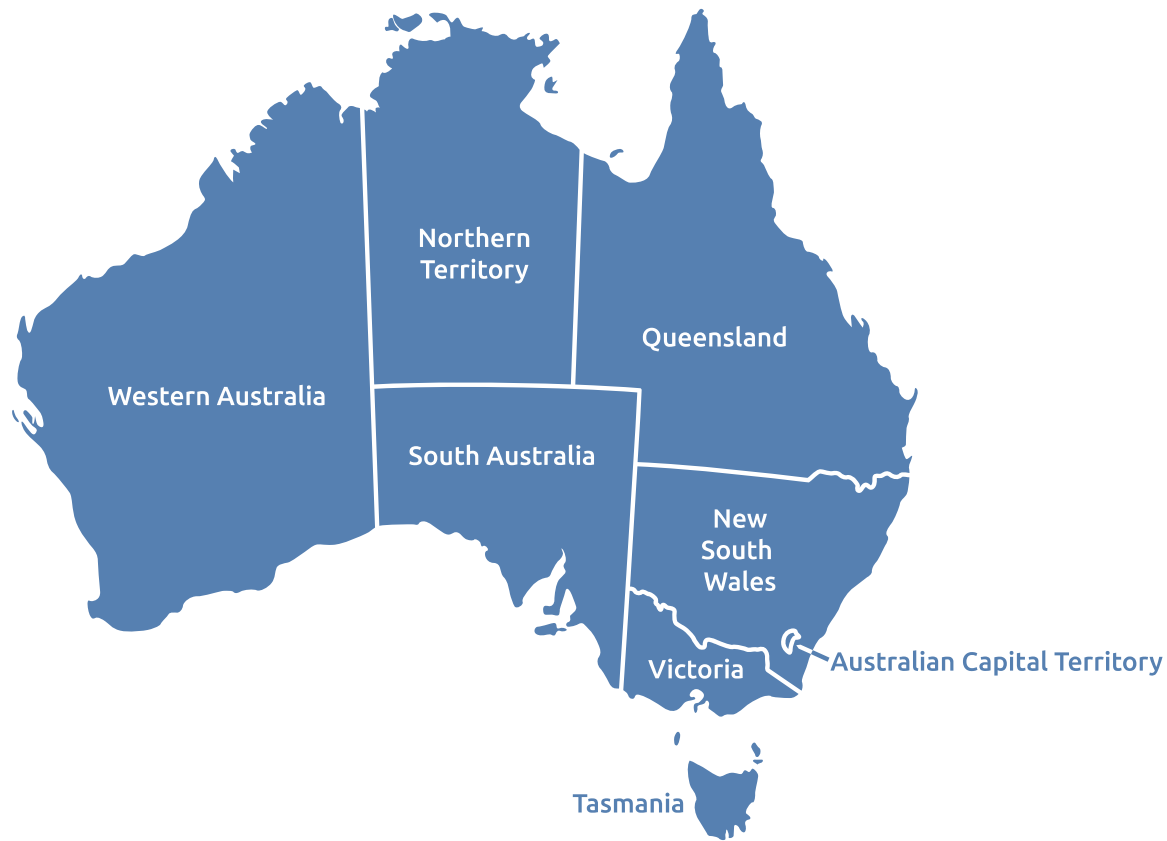




# PRODUCT RECALL

AUSTRALIA  
JUNE TO DECEMBER 2016



Home and Living



Food and Grocery



Allergen



Babies and Kids



Health and Lifestyle

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# What's new

## Retailers Withdrawal Endorsement

Most Contaminated Products Insurance policies don't cover products withdrawals by retailers, and we are seeing these withdrawals increase in frequency and cost.

LIU see a significant gap in the cover currently available in the market and in response we are pleased to launch our Retailers Withdrawal Endorsement.

After a recent review of typical incidents reported to Liberty International Underwriters (LIU), we have found that more than 50% of contamination incidents experienced by our clients result in product withdrawal because of quality issues, with no food safety implications.

These retailer withdrawals don't trigger a traditional Contaminated Products Insurance policy as the contamination of the product would not cause bodily injury if consumed.

Clients, however, are incurring significant costs for the withdrawal of their products off supermarket shelves.

Our new Retailers Withdrawal Endorsement is designed to help clients deal with this gap in coverage.

### ***What are the key benefits compared to a typical Contaminated Products Insurance policy?***

- ✓ *Provides for costs and expenses imposed by retailers for the withdrawal of a client's product because of a manufacturing error;*
  - ✓ *NO requirement that the manufacturing error would cause bodily injury;*
  - ✓ *Requirement is only for manufacturing error, no contamination required;*
  - ✓ *Inclusion of defence costs; and*
  - ✓ *Provides for replacement costs of a client's product that is in the possession of retailers or end consumers*
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# Home and Living

Recalls due to fire and electric shock account for nearly half of the total recalls in this category. Some recent examples include:

**4<sup>th</sup> October, 2016 –Freestanding gas/electric cooler**

Under certain circumstances, the adaptor between the gas supply and the appliance may crack using a potential gas leak. Leaking gas may cause an explosion.

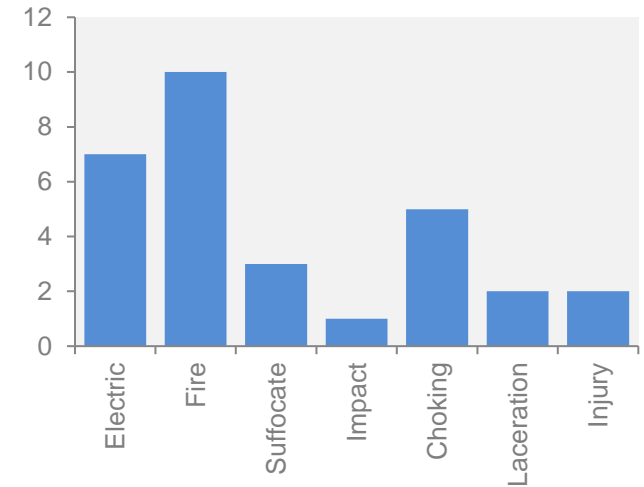
**11<sup>th</sup> November, 2016 –Plasma lamp**

The lamp fails to meet the assembly and labelling requirements of the electrical safety standard. There is a risk of electric shock when the lamp is in use.

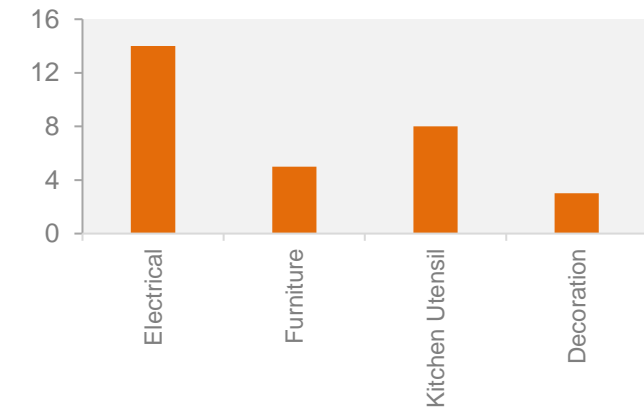
**22<sup>nd</sup> November, 2016 –Instant hot water kettle**

Under a fault condition the kettle may start by itself and cycle through the water heating process. If the fault conditional occurs, the kettle may overheat and catch fire.

Home and Living - Reasons for Recall  
1st July to 31st December, 2016



Home and Living - Products Recalled  
1st July to 31st December, 2016



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# Food and Grocery

Recalls due to allergens account for nearly half of the total recalls in the food and grocery category. Some recent examples include:

**8<sup>th</sup> August, 2016 –Chocolates**

The potential presence of an undeclared allergen (dairy). Consumers who have a dairy allergy or intolerance may have a reaction if the product is consumed.

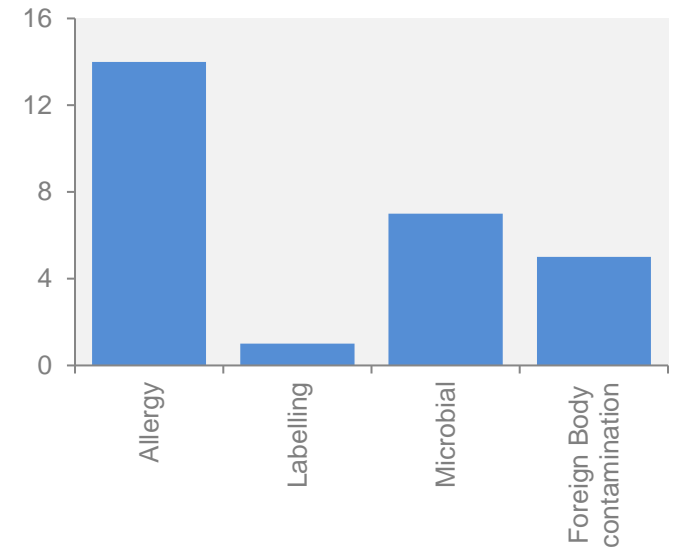
**18<sup>th</sup> August, 2016 –Gluten Free Breads**

The potential presence of an undeclared allergen (soy). Any consumers who have a soy allergy or intolerance may have a reaction of the products is consumed.

**26<sup>th</sup> October, 2016– White Velvet Cheese**

Microbial (*E.Coli*) contamination. Food products contaminated with *E.Coli* may cause illness if consumed.

Food and Grocery - Reasons for Recall  
1st July to 31st December, 2016





# Allergens

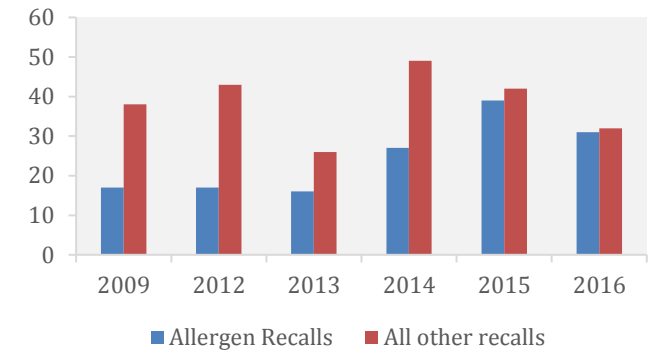
The presence of allergens is the most common reason for triggering a product recall in Australia and data shows a disturbing trend. This trend is occurring at the same time as an increase in the number of allergen susceptible individuals.

Recently released figures by the Australian Bureau of Statistics reveal that almost 4 million people in Australia reported avoiding a food type because of allergy or intolerance. Of those, about 560,000 were children aged between 2 and 18 years. In this group, girls were more likely than boys to be susceptible. The Australasian Society of Clinical Immunology and Allergy (ASCI) reports that food allergy occurs in around 1 in 20 children and in about 2 in 100 adults.

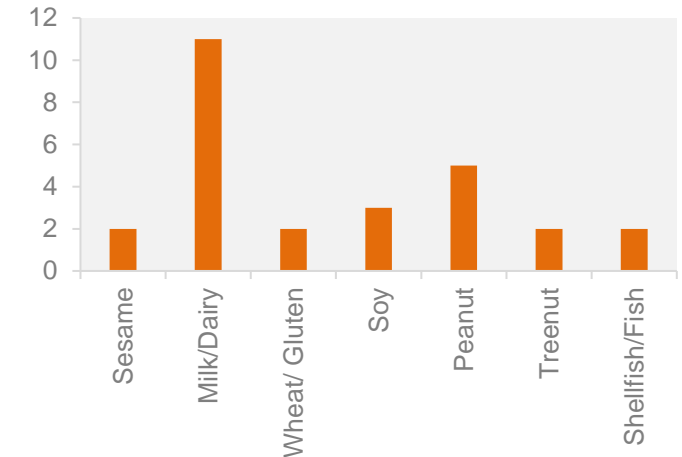
Over the last 10 years there has been a clear increase in the amount of recalls due to allergens. The number of allergen recalls in 2016 is over triple that for 2007 – **and in both 2015 and 2016 accounted for almost half of all food recalls.** The majority of allergen based recalls come from complex foods including processed foods (34%), confectionery (15%), baked goods (12%) and beverages (11%). These four groups account for nearly three quarters of all allergen recalls.

These alarming trends pose concern with the regulators and within the food industry.

Allergen recalls vs All other food recalls



Allergens Recall  
1st January to 31st December, 2016



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# Babies and Kids

Choking hazards and injury are the most common reason for recalls in Australia. There were a total of 338 recalls in Australia for this period and this category was 15% of the total recalls. Some recent examples include:

#### 29<sup>th</sup> June, 2016 Children's Yoyo

If the yoyo is dropped or hits an object, the covers on either side of the product may pop out and release the button batteries. If children gain access to the button batteries and ingest them, they may suffer internal burn injuries, which can result in serious illness or even death.

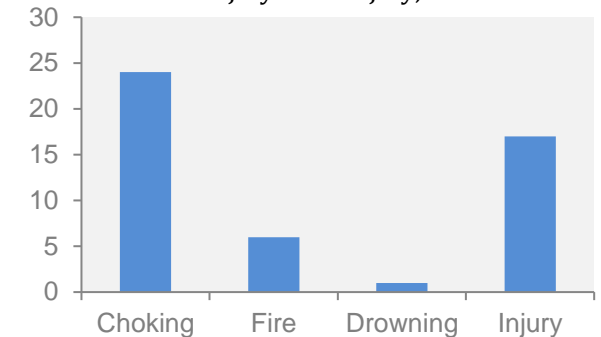
#### 21<sup>st</sup> September, 2016 Crew Top

There is a risk that on some of the tops, one or more of the snaps may detach from the garment during normal use. If the snaps become detached from the garment, this could pose a choking hazard to infants.

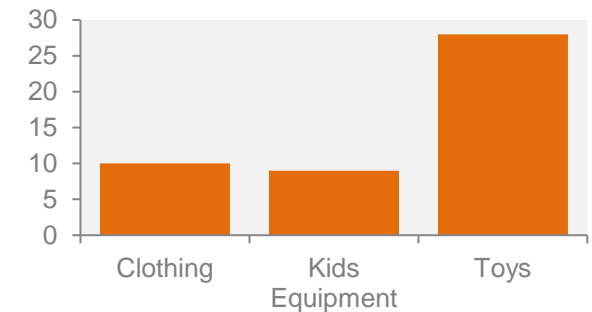
#### 16<sup>th</sup> December, 2016 Wooden beaded rattle

The rattles are of a shape and size smaller than permitted dimensions. The items do not comply with the mandatory safety standard for toys for children up to and including 36 months of age. Rattles that are of a shape and size that can enter a child's throat may present a choking hazard.

Babies & Kids - Reasons for Recalls  
1st July to 31st July, 2016



Babies & Kids - Products Recalled  
1st July to 31st July, 2016



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# Health and Lifestyle

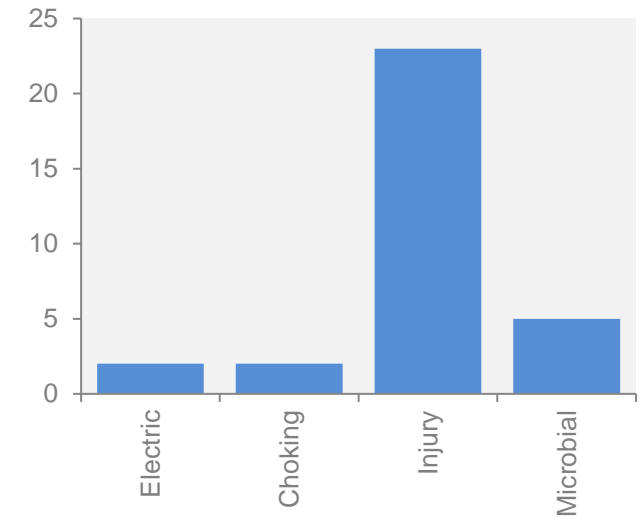
Injury is the most common reason for recalls in this category. Some recent examples include:

**15<sup>th</sup> November, 2016 – Bionic Runner Cross Trainer**  
Some pedals may have had a washer that was too small installed and as a result the pedal may slip off the pedal axle. If the pedal slips off the pedal axle it could cause the rider to fall and potentially injure themselves.

**23<sup>rd</sup> October, 2016 Water bottle**  
If the drink bottle is full and dropped with force onto its spout, the plastic nozzle inside the spout may break on impact. There is a potential choking or ingestion hazard if the defect occurs.

**16<sup>th</sup> August, 2016 –Bicycles**  
The fork on the bicycle can develop cracking and over time lead to the separation of the front axle from the fork. If cracking is not identified and the front axle becomes separated from the bicycle, this can lead to loss of control of the bicycle causing serious injury.

Health & Lifestyle - Reasons for Recall  
1st July to 31st December, 2016



Health & Lifestyle - Products Recalled  
1st July to 31st December, 2016

