

Limited Product Withdrawal Expense Coverage



A New Level of Protection

The risk of a product withdrawal or recall due to a manufacturing or design defect is a real threat to all businesses in the chain of commerce; leaving them vulnerable to financial and reputation damage if they are without adequate liability protection. Many companies believe they have the resources to manage a product withdrawal or recall. However, few companies actually anticipate the expenses incurred to handle such a crisis.

With Chartis' **Limited Product Withdrawal Expense Coverage** – an enhancement to General Liability policies offered by endorsement - clients are better protected against the large expenses arising out of a product withdrawal or recall. The endorsement provides insureds peace of mind, and reimbursement of defined expenses incurred in the withdrawal or recall of a product.

Product withdrawal includes the recall or withdrawal of a client's product due to:

- Known or suspected product defects which has caused or is reasonably expected to cause bodily injury or property damage
- Known or suspected product tampering
- Government mandated product recall during the policy period due to known product defects or product tampering

Reimbursable expenses include:

- Costs related to the notification of a product withdrawal
- Transportation and storage costs
- Hiring fees of temporary staff to manage the product withdrawal process
- Overtime paid to the insured's regular, "non-salaried" employees
- Expenses incurred during the proper disposal of the product

FAQs

Q. How real is the likelihood of a product withdrawal?

A. Product withdrawals - both government mandated and voluntary - have been steadily increasing for the past several years. Regulations govern product safety and increase the likelihood of product withdrawals, which can result in considerable costs.

Q. Won't most companies have product withdrawal coverage already in place?

A. Many companies may not typically purchase product withdrawal expense protection, yet they are the very organizations that are vulnerable to financial damage in the event of a withdrawal. While giant corporations may have the resources to withstand the withdrawal costs, many other companies could be catastrophically affected by such an event.

Q. Why are you adding the Limited Product Withdrawal Expense Coverage endorsement to the General Liability coverages?

A. In addition to the benefits provided under our GL policy, the extra protection afforded under our Limited Product Withdrawal Expense Coverage endorsement provides your clients with meaningful coverage for an exposure they may not be able to manage otherwise. It also gives you a competitive market advantage when offering this solution to your customers.

Q. How can I learn more about Limited Product Withdrawal Expense Coverage?

A. For more information about our Limited Product Withdrawal Expense Coverage, contact your local Commercial Risk representative below.

For more information, please contact your insurance broker or your local Chartis representative.

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We have established ourselves as a world leader in insurance by helping our partners and customers realize their own plans for the future. Backed by 90 years of outstanding underwriting experience, our fundamental strength lies in the 40,000 employees who serve more than 45 million clients in over 160 countries and jurisdictions. Every day, our people deliver commercial and personal insurance offerings through hundreds of innovative products and services.

Chartis is the marketing name for the worldwide property-casualty and general insurance operations of Chartis Inc. For additional information, please visit our website at www.chartisinsurance.com.

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