

About Specialty Group

Specialty Group, a member of Tokio Marine HCC, is the leading provider of specialised insurance products. We provide an unmatched portfolio of products including, but not limited to, product recall, kidnap and ransom, active assailant, marine piracy, event cancellation, high limit disability, weather, travel and event liability.

Why Tokio Marine HCC

Tokio Marine HCC is a leading specialty insurance group conducting business in approximately 180 countries and underwriting more than 100 classes of specialty insurance. Headquartered in Houston, Texas, the company is comprised of highly entrepreneurial teams equipped to underwrite special situations, companies and individuals, acting independently to deliver effective solutions. Our products and capabilities set the standard for the industry, as many of our approximately 4,300 employees are industry-leading experts. Tokio Marine HCC is part of Tokio Marine Group, a premier global company with a market cap of approximately \$73 billion.*

*as of 30/06/24

Contact us


Anthony Osterrieth

Head of Business Development –
Specialty Group
aosterrieth@tmhcc.com
+(32) 475 540 538

Doris Pajon

Senior Underwriting Manager
Global Crisis
dpajon@tmhcc.com
+(34) 610 381 671

tmhcc.com

 Tokio Marine HCC International

A member of the Tokio Marine HCC group of companies

Tokio Marine HCC is a trading name of HCC International Insurance Company plc (HCCII), Tokio Marine Europe S.A. (TME) and HCC Underwriting Agency Ltd (HCCUA), members of the Tokio Marine HCC Group of Companies.

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The policyholder will always be informed of which insurer in our group will underwrite the policy according to jurisdiction. Not all coverages or products may be available in all jurisdictions. The description of coverage in these pages is for information purposes only. Actual coverages will vary based on local law requirements and the terms and conditions of the policy issued. The information described herein does not amend, or otherwise affect, the terms and conditions of any insurance policy issued by Tokio Marine HCC Group of Companies. In the event that a policy is inconsistent with the information described herein, the language of the policy will take precedence.

Product Contamination 101073 *08/2024



Product Contamination Insurance – International

The protection you need to secure your brand's reputation and balance sheet

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

For companies of all sizes, product contamination is a loss exposure that cannot be ignored. Contamination, whether the result of simple human error or deliberate acts, occurs frequently around the world. Companies that experience these types of incidents often incur large financial costs to deal with 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

Our target market is medium to large food and beverage risks. We have the underwriting expertise to provide tailored coverage solutions to address the needs of this 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 in 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, product extortion costs, loss of gross profits, rehabilitation expenses, and 24/7 crisis consultant services from our retained recall specialist, Sedgwick Brand Protection™

Covered Insured Events

- Accidental Product Contamination
- Malicious Product Contamination
- Product Extortion
- Government Recall
- Adverse Publicity

Covered Insured Losses

- Recall & contamination expenses
- Value of contaminated products
- Loss of gross profit to 18 months (This can be extended by agreement up to 60 months)
- Product rehabilitation expenses
- Increased cost of working
- Product extortion costs
- Crisis response and consultant

Optional Coverages / Services

- Intentionally impaired ingredients
- Product refusal
- Forensic accounting and claims services
- Third party recall liability expenses
- Customer loss of gross profit
- No Self-Insured Retention applies to crisis consulting expenses or product extortion costs
- Long term agreements

Capacity

Up to EUR 20 million or currency equivalent

Territory

Worldwide



Crisis Response Services by Sedgwick's Brand Protection

To provide our policyholders with the finest possible complement of services, Tokio Marine HCC - Specialty Group has partnered with Sedgwick Brand Protection long recognised 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 7,000 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.

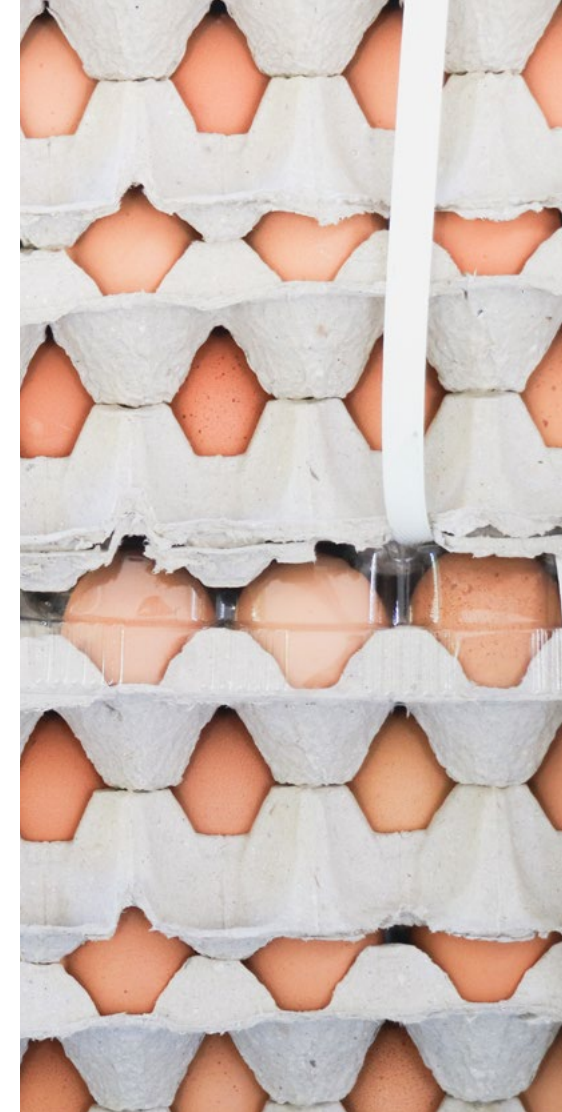
Sedgwick Brand Protection can provide vital assistance during the critical early hours following the discovery of such contaminations.

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

Consulting / On-Site Surveys / 5% 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 global food safety regulations.



Through on-site surveys and firsthand analyses of operating procedures, Sedgwick Brand Protection can offer helpful recommendations regarding risk mitigation and improvement. As an added benefit, our policyholders can use up to 5% of the net 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, audits, testing and inspection protocol, security measures, mock recalls, delivery controls, allergen programs, environmental controls and regulatory controls.

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 7,000 product recalls globally, including some of the largest recalls in history involving infant formula, beef and pharmaceuticals:

- 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 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 products and providing reimbursement to issuing consumer coupons, appropriate remedies are designed to meet each recall situation's specific needs.

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

- **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 products 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.

Frequently Asked Questions*

Which events trigger coverage?

The Insured Events are Accidental Contamination, Malicious Product Tampering, Extortion, Adverse Publicity and Government Recall. The trigger is a discovery of the Insured Event during the policy period.

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 following a covered incident.

What third party coverages does the policy provide?

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

What products are covered?

Our standard approach is to cover all topical and ingestible products for human or animal consumption, including all ingredients manufactured, distributed, sold or handled by the insured or their contract manufacturers. We can customize the scope of covered products at the insured's request.

How does the Self-Insured Retention function?

The Self-Insured Retention applies on a per Insured Event basis. The Self-Insured Retention does not apply to Crisis Consultant Expenses and Extortion Costs.

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.