

# Contaminated Products Insurance

Food and drink, cosmetics, pharmaceuticals, tobacco products, packers and distributors are susceptible to product contamination. This can be either accidental or deliberate - through malicious product tampering. Such incidents are increasingly common. When they occur they can attract media interest with potentially disastrous impact on the public's confidence in the affected product or brand name.

Considerable costs can be incurred in recalling, replacing or destroying the contaminated product, and in rebuilding confidence. Many times however the long term costs (e.g. loss of profits, brand rehabilitation and the loss of a major customer) are even more substantial and can hit the company's balance sheet.

Contaminated Products Insurance\* provides cover for recall costs, loss of gross profits and rehabilitation costs following either accidental or malicious contamination (whether actual or threatened). Adverse publicity and governmental recall are additional triggers which have recently been introduced.

Crisis management planning and loss prevention services are also available and will be partly funded by the insurance contract. Specialty response consultants will be made available to advise, and help contain and manage the incidents on behalf of the Insured.

## Coverage

The program comprises four parts:

1. Accidental Contamination
2. Malicious Product Tampering
3. Governmental Recall
4. Product Extortion

### 1. Accidental Contamination

Any accidental or unintentional contamination, impairment or mislabelling, or any adverse publicity implying such, which occurs during or as a result of its production, preparation, manufacture, processing, blending, mixing, compounding, packaging or distribution.

The bodily injury / property damage trigger is the critical factor determining a covered loss.

### 2. Malicious Product Tampering

Any actual, alleged or threatened, intentional, malicious, and wrongful alteration or contamination of the Insured Product(s) by any person, whether or not by an employee of the Insured, so as to render it unfit or dangerous for its intended use or consumption or to create such impression to the public.

\*All coverage and benefits listed in the above brochure are subject to full policy terms and conditions.



## Aon Crisis Management

Aon Crisis Management (ACM) is part of Aon Risk Services, the risk management and insurance brokerage business of Aon Corporation.

Going beyond traditional risk transfer solutions, our global network of product contamination and recall specialists offer a full range of consultancy services, enabling clients to quantify their risk exposure and make informed decisions on the optimum balance between risk retention, risk management and risk transfer.

Our team of specialist brokers, crisis consultants and in-house claims management combine threat assessment, impact analysis and crisis management and response with individually structured insurance programs.

Our unique, consultative approach enables our clients to implement the most appropriate measures to meet their duty of care and better protect their balance sheet, people, brand and reputation

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## 3. Governmental Recall

Any official recall order issued by the competent authorities in order to comply with regulations on food safety; or a recall order by the competent authorities in order to comply with regulations on food safety is imminent

## 4. Product Extortion

Any threat or connected series of threats to commit a Malicious Product Tampering that is communicated to the Insured for the purpose of demanding cash, monetary instruments, property or services.

## Coverage components

- Recall Costs (first and third party)
- All reasonable expenses to inspect, withdraw, destroy, and replace the product
- Interaction losses
- Business Interruption (Loss of gross profit)
- Rehabilitation costs
- Consultancy costs (no deductible applies)
- Adverse publicity

## Options

- Third party recall liability coverage, including Business Interruption
- Restaurant wording
- Preparation of crisis management plans

## Client profile

Companies from the following industry sectors:

- Food & Beverage
- Tobacco
- Cosmetics/Pharmaceuticals
- Restaurant Chains / Fast Food Chains / Breweries / Wineries

## Risk information

In order to evaluate insurability and premium assessment some details on the risk are required such as:

- Revenue of the Insured and product lines
- Packaging
- Claim Experience
- Crisis Plans/Recall Plans/Quality Management

## Capacity

- Up to A\$200 Million

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Aon is a leading provider of risk management services, insurance and reinsurance broking, and human resources solutions and outsourcing. Aon professionals meet the diverse and varied needs of our clients through our industry knowledge, technical expertise and global resources.

For more information on Aon visit [www.aon.com.au](http://www.aon.com.au)

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