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. Companies involved in virtually any segment of the dietary and nutritional supplement industry face potentially devastating losses in connection with these contaminations — in the form of recall expenses, damage control costs or lost profits, to name a few. For many commercial enterprises, issues with copackers and the global sourcing of finished products or ingredients add a new dimension to the exposures facing those in the dietary and nutritional supplement manufacturing or distribution chain.

Product Contamination Insurance for the Nutraceutical Industry
The Protection You Need to Secure Your Brand’s Reputation
How Tokio Marine HCC Can Help

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

Specialty Group, a member of Tokio Marine HCC, specializes in small- to medium-size food/beverage and nutraceutical risks and can tailor policies that address the needs of the “middle 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 product extortion insurance.

Specialty Group’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 crisis consultant expenses from a retained recall specialist, Stericycle® ExpertSOLUTIONS™.

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 (whether recalled or not)
- Crisis response and consultant expenses including public relations and recall consultants
- Increased cost of working
- Extortion costs
- Government recall

Optional Coverages / Services

- Government determination (enhanced)
- Comprehensive product refusal
- Customer loss of gross profit for a period of up to 18 months
- Third party expense indemnity
- Capacity of up to US$10 million
- Excess capacity up to US$15 million
- Excess primary $10 million
- Full policy limits for adverse publicity coverage
- Full policy limits for government recall
- Customer rehabilitation
- Multi-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 of receipt at Specialty Group.

Each new policy includes a Stericycle® ExpertSOLUTIONS™ workbook as well as an electronic subscription to periodic industry reports through ExpertINSIGHTS™.
Stercycle® ExpertSOLUTIONS™ Impressive History

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

• A dedicated 24/7 hotline, Stericycle® ExpertSOLUTIONS™, is the first point of contact for the policyholder looking to report a product contamination incident. Stericycle® ExpertSOLUTIONS™ can provide assistance during the critical early hours following the discovery of such contaminations.
• With over 175 combined years of regulator and industry experience on staff, including former senior personnel in the FDA, CFIA, and NSF, the liquidated value of over 250 million recalled units in the marketplace over the past decade can be mobilized to assist in the 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 quick, highly customizable communications services to notify directly affected parties and indirect customers who may have received marked product.
  • Recall Response: Formal crisis contract representatives respond with expertise and expediency to quickly answer customer questions, schedule appointments, coordinate replacement products, manage website registration, respond to consumer complaints and document adverse events.
  • Remedy Management: Processing and managing defective or defective products. From scheduling repair technicians, fulfilling replacement product and providing reimbursement to issuing consumer coupons, appropriate remedies are designed to meet each client’s specific needs.
  • Resolution Management: Offering regulatory compliance and postponed destruction or disposal options including innovative recycling and sustainable solutions.

Product Recall
With an on-demand force of thousands of global field representatives, Stericycle® ExpertSOLUTIONS™ 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 onsite effectiveness checks.

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

We believe that Stericycle® ExpertSOLUTIONS™ is an outstanding addition to the arsenal of products and services Specialty Group offers in connection with our Product Contamination facility – and vastly exceeds any competitive offerings in this area.

Specialty Group’s policy provides customer recall expense coverage. Customer loss of gross profit and third party expense indemnity are available – along with other selected third party coverages.

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

The self insured retention applies per insured event during the policy period, and is not subject to the Self Insured Retention.

Generally, Specialty Group policies are not written with coinsurance. However, Specialty Group is committed to serving our policyholders in every way to achieve a fair and reasonable resolution of the policyholder’s needs in the event of a claim. To that end, Specialty Group has a dedicated crisis management department staffed with experienced claims professionals who will work closely with both the policyholder and its broker throughout the entire claims process.
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 made up of highly entrepreneurial teams – equipped to underwrite special situations, companies and individuals, and acting independently to deliver effective solutions. Our Mind over risk philosophy helps our customers take on formidable challenges without assuming formidable financial risks. We bring our philosophy to life every day through underwriting expertise and unique insurance products. Our products and capabilities set the standard for the industry, as many of our nearly 2,500 employees are industry-leading experts.

The company’s major domestic and international insurance companies have earned financial strength ratings of “AA- (Very Strong)” from Standard & Poor’s Financial Services LLC, “A+ (Superior)” from A.M. Best Company, Inc., and “AA- (Very Strong)” from Fitch Ratings.*

Tokio Marine HCC is part of Tokio Marine, a premier global company with a market cap of approximately $30 billion.

*Ratings at the time of printing.

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To Be a Good Company

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