PRODUCT RECALL
PROSPECTUS

Despite a company's best efforts to design, manufacture and sell safe and reliable products, the possibility still exists that dangerously defective products may reach the customers. These products may cause accidents, leading to adverse verdicts in product liability litigations. Unfavourable publicity may result in loss of sales and damage to the company's reputation.

Unless appropriate action is taken promptly, these defective products may pose a severe financial threat to the company and can have a very serious financial impact on the company forbears to come.

The very survival of a firm may depend on how well and how quickly it can respond to the first notice that a product recall may be necessary. Product recalls are certainly expensive, but attempting them without adequate planning can be much more costly.

A poorly handled product recall can have a catastrophic impact upon brand reputation, in such dynamic business environment, it is important that there is an insurance cover for your financial aid when it comes to the unfortunate event of a “Product Recall”

The Product Recall Insurance of the Company can provide you with tailor made solutions for your most diverse insurance needs.

1. Who can take the Policy?

The Policy can be taken by Manufacturers of Automobile, FMCG Companies, Manufacturers of Electrical and Electronic equipments etc.

The basic cover includes (Coverage A)

a. Cover for product recall expenses incurred by you because of a "product recall" to which this insurance applies.

The Product Recall expenses comprise of expenses such as

1) Cost of replacing "your product", repairing the "defect" in "your product" or repurchasing "your product" for your initial purchase price, whichever is less;
2) Costs of notification;
3) Costs of stationery, envelopes, production of announcements and postage or facsimiles;
4) Costs of overtime paid to regular non-salaried employees and costs incurred by such employees, including costs of transportation and accommodations;
5) Costs of computer time;
6) Costs of hiring independent contractors and other temporary employees;
7) Costs of transportation, shipping or packaging;
8) Costs of warehouse or storage space; or

9) Costs of proper disposal of "your products", or products that contain "your products", that cannot be reused, not exceeding your initial purchase price or your cost to produce the products.

b) Product Recall Liability (Coverage B)

We will pay those sums that the insured becomes legally obligated to pay as damages for "product recall expenses" incurred because of a "product recall" to which this insurance applies.

Extensions available under Coverage B

Under this extension We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1) All expenses we incur.

2) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.

3) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

4) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

5) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance. These payments will not reduce the limits of insurance.

What is not covered?

This insurance does not apply to "product recall expenses" arising out of:

a. Breach of Warranty and Failure to Conform to Intended Purpose

Any product recall initiated due to the failure of products to accomplish their intended purpose, including any breach of warranty of fitness, This exclusion does not apply if such failure has caused or is reasonably expected to cause bodily injury or physical damage to tangible property other than your product

b. Infringement of Copyright, Patent, Trade Secret, Trade Dress or Trademark

Any product recall initiated due to copyright, patent, trade secret, trade dress or trademark infringements.

c. Deterioration, Decomposition or Chemical Transformation

Any product recall initiated due to the transformation of a chemical nature, deterioration or decomposition of your product. This exclusion does not apply if it is caused by:

1. An error in manufacturing, design, or processing;
2. Transportation of your product; or
3. Product tampering.

d. Goodwill, Market Share, Revenue, Profit or Redesign

The costs of regaining goodwill, market share, revenue or profit or the costs of redesigning your product.

e. Expiration of Shelf Life

Any product recall initiated due to expiration of the designated shelf life of your product.

f. Known Defect

Any defect known to You before initiating the recall of product.

g. Governmental Ban

A recall when your product or a component contained within your product has been:

1. Banned from the market by an authorized government entity prior to the policy period; or
2. Distributed or sold by you subsequent to any governmental ban.

h. Defence of Claim

The defence of a claim or suit against you for liability arising out of a product recall.

i. Third Party Damages, Fines and Penalties

Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.

j. Pollution-Related Expenses

Any loss, cost or expense due to any:

1. Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants; or

2. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants.

Claims Procedure

1. Claim Intimation

In the unfortunate event of any loss or damage to the insured property resulting into a claim on this policy, please intimate the mishap IMMEDIATELY to our Call Centre at Toll Free Numbers on 1-800-22-4030 (for MTNL/BSNL users) or 1-800-102-4030 (other users) or on chargeable numbers at +91-22-26748600 / +91-22-41582900 / +91-22-41582999 or email at contactclaims@universalsompo.com. Please note that no delay should be allowed to occur in notifying a claim on the policy as the same may prejudice liability.

2. Submission of documents

Details as given in claim form should be submitted to the Company with a period of 15 days from date of intimation.

3 Appointment of Surveyor

The Company shall appoint a surveyor to inspect and assess loss incurred. It will be your responsibility to assist the surveyor in every possible way.

4. Reporting to Authorities

It will be your responsibility to inform of the damage to respective government authorities and provide Us with the proof of such reporting

5. Steps to mitigate loss

You should take all steps that may be necessary to minimize losses e.g. stop the advertisement on channels etc if already aired.

Claim Documents:
You must submit any or all of the below mentioned document(s) as requested by us for settling your claim within 30 days from date of intimating the claim.

- Completely filled-in claim form
- Government notification if recalled due to government ban
- Recall Strategy documents
- Loss Statement/ Financial Reports

Please note that the Company may seek additional documents for settling claim if deemed necessary.

For all your service requests e-mail us at contactus@universalsompo.com

Statutory Warning: No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole part of the commission payable or any rebate of the premium shown on the policy nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebates as may be allowed in accordance with the published prospectuses or tables of the Insurer. Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to Five Hundred Rupees

Please note: The prospectus contains only an indication of cover offered, for complete details on terms, conditions, coverages and exclusions please get in touch with us or our agent and read policy wordings carefully before concluding a sale. Insurance is a subject matter of solicitation.

Unit No. 601 & 602, 6th Floor, Reliable Tech Park, Cloud City Campus; Gut No-31, Mouje Elthan, Thane- Belapur Road, Airoli, Navi Mumbai- 400708

Toll Free Numbers: 1-800-224030 (For MTNL/BSNL users) or 1-800-1024030. Landline Numbers (022)-26748600 or (022) 41659800 or (022)-41582999 (Local Charges apply)