

## **PRODUCT RECALL INSURANCE POLICY ENDORSEMENT WORDING**

The following clauses and/or endorsements shall be attached to the policies whenever applicable –

### **1. CRISIS CONSULTANT COSTS ENDORSEMENT**

It is hereby agreed and declared that, only in respect of Coverage A-**Product Recall Expense**.

i. Consultants Costs

is added to 10 “Product Recall Expense” under **Section V DEFINITIONS** as follows:

“Consultant and advisor costs” means the reasonable and necessary fees and costs of our preapproved crisis management or public relations consultants or advisors, engaged for the purpose of responding to a “Product Recall” to the extent such fees and costs are incurred directly and solely for such response.

This cover is subject to Sub Limits Of Insurance mentioned below:

INR -----Each Incident and INR----- in the Aggregate

For the avoidance of doubt, the limit applicable here is a component of, and payments made thereunder shall erode the Coverage A- **Product Recall Expense** Limit of the Policy. The stated policy deductible and participation percentage will apply to these expenses.

**All other terms and conditions remain unchanged.**

### **2. COST TO REFUND, REPAIR OR REPLACE YOUR PRODUCT ENDORSEMENT**

It is hereby agreed and declared that Section I, **Exclusions Coverage A**, which reads as follows:

- i. Cost or expense to repair, recondition, decontaminate or otherwise treat the recalled products so as to render them marketable.

is deleted in its entirety.

It is further agreed that only in respect of Coverage A- **Product Recall Expense**, 10 “Product Recall Expense” under **Section V DEFINITIONS**, is amended by the addition of the following sub-paragraphs:

- j. The total amount of refunds you give to purchasers, not to exceed the cost of goods sold.  
k. The cost to repair “Your Product”, including the cost to return “Your Product” to the purchaser, and the cost to repair unsold finished stock.  
l. If “Your Product” is replaced, the cost to produce or acquire a like replacement product, including the cost to return “Your Product” to the purchaser, not to exceed the cost of goods sold; or  
m. If “Your Product” can not be repaired, reconditioned, decontaminated or otherwise treated so as to render it marketable, the cost of unsold finished stock.

This cover is subject to Sub Limits of Insurance mentioned below:

INR -----Each Incident and INR ----- in the Aggregate

For the avoidance of doubt, the limit applicable here is a component of, and payments made thereunder shall erode the Coverage A- **Product Recall Expense** Limit of the Policy. The stated policy deductible and participation percentage will apply to these expenses.

**All other terms and conditions remain unchanged.**

### **3. DISMANTLING AND FITTING EXPENSES ENDORSEMENT**

It is hereby agreed and declared that Section **V., Definitions, 10**, “Product Recall Expense”, f. which reads as follows: Costs of transportation, shipping or packaging; is deleted in its entirety and replaced with the following:

The cost of shipping “Your Product(s)” from any purchaser, distributor or user to the place or places you designate. Dismantling and fitting expenses arising out of a “Product Recall” are limited to the following:

- the removal of material which is connected or in any other way combined with “Your Product”
- the removal of “Your Product”
- the subsequent installing of “Your Product”
- the subsequent installing of material which has been removed earlier
- the “Property Damage” as an inevitable consequence of the abovementioned activities

The cover for dismantling and fitting expenses with respect to Coverage A- **Product Recall Expense** and Coverage B- **Product Recall Liability** is sub limited to:

INR -----Each Incident and INR ----- in the Aggregate

For the avoidance of doubt, the limit applicable here is a component of, and payments made thereunder shall erode the Coverage A- **Product Recall Expense and/or Coverage B- Product Recall Liability** Limit of the Policy. The stated policy deductible and participation percentage will apply to these expenses.

**All other terms and conditions remain unchanged.**

### **4. SANCTIONS ENDORSEMENT**

The Insurer will not be liable to provide any coverage or make any payment hereunder if to do so would be in violation of any sanctions law or regulation which would expose the Insurer, its parent company, or its ultimate controlling entity to any penalty under any sanctions law or regulation.

**All other terms and conditions remain unchanged.**

### **5. DESIGNATED/ YOUR PRODUCT ENDORSEMENT**

Notwithstanding anything contained in this policy to the contrary, the coverage under this policy shall only be limited to the products of the Insured, mentioned below:

❖ <Insert Product>

**All other terms and conditions remain unchanged.**

## 6. FINANCIAL LOSS

It is hereby declared and agreed that the below coverage is added to the policy. Subject to all of the terms and conditions of this insurance, we will pay for any financial loss not arising from:

- (a) accidental bodily injury (including death illness or disease) to any person and/or
- (b) accidental loss of or damage to material property

which is incurred by customers or third parties as a result of any of your product (or any part thereof) which fails to perform the function for which it was manufactured, designed, sold, supplied, installed, repaired, altered, treated, dispatched or delivered by or on behalf of the Insured in the normal course of the insured's business as described in the Schedule.

The Financial Loss sub limit shown in the schedule is the most we will pay and which shall form part of the overall Total Aggregate Limit, mentioned in the Schedule of the policy.

**All other terms and conditions remain unchanged.**

## 7. PRODUCT GUARANTEE

It is hereby declared and agreed that the below coverage is added to the policy. Subject to all of the terms and conditions of this insurance, we will pay for the costs of removal, recovery, repair, alteration, treatment, replacement or destruction of any of your product (or part thereof) which fails to perform the function for which it was manufactured, designed, sold, supplied, installed, repaired, altered, treated, dispatched or delivered by or on behalf of the Insured in the normal course of the Insured's Business as described in the Policy Schedule.

The Product Guarantee sub limit shown in the schedule below is the most we will pay and which shall form part of the overall Total Aggregate Limit, mentioned in the Schedule of the policy.

**All other terms and conditions remain unchanged.**

## 8. COVERAGE TERRITORY ENDORSEMENT

Notwithstanding anything to the contrary mentioned in the policy or in any of the endorsements hereon, it is hereby declared that Section V DEFINITIONS 2 "Coverage Territory" stands deleted and replaced as below:

"Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.

**All other terms and conditions remain unchanged**

## 9. COVERAGE JURISDICTION ENDORSEMENT

Notwithstanding anything to the contrary mentioned in the policy or in any of the endorsements hereon, it is hereby declared that this insurance applies to "Product Recall Expense" only if any claim or suit is made or brought in the "coverage territory" only.

**All other terms and conditions remain unchanged**

## **10. SPECIFIC MATTER ENDORSEMENT**

It is hereby agreed and declared that

**All other terms and conditions remain unchanged.**

## **11. Tie-In Limit Clause**

It is hereby understood and agreed that the combined total aggregate Limit of Insurance that the Company shall be liable to pay for any Claim under all insurance covers combined involving all the policies list below shall be INR XXX any one claim and in the aggregate inclusive of Costs and Expenses.

**All other terms and conditions remain unchanged.**

## **12. Batch Clause**

For the purpose of this policy, where two or more Insured Events happen within twelve months after the First Discovery of such Insured Event and are attributable to the same event, cause, incident or occurrence, all Costs attributable to such Insured Event shall be deemed to have been incurred at the time of the First Discovery, irrespective of when the subsequent Insured Events have actually happened.