authority.

Distinct, complex and constantly evolving – every business is as unique as their insurance needs. To confidently progress in the face of risk and uncertainty requires a level of security you can only achieve through working with specialists.

Liberty Specialty Markets offers a breadth of world-class insurance and reinsurance services to brokers and insured clients. We bring value and solutions to more than 26,000 of Asia Pacific's most significant business and government organisations – helping protect what they earn, build and own.

We're part of the global Liberty Mutual Group, a Fortune 100 company that's been in business since 1912 with a Standard and Poor's 'A' rating.

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