

At a
Glance

August
2015

Automotive component manufacturer



Automotive product recalls create a substantial impact on all elements of the supply chain, from small parts manufacturers to the end consumer. The implications from a recall range from a loss of reputation to significant, and potentially fatal, financial loss.

Product recalls have prompted automotive Original Equipment Manufacturers (OEMs) to demand that parts suppliers reimburse costs caused by a supplier's defective part. Suppliers, given the size of the industry, face significant financial and operational exposures. In addition to these risks, product liability policies specifically exclude losses resulting from product recalls. To address these exposures our automotive recall policy can include coverage for first and third party exposures including Impaired Property. For distributors the cover can be broadened to include Product Guarantee and Financial Loss.

A 24/7 crisis support service is available to provide immediate support in the event that a client experiences a product related issue. A team of over 60 worldwide specialists, who are experts in their respective fields, will advise and support the technical, legal / regulatory and communications considerations required to deal with the issue. In addition the global relationship with SGS adds world class automotive expertise to these services.

Once it has happened red24assist and SGS can offer the following services:

- Failure and Damage Analysis - Failure Analysis Service establishing the what, why, how, when and where the failure took place
- Warranty Analysis - Warranty Analysis of the OEM, examining what their system was reporting and why it didn't pick up the issue
- Representation of Supplier - Facilitation and representation of supplier in subsequent meetings with the OEM
- Logistic Support - Logistical support in the removal and isolation of defective products
- Design and approval of replacement parts - Material & Component Testing services covering , Electrical, Durability & Environmental, Chemical, Weathering & Aging, Corrosion, Climate and Emissions
- Approval and ratified according to national & international legislation

Standard & Poor's

AA

(Very Strong), reaffirmed
Feb 2015

A.M.Best

A+

(Superior), reaffirmed
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red24assist, red24's Product Safety and Recall business unit, provides a range of worldwide crisis support services. Their consultants possess a wealth of expertise so clients can get the best possible assistance to prevent or respond effectively to a crisis. red24's services have been developed to help clients assess and mitigate risks across their organisation with a range of procedural review, training and auditing services.



Coverage triggers

1. Bodily injury & Property Damage

Cover is triggered by a product recall due to the use of the product that has resulted in bodily injury or property damage or poses actual and imminent danger of causing bodily injury or property damage

2. Impaired Property /Product Guarantee

Coverage for recalls of products which fail to perform the function for which they were manufactured

Coverage components

- First party recall expense
- Third party recall expense
- Repair, replace, or refund of products
- Governmental Recall expenses
- Crisis management fees and expenses

Allianz's recall specialists can negotiate coverage for both US and non-US manufacturers, distributors and importers.

Options

- Financial Loss
- Preparation of crisis management plans

Client profile

A wide variety of risks in the automotive component industry

Risk information

In order to evaluate insurability and premium assessment some details on the risk are required such as:

- Revenue of the Insured and product lines
- Claims Experience
- Crisis Plans/Recall Plans/Quality Management

Affiliated solutions

Product Liability

Reputation Protect

Cyber



For full information about what Allianz has to offer please look at the **Allianz capabilities for Corporate Clients** document.