



CONTAMINATED PRODUCTS INSURANCE

FACT SHEET

STANDARD & POOR'S

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A.M. BEST

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**THE ANNUAL COST OF
FOODBORNE RELATED
ILLNESS IS ESTIMATED
AT \$55 BILLION.**

SOURCE: FORBES

APPETITE

Target manufacturers of:

- Beverages
- Canned goods
- Confectionary and baked goods
- Cosmetics
- Dairy products
- Fresh produce
- Snacks

DESPITE THE BEST EFFORT TO CONTROL FOOD SAFETY, CONTAMINATION INCIDENTS ARE INEVITABLE. WHEN THEY OCCUR, THE IMPACT CAN BE DEVASTATING.

THE GROWING NEED FOR PROTECTION

Contaminated Products Insurance protects manufacturers in the event of product contamination whether it is the result of malicious activity or simple human error. Recent developments are making this coverage more important than ever:

UPTURN IN INCIDENTS

Whether it is due to improved detection methods, heightened consumer awareness, or an increase in imported goods from less regulated countries, product contamination is occurring with alarming frequency. The FDA and USDA reported food recalls have more than doubled over the past decade.

COSTS CAN BE SIGNIFICANT

A recent study estimated that foodborne illness costs more than \$55 billion annually in medical treatment, lost productivity, and illness-related mortality. When a contamination occurs, the cost of recalling or destroying product, dealing with government agencies and the media, and rebuilding customer confidence in the brand can substantially impact a company's balance sheet.

INCREASING VULNERABILITY OF SENIOR MANAGEMENT

Senior level managers are increasingly being held accountable. The Department of Justice has indicted and imprisoned several senior executives and staff members for poor governance on food safety.

ALLIANZ CONTAMINATED PRODUCTS INSURANCE

Coverage	Customers
Accidental Contamination	Accidental or unintentional contamination, impairment or mislabeling of an insured product(s)
Malicious Product Tamper	Actual or alleged malicious and wrongful contamination that renders an insured product(s) unfit or dangerous for consumption
Adverse Publicity	The reporting of an alleged but not actual accidental contamination or malicious product tamper in any media

CONTINUED

Coverage	Customers
Voluntary Distribution Interruption	Voluntary recall by the Insured after consultation with a regulatory body (applies to Class I or II products)
Mandatory Recall Order	Recall initiated due to order from regulatory body (applies to Class I or II products)
Suspension of Registration	Suspension of operations in one of the Insured facilities due to the order of a regulatory body
Intentionally Impaired Ingredients	Intentional and wrongful contamination or impairment of an insured product(s) as a result of an ingredient supplied to the insured by a third party
Coverage Components and Optional Extensions	<ul style="list-style-type: none">• Recall costs (First and Third Party)• All reasonable expenses to inspect, withdraw, destroy and replace the product• Business Interruption (loss of gross profit)• Rehabilitation costs• Consultancy costs• Third Party Recall Liability• Customer loss of profits• Unsubstantiated recall costs• Preparation of crisis management plans
Risk Prevention Services	<ul style="list-style-type: none">• Crisis management plan development• Crisis simulation exercises• Risk assessments• Program review and development
Crisis Support	<ul style="list-style-type: none">• Product recall and traceability• Product testing• Legal support• Crisis Team support• Crisis communications• Technical product expertise• Malicious product tampering investigations and support

FOR MORE INFORMATION
PLEASE CONTACT:

DIETER HAUTZER

Head of Liability – North America
Tel: +1. 312. 224. 3336
dhautzer@aic-allianz.com

NATHALIE CZYZEWSKI

Head of Liability - Canada
Tel: +1.416.849.4542
nathalie.czyzewski@agcs.allianz.com

MARCOS GARCIA NORRIS

Crisis Management Regional Practice
Group Leader – North America
Tel: +1. 312. 441. 5439
marcos.garcianorris@agcs.allianz.com

ABOUT ALLIANZ

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AGCS - NORTH AMERICA
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SEVEN REASONS TO CHOOSE ALLIANZ

- Policy wording that is consistent with the Food Modernization Act
- Forms tailored specifically for the US and Canada
- Specialists in food safety and product recall backed by more than 40 years global experience in the food and beverage industry
- Capacity of USD 35 million
- Risk consultants with a wealth of knowledge who partner with clients to analyze product contamination risk, provide value-added insights and deliver practical solutions – backed by a network of 300 Allianz engineers and risk consultants around the globe
- Dedicated crisis management support
- Responsive claim service from expert professionals

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