Talbot Underwriting Australia

Product Contamination

TALBOT
VALIDUS GROUP

Talbot Underwriting Australia operates in the Lloyd's insurance market through Syndicate 1183, our expert team writes a balanced, geographically diverse portfolio of business.

Talbot Underwriting Australia

Talbot Underwriting Australia (Talbot), on behalf of Lloyd's Syndicate 1183, is pleased to announce the launch of its new Product Contamination Insurance offering. With the intention of providing market leading coverage, the benefits of this new product have been designed to meet the ever changing needs of your clients.

In simple terms, what does this policy cover?

The policy offers balance sheet protection for any company involved in the food, beverage, restaurants, pharmaceutical or cosmetic industries, from an ingredient supplier, though to manufacturers, importers, distributors, wholesalers and retailers. We can also cover companies involved in the manufacture / sale of domestic pet food.

Standard Policy triggers include:

- Accidental Contamination, Packaging Defect, Adverse Publicity and Government Recall
- Malicious Tampering and Economic Adulteration
- Product Extortion

What type of risks is Talbot able to assist with?

Talbot is able to offer a unique tailored solution to a range of clients from start-ups to multi-billion dollar companies. We have capacity of up to USD 45m, with the flexibility of having USD 25k minimum self-insured retentions.

What are some of the benefits of the Talbot offering?

Packaging Defect – these types of losses are on the increase. Talbot has developed a stand-alone trigger for losses of this nature (including design error by the Insured) with cover available up to the full policy limit.

Additional Covered Losses – these include Fines and Penalties cover, Customer Loss of Profits, Customers Recall costs (including retailers' fees), Claims preparation costs (not just limited to the Business Interruption element of the claim) as well as those costs incurred in engaging temporary security measures in the event of a threatened Malicious Tampering.

Price Competiveness – by offering a tailored solution, this allows clients to purchase a very cost effective solution that provides balance sheet protection and assists with any contractual obligations the client may have.

Government Recall – with companies exporting to more and more countries around the world (especially into Asia), Talbot's Government Recall trigger alleviates the client from having to prove that their product has or would cause bodily injury.

Long Term Relationships – Talbot is keen to develop long terms relationships with clients and as such is able to offer multi- year deals with the added benefit of a no claims bonus.

Crisis Consultants – with brand protection being at the top of many CEO's concerns, Talbot is proud to be associated with two of the leading global firms in the Crisis Management space. RQA and Security Exchange have been assisting clients throughout the world for the past 20 years in all areas of Crisis Management including incident response, risk mitigation and analysis and simulation training. Policyholders will automatically receive the support of these firms with 24/7 access to local consultants experienced in the various jurisdictions the client operates in.

For further information and how to contact RQA and Security Exchange, please visit:
www.rqa-group.com www.securityexchange24.com

Q&A based on questions we have received regarding this product

If my client has a full limit loss, are your Crisis Consultants costs payable in addition to the limit or will my client have to wear these costs?

Talbot's policy provides unlimited cover for Crisis Consultants costs in addition to the aggregate limit purchased.

I notice that my client's current policy has a deductible whereas this policy refers to a self-insured retention, is there a difference?

Yes, a self-insured retention does not erode the limit of liability purchased, whereas a deductible does. As we are seeing many limit losses, this can have a material impact on the final pay out for the client.

If my client has product rejected by a Government entity in China because they believe that a product supplied by the client would cause bodily injury even though there is no definitive evidence implying such, does this trigger the policy?

Yes, under he Government Recall Insured event trigger, if the entity is deemed to be a Competent Authority as defined under the policy, then this would trigger the policy.

If my client has incorrectly designed some packaging material that results in the ink on the packaging leaving the ingredient list illegible, would this trigger the policy?

If the fact that the customer cannot read the ingredient list results in the bodily injury definition being met (for example if the product contains an allergen), then the policy would be triggered.

My client supplies to major retailers. If they had to recall their product and these retailers charged a per store administration fee to remove the product from supermarket shelves, would these charges be covered?

Yes, they would. The Policy covers all reasonable and necessary costs to inspect, withdraw and destroy affected products in the event of a contamination or other issue that triggers the Policy. These costs are specifically noted as covered under the Recall Costs section and are also covered under Customers Recall Costs.

The above questions are just a snapshot of the many that we have received relating to our Product Recall Insurance offering, proving that tailoring the product to meet the client's exposure is paramount in order to protect a clients' reputation and balance sheet.

Talbot Underwriting Australia

Talbot Underwriting Australia
Level 9,
1 O'Connell Street,
Sydney,
NSW 2000,
Australia

T +61 2 8038 0150
F +61 2 8038 0151

For further information about Talbot Underwriting Australia please contact us directly or visit our website
www.validusholdings.com

Talbot Underwriting Australia is a wholly owned subsidiary of Talbot Underwriting Ltd (TUL) and a branch of Talbot Risk Services Pte Ltd, Singapore. TUL operates in the Lloyd's insurance market through Syndicate 1183. With an expert team of highly skilled and experienced underwriters and a balanced, geographically diverse portfolio of business, TUL has earned a reputation as an industry leading insurance and reinsurance specialist.

Drawing on our deep industry expertise, TUL develops tailored insurance solutions that address clients' evolving and often unique needs.

Lloyd's Security Ratings

Syndicate 1183 is part of the Lloyd's insurance market whose current Financial Strength Ratings are as follows needs.

Standard & Poor's	A+	Stable Outlook
AM Best	A	Positive Outlook
Fitch	AA-	Stable Outlook

Talbot is a wholly owned subsidiary of Validus Holdings, Ltd. The Validus Group provides a broad range of innovative insurance and reinsurance products, with particular emphasis on short-tail lines of business. Validus Holdings, Ltd. is listed on the New York Stock Exchange.

The group has offices in Atlanta, Bermuda, Boston, Dubai, Labuan, London, Miami, New Jersey, New York, Scottsdale, Singapore, Santiago, Sydney, Waterloo and Zurich, and is well positioned for international growth and success.

Talbot Crisis Management - Key Contacts

With over 30 years' experience, the team at Talbot has the experience to assist you and your clients in designing a product that addresses the exposures faced in today's changing world.

London/Worldwide

Neil Evans
Senior Class Underwriter
T +44 (0) 20 7550 3688
M +44 (0) 77 66 41 70 33
E neil.evans@talbotuw.com

Thomas Howard
Class Underwriter
T +44 (0) 20 7550 3677
M +44 (0) 79 43 51 07 18
E thomas.howard@talbotuw.com

Jon Atkinson
Class Underwriter
T +44 (0) 20 7550 3511
M +44 (0) 79 84 63 17 46
E jon.atkinson@talbotuw.com

Asia Pacific

Steven Ward
Senior Class Underwriter
T +61 2 8038 0163
M +61 449 221 831
E steven.ward@talbotuw.com

TALBOT
VALIDUS GROUP

Talbot Risk Services Pte Ltd ABN 78 603 176 389 AFSL 472967, trading as Talbot Underwriting Australia. Talbot Underwriting Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

05/16/02