



# Product Contamination Insurance

The protection you need to  
secure your brand's  
reputation



TOKIOMARINE  
HCC

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# Malicious Product Tampering, Accidental Product Contamination, Adverse Publicity & Government Recall

For companies of all sizes, product contamination is a loss exposure that cannot be ignored. Contamination, whether the result of criminal acts or simple human error, occurs frequently in the U.S. and around the world. Companies that experience these types of incidents often incur large financial costs to deal with fallout from recalling products, replacing products, loss of gross profits, and restoring confidence in their brand.

## Product Contamination Insurance

Specialty Group's team of underwriters and claims professionals are readily available to discuss coverages and design a comprehensive protection package for your company.

### How Tokio Marine HCC Can Help

Because we specialize in small to medium size, US based, food and beverage risks with sales of up to USD \$650 million, we provide a customized policy to address the needs of the mid-market segment.

Our policy is designed to provide critical coverages for contamination incidents and related exposures not contemplated under the scope of traditional general liability or coverage extensions found on other insurance products.

Tokio Marine HCC's policy provides coverage to help companies deal with the financial consequences of a product contamination crisis, including reimbursement for recall expenses, value of contaminated products, third party recall expenses, increased cost of working, extortion costs, loss of gross profits, rehabilitation expenses, and 24/7 crisis consultant expenses from a retained recall specialist, Sedgwick Brand Protection™

### Coverages

- Recall-related expenses, including laboratory analysis, transportation, radio, internet and television announcements and third party recall expenses
- Loss of gross profit for a period of up to 18 months
- Rehabilitation expenses
- Value of contaminated products
- Crisis response and consultant expenses including public relations and recall consultants

- Increased cost of working
- Extortion costs
- Government recall
- Pre-Recall & contamination expenses
- Unsubstantiated retailer costs
- Intentionally impaired ingredients

### Optional Coverages / Services

- Government determination (enhanced)
- Comprehensive product refusal
- Forensic accounting and claims services
- Third party expense indemnity (including customer loss of gross profit)
- Capacity of up to USD \$10 million
- Excess capacity of up to US \$20 million
- Full policy limits for adverse publicity coverage
- Full policy limits for government recall
- Customer rehabilitation
- Two-year policy periods available for select risks at a discounted rate
- No Self-Insured Retention applying to crisis consultant expenses or extortion costs

Submissions can be turned around same day.

Each new policy includes a Sedgwick Brand Protection workbook.







## Crisis Response Services by Sedgwick Brand Protection

To provide our policyholders with the finest possible complement of services, Specialty Group has partnered with Indianapolis-based Sedgwick Brand Protection long recognized as a leading firm in the field of pre and post-crisis management, risk mitigation and recall management for the full spectrum of consumer goods. Having handled over 5,000 recall events for their clients, Sedgwick Brand Protection provides custom recall solutions designed to fit your business needs.

With a dedicated 24/7 hotline, Sedgwick Brand Protection is the first point of contact for policyholders looking to report a product contamination incident.

Sedgwick Brand Protection can provide vital assistance during the critical early hours following the discovery of such contaminations.

But the capabilities of Sedgwick Brand Protection go far beyond post-crisis response for Specialty Group policyholders.

### **Consulting / On Site Surveys / 10% Premium Allowance**

Sedgwick Brand Protection is available to provide a full range of consulting services in all aspects of product manufacturing, processing, handling, packaging and testing.

Sedgwick can also help food and beverage industry professionals navigate the complex FDA and USDA food safety regulations for any industry.

Through on-site surveys and firsthand analyses of operating procedures, Sedgwick Brand Protection can offer helpful recommendations regarding risk mitigation and risk improvement. As an added benefit, our policyholders can use up to 10% of the gross premium for pre-crisis planning and consulting by Sedgwick Brand Protection. Such consulting services include a comprehensive review of quality assurance / quality control / HACCP procedures, crisis management plans, equipment manufacturer, supplier and customer agreements, audits, testing and inspection protocol, security measures, mock recalls, delivery controls, allergen programs, environmental controls and regulatory controls, just to name a few.



# Sedgwick Brand Protection History and Capabilities

Specialty Group's policy provides coverage to help companies deal with the financial consequences of a product contamination crisis.

Management of over 5,000 product recalls globally, including some of the largest recalls in U.S. history involving infant formula, beef and pharmaceuticals:

- Management of over 10 locations in the United States and 1 in the United Kingdom
- 750 employees and consultants
- 200+ combined years of regulator and recall execution experience on staff, including former senior personnel in the FDA, CPSC and NHTSA
- Handled the removal of over 250 million recalled units in the marketplace over the past decade
- Sedgwick Brand Protection can provide a true "one-stop shop" for policyholders when they are faced with a crisis situation, including the following: Affected Party Identification: A proprietary Crisis Management System which helps ensure that customers can immediately identify and inform every person and supply chain partner involved in a recall

- **Recall Notification and Communication:** Establishing and implementing rapid, highly scalable recall communications services to notify directly affected parties and indirect customers who may have received recalled products
- **Recall Response:** Trained crisis contact representatives respond with expertise and sensitivity to quickly answer customer questions, schedule appointments, coordinate replacement product(s), manage website registration, respond to consumer complaints and document adverse events
- **Remedy Management:** Processing and tracking dangerous or defective products. From scheduling repair technicians, fulfilling replacement product and providing reimbursement to issuing consumer coupons, appropriate remedies are designed to meet each recall situation's specific needs
- **Resolution Management:** Offering regulatory compliant and witnessed destruction or disposal options including innovative recycling and sustainable solutions
- **Product Retrieval:** With an on-demand force of thousands of global field representatives, Sedgwick Brand Protection can assist in a global recovery of product from consumer homes, distribution centers/warehouses and retail stores. This global field force can be mobilized within 24 hours to retrieve product from all affected locations or to perform on-site effectiveness checks

- **Sustainability:** Innovative, sustainable solutions for transportation, disassembly, segregation, storage, recycling / destruction and disposal help to minimize the environmental impact of any recall event and achieve sustainability goals

We believe that Sedgwick Brand Protection is an outstanding addition to the arsenal of products and services Specialty Group offers in connection with our Product Contamination facility. It vastly enhances our capabilities in areas that are becoming increasingly important to producers and policyholders.





## Frequently Asked Questions\*

### Which events trigger coverage?

The Insured Events are accidental product contamination, malicious product tampering, adverse publicity and government recall. The trigger is discovery of the Insured Event during the policy period.

### Does the policy contain a carcinogen or genetically modified products exclusion?

No, our policy does not contain a carcinogen or genetically modified products exclusion.

### What are rehabilitation expenses?

Any reasonable expense incurred by the insured to restore the contaminated product to its original merchantable quality and/or to re-establish the brand reputation and market share of the product line that has been subject to a covered incident.

### What third party coverages does the policy provide?

Product Contamination policies are first party policies, however, the policy provides customer recall expense coverage. Third Party expense indemnity is available along with other selected third party coverages.

### What products are covered?

Our standard approach is to cover all ingestible products for human or animal consumption, including all ingredients manufactured, distributed, or handled by the insured. Specialty Group will also customize the scope of covered products at the insured's request.

### Does the policy cover adverse publicity?

Yes, adverse publicity is a standard feature in the policy and provides coverage up to the full policy limit.

### How does the Self Insured Retention function? Is there coinsurance?

The Self-Insured Retention applies per Insured Event against the sum total of all coverages applicable for each insured event and does not apply separately to each coverage.

Crisis consultant expenses and extortion costs while included within the limit per insured event, are not subject to the Self-Insured Retention.

Generally, Specialty Group's policies are not written with coinsurance.

### Who at Specialty Group handles a product contamination claim?

We are committed to servicing a policyholder's needs in the event of a claim. To that end, Specialty Group has a dedicated crisis management claims department staffed with experienced claims professionals who will work closely with both the policyholder and its broker throughout the entire claims process.

## Contact Us

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