

Product Contamination Insurance

A crisis may be unpredictable, it should not be unforeseeable

Product contamination is a growing problem that can affect anyone in the food supply chain, from growers, packaging suppliers and ingredient manufacturers to contract manufacturers and household brand names. The consequences of a contamination/recall incident can range from damage to a company's bottom line to loss of major customer or brand reputation.

A company's exposure can come from a number of areas including use of 3rd party or co-manufacturers, expanding supply chains, mislabeling, or private labeling for others. Additionally, increased regulatory requirements, improved technology and social media create an environment where the identification, tracing and communication of an incident now happen at an accelerated rate.

The Aon Solution

No amount of prevention is ever 100% effective. Despite rigorous quality control, auditing and testing accidental or deliberate contaminations can still occur. Product Contamination and Recall policies are designed to mitigate the financial consequences of an incident as well as provide expert resources to help respond to a crisis. Coverage can include both 1st and 3rd party costs and can be tailored to suit the specific requirements of each client.

Coverage Triggers

Coverage varies by carrier

- **Accidental Contamination:**
Unintentional contamination or mislabeling of an insured product provided that the use or consumption of such product has or would result in bodily injury or sickness within 365 days of consumption.
- **Adverse Publicity:**
Reporting of an actual or alleged contamination in the media, where either the Insured or an Insured Product is specifically identified.

- **Government Recall:**
Recall of an Insured Product initiated by a regulatory or administrative body because of potential Bodily Injury arising out of the use or consumption of the Insured Product.
- **Malicious Product Tampering:**
A malicious and intentional alteration or contamination of an insured product by anyone including an employee of the Insured rendering such product dangerous or unfit for use or consumption.
- **Product Extortion:**
A malicious product tampering threat that has been accompanied by an extortion demand.
- **Intentionally Impaired Ingredients:**
An intentional and wrongful, but not malicious contamination or impairment of an Insured Product rendering the Insured Product unfit or dangerous for its intended use or consumption.
- **Product Refusal:**
Refusal by a customer to accept an Insured product due to the recall of a similar product.

What types of losses does a Product Contamination policy cover?

Coverage varies by carrier.

- **Recall Costs:**
Product Removal, Destruction, Redistribution
- **Pre-Recall Costs:**
Chemical Analysis to identify the cause of an Insured Event
- **Extortion Payments:**
Ransom Monies
- **Third Party Recall Liability:**
Claim for Recall Related Damages incurred by a 3rd Party arising from an Insured Event
- **Business Interruption Expenses:**

We're here to empower results

If you have any questions about your specific coverage or are interested in obtaining coverage, please contact your Aon broker or visit aon.com

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Loss of business income due to an Insured Event

- **Extra Expenses:**
Employee Overtime, Subcontracting, Cleaning
- **Rehabilitation Expenses:**
Marketing and other related costs to help re-establish sales
- **Consultant and Advisor Costs:**
Expert advice, training and 24/7 Crisis Response services

Claims Advocacy

Aon is the only broker that has a full-time attorney dedicated to assisting our clients and brokers with Product Contamination and Recall issues and claims to maximize policy performance:

- Full time attorney dedicated to assisting with recall claims
- Client advocate and advisory
- Manage claims process
- Utilize claims leverage with insurers
- Negotiate claims and defense costs resolution

About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance and specializes in the placement and servicing of Product Recall and Product Contamination programs. Going beyond traditional risk transfer solutions, Aon's global network of product contamination and recall specialists have the industry expertise and market intelligence to structure and create customized insurance programs.

Please do not wait until you have an actual crisis to reach out to Aon's Crisis Management brokerage team to structure a program that addresses your particular risks and concerns. Being proactive is essential.

This document provides only a summary of available coverage. Additional details relating to policy terms and conditions can be provided upon request. In the event there is a conflict between this summary and the policy, the terms and conditions of the policy documents will control.

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