

CRISIS MANAGEMENT //
CONTAMINATED PRODUCTS

Insurance implications for food spoilage vs food pathogens

MAY 2019

TRENDING
TOPICS

ASIA PACIFIC

Liberty Specialty Markets (Liberty) offers insurance products that can protect food manufacturers from pathogenic contamination and food spoilage. It's important to know which product suits which situation.

Food deterioration and food poisoning have different insurance implications

Aren't they the same?

One of the less known facts of food safety is that the organisms that cause food deterioration and spoilage are commonly different to the organisms that cause food poisoning or sickness.

Most food poisoning bacteria do not cause food to look, smell or taste 'bad'. So food which seems normal in appearance, taste and odour can have enough harmful bugs to make someone ill.

What is food spoilage?

This is usually yeasts, moulds or bacteria which if given enough time, and the right temperature, will end up on any food. These result in the rotten smells, off tasting product or product decomposing which we eventually see on almost all products.

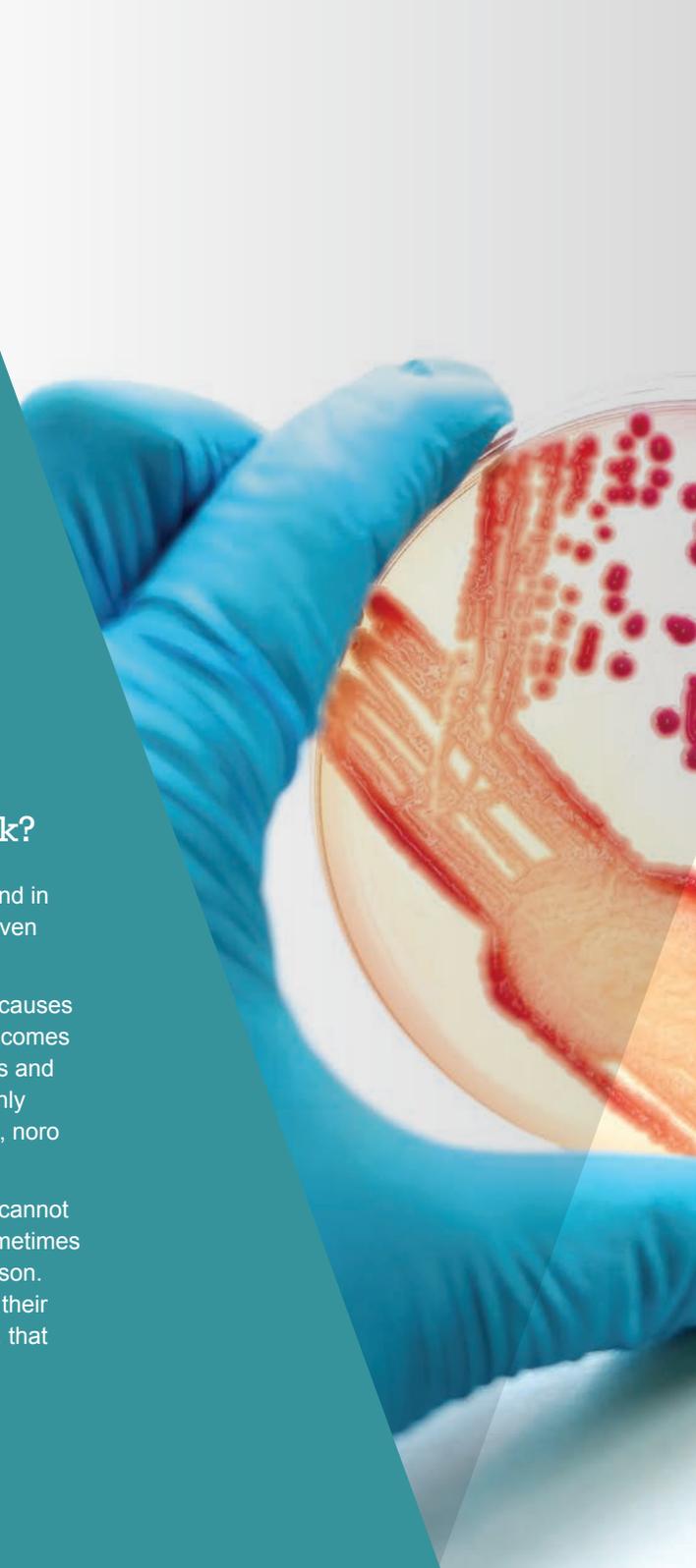
On the plus side, while in the vast majority of cases food that has been spoiled may have the 'yuck' factor, it won't make you sick.

What will make you sick?

Food pathogens will make you sick and in extreme cases food pathogens can even cause death.

A pathogen is a biological agent that causes disease or illness to its host. When it comes to food these include bacteria, viruses and parasites. Examples that are commonly known are E. coli, salmonella, listeria, noro virus and giardia.

Unfortunately these organisms often cannot be seen, smelled or tasted, and it sometimes takes very few of them to infect a person. Sometimes it is the by-products from their growth, rather than the bacteria itself, that can make you sick.





Our Crisis Management team are industry leaders, providing unparalleled underwriting expertise and individually tailored solutions

How does this impact Contaminated Products Insurance?

The trigger for Accidental Contamination requires that the consumption of the Product would cause bodily injury.

This means that cover is really designed to respond to food pathogens and that it is very unlikely to respond to an incident due purely to food spoilage.

Can food spoilage be insured?

Yes. Liberty offers a Retailers Withdrawal Endorsement which has been specifically designed to respond to claims that traditionally fall outside a Contaminated Products policy.

Liberty's Retailers Withdrawal Endorsement has several key benefits:

- ▶ Provides for costs and expenses imposed by retailers for the withdrawal of a client's product
- ▶ Costs include third party recall cost and replacement costs
- ▶ Inclusion of defence costs



A relationship that protects what you value most

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.

As a global insurer and reinsurer backed by Liberty Mutual, this is what we promise.

We partner with insurance brokers to bring value and solutions to the world's most significant business and government organisations – helping them protect what they earn, build and own.

Contact us

If you're looking for more information on insuring the food and beverage industry, please get in touch with our specialist Crisis Management underwriters. Our full team is listed on our websites.

Michael Lincoln

Vice President
Crisis Management
Asia Pacific
T +61 2 8298 5958
E michael.lincoln@libertyglobalgroup.com

Donna Niblock

Assistant Vice President & Victorian Branch Manager
Crisis Management
Asia Pacific
T +61 3 9619 9832
E donna.niblock@libertyglobalgroup.com

libertyspecialtymarketsap.com

All information in this guide is general in scope and, to the best of our knowledge, current at the time of publication. No attempt has been made to interpret any referenced codes, standards or regulations. You should not rely on this information without first obtaining professional advice. © Liberty 2019. Please contact Liberty for a licence to use and distribute this document. This information is current as at 14 May 2019. Liberty means Liberty Specialty Markets, a trading name of Liberty Mutual Insurance Company, Australia Branch (ABN 61 086 083 605) incorporated in Massachusetts, USA (the liability of members is limited); Liberty Specialty Markets Hong Kong Limited (No. 2400200); and Liberty Specialty Markets Singapore Pte Limited (UEN 201538069C) with a branch in Labuan (Company No. LF12903).

