



Contaminated Products Insurance Case Study



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A fruit juice manufacturer discovered a potentially deadly outbreak of *Salmonella* at one its manufacturing plants and around 500 cases of *Salmonella* poisoning had been reported to authorities after people had consumed the juice, invoking a major crisis response.

The medium-sized manufacturer, with a turnover of approximately US\$9 million, was concerned about the effect on customers, as well as its business. It worked closely with the health authorities to recall its products from supermarkets and smaller retail outlets, and was prevented from trading for six weeks until the source of the outbreak could be found. Of course, this had a negative impact on its brand, which lost market share immediately and for some time following the incident.

Eventually the *Salmonella* was traced back through the supply chain to the supplier of the fruit. Nonetheless, the impact was felt primarily by the juice company, which suffered considerable losses, as follows:

Recall costs and Consultants/ Advisers Costs:	US\$412,000
Advertising Expenses:	US\$36,600
Loss of profits (first 12 months)	US\$557,200
Total	US\$1,005,800

This manufacturer did not have insurance for the incident. Fortunately, insurance protection is available. LIU's Contaminated Products Insurance policy has been designed to protect companies against these types of exposures.

Outstanding Service, Unparalleled Expertise

The LIU Crisis Management team are industry leaders, providing unparalleled underwriting experience and tailored solutions for brokers and clients.

LIU works with specialist crisis response consultants to protect your clients before, during and after a crisis, while our locally based, integrated claims team ensures clients receive the highest level of service and support, when it's needed most.

The information in this document is presented by Liberty International Underwriters ("LIU") is a trading name of Liberty International Underwriters Limited (No. 2400200), incorporated in Hong Kong. The claims examples are intended to illustrate broadly some, but not all, of the kinds of product recall exposures a business can face. How Liberty's policy responds to any circumstance will depend on the particular facts. Refer to the policy wording for the complete terms and conditions. The information about the policy coverage and consumer recall law and processes is general comment only on the subject matter, and should not be relied upon as advice or any definitive statement of law or the principles of insurance in any jurisdiction. This information is accurate as at November 2017.

Specialist Crisis Response Consultants From Around the World

Utilising specialist crisis response consultants, LIU helps companies respond swiftly and effectively to a product contamination incident, as well as planning for and managing the risks of a potential incident.

Whether the contamination is accidental or due to tampering or extortion, LIU and its specialist crisis response consultants work together to protect a company's customers, employees and reputation.

Coverage

LIU Contaminated Products Insurance provides protection against:

- Accidental Contamination
- Malicious Product Tampering
- Product Extortion
- Adverse Publicity

Covered Losses include:

- Business Interruption
- Replacement Costs
- Recall Costs
- Third Party Recall Costs
- Consultants & Advisor Costs
- Rehabilitation Expenses

LIU's Target Market

Clients of all sizes involved in growing, manufacturing, importing, exporting, wholesaling, distributing and retailers of food, beverage, cosmetics and pharmaceutical products.

About Liberty International Underwriters

LIU is part of the Boston-based Liberty Mutual Group, a global insurer established in 1912, which ranks 76th on the Fortune 100 ranking based on 2013 revenue. As of December 31, 2013, Liberty Mutual Group had \$121.2 billion in consolidated assets, \$102.2 billion in consolidated liabilities and \$38.5 billion in annual consolidated revenue.

That scale, capacity and experience stands behind every policy we write. Just as importantly, LIU puts its trust in its people on the ground, wherever they are in the world, so clients get the benefit of local understanding and autonomy quick, efficient underwriting and a more responsive claims service.

To find out more call Liberty's Crisis Management Team:

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