

The difference between Contaminated Products insurance and a Recall Expense extension

The world is an unpredictable place, where 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 coverage offered by a standard Product Liability insurance policy with a Recall Expense Extension which typically only provides coverage for recall expense incurred by the insured compared to Liberty's CPI policy.

	Standard Product Liability insurance	Liberty's CPI policy
Recall costs	✓	✓
Third party recall costs	✗	✓
Replacement costs	✗	✓
Business interruption	✗	✓
Rehabilitation expense	✗	✓
Product extortion monies	✗	✓
Statutory fines and penalties	✗	✓
Consultant and advisor costs	✗	✓

✓ Coverage provided ✗ Coverage not provided

Additional endorsements and extensions

Liberty has endorsements and extensions available that provide significant protection for incidents not normally covered under a standard CPI policy or by Product Liability insurance. These include Liberty's Contract Manufacturer's Liability Endorsement and extensions for Consumer Recall and Retailers Withdrawal costs.

Target market

Liberty's CPI policy is specially designed for clients involved in the food, beverage, pharmaceutical and cosmetic industry, 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 your 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 in Australia, so they can offer immediate advice and guidance – there's no waiting for overseas response or approval

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 20,000 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' (strong) rating.

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