



## AUTOMOTIVE PRODUCT RECALL INSURANCE

Product recall, being an integral part of the European and world trade, has for some time now become more prominent within the environment of Polish entrepreneurs. The European Union regulations connected with product safety oblige manufacturers, importers and distributors to ensure an appropriate level of consumer safety and to report threats which the products may cause, as well as to undertake actions to eliminate such threats.

Recent cases of product recall have resulted in extensive financial costs, which, in turn, have had a major influence on manufacturers, suppliers and consumers. An increase in production costs, resulting from faulty products, has induced manufacturers to claim reimbursement of product recall costs from suppliers.

**We specialise in the risks incurred by the automotive sector, especially financial risks, such as automotive product recall costs.** This type of insurance is designed for any entity delivering products or performing services for this sector of industry.

### LOSS COVERAGE

Costs (own, as well as incurred by third parties) connected with a product recall, including:

- redistribution
- repair
- dismantling and reassembling
- sorting and repacking
- those connected with announcements and publication in the media
- destruction
- recovery and storage
- transport
- examination of faulty products

It is estimated that product recall costs are a minimum five times higher than the product's distribution expenses.

### KEY BENEFITS

- possibility to negotiate high limits and conditions tailored to Client needs,
- support in risk management prior to the occurrence of the incident,
- possibility of negotiating insurance requirements stipulated in contracts for the supply of parts or provision of services for the automotive sector with regard to their assessment, evaluation of the ability to perform the contracts and appraisal at the earliest negotiation stage of the contract's contents,
- possibility of negotiating dedicated policy terms and conditions for a particular contract.

The remaining automotive industry insurance risks which may also be covered are: **civil liability insurance** (including product and performed service), **risk of property damage** (including insurance of premises and machines), **business interruption risk** (including machinery loss of profit), **cargo risk**, **receivables insurance**, **financial guarantees** (including performance bonds, retention bonds, advance payment guarantee), etc.

