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The significant financial impact of a product withdrawal leaves many businesses out of pocket

# Contaminated Products insurance

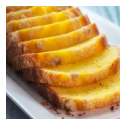
## Claim examples: Retailers Withdrawal insurance

Companies providing consumer goods to any of the major retailers in Australia can incur costs if they choose to voluntarily recall products from the stream of commerce

When supplying major supermarkets and retailers, costs of withdrawing a product can be significant. It is not just the direct costs incurred by the company in withdrawing their product, there are also third-party recall costs which are incurred by the retailer. The significant financial impact of a product withdrawal leaves many businesses out of pocket.

As these Australian claims examples demonstrate, Retailers Withdrawal insurance from Liberty can offer protection for a wide range of costs including:

- Stock replacement costs
- Product disposal
- Legal expenses
- Retailer and customer recall costs
- Essential transportation cost



**Recall of cakes**  
**Estimated annual turnover \$24m**

Faulty packaging of a range of lemon, raspberry and hummingbird loaf cakes caused moisture to build up which broke down the icing.

**Net paid \$75,000**

The maximum sublimit of \$75,000 was paid, with the total claim of manufacturing costs exceeding \$225,000, less the Self Insured Retention.



**Recall of chicken nuggets**  
**Estimated annual turnover \$250m**

A product with a spicy profile was manufactured before the affected product, leading to traces of the spicy flavour found on the chicken nuggets.

**Net paid \$53,896**

Cost included retailer withdrawal costs of \$63,670 and returned product costs of \$5,226 less the Self Insured Retention.

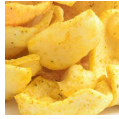


**Recall of UHT products**  
**Estimated annual turnover \$40m**

Consumers complained about the "bitter taste" of the product. Insured identified the source of the problem to be a faulty stabiliser added to the product in the premix.

**Net paid \$75,000**

The maximum sublimit of \$75,000 was paid, with the total claim of rejected product exceeding \$116,000, less the Self Insured Retention.


**Recall lentil chips**
**Estimated annual turnover  
\$40m**

Consumers complained about the "bitter taste" of the product. Insured identified the source of the problem to be a faulty stabiliser added to the product in the premix.

**Net paid**
**\$43,845**

The maximum sublimit of \$75,000 was paid, with the total claim of rejected product exceeding \$116,000, less the Self Insured Retention.


**Recall of Christmas cakes**
**Estimated annual turnover  
\$8.5m**

Almonds on Christmas cakes were found to have mould on them.

**Net paid**
**\$45,976**

Costs limited to replacement costs of \$55,976 less the Self Insured Retention.

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