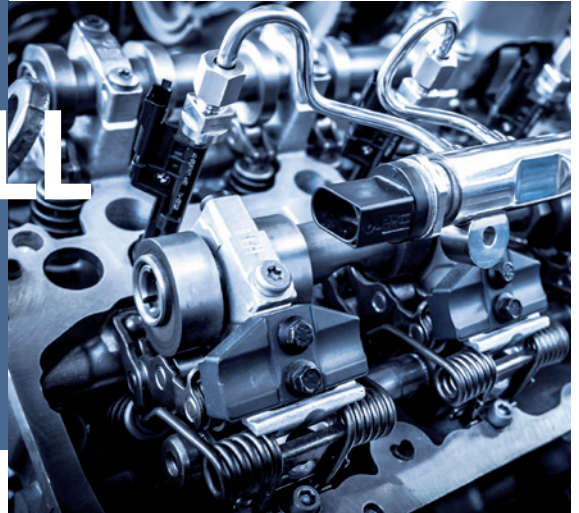


PRODUCT RECALL INSURANCE

AT A GLANCE



Recent automotive product recalls have involved unit numbers in the millions, creating an unprecedented impact on manufacturers, suppliers and consumers. Recalling an automotive product costs more than five times the original distribution, making this a potentially debilitating financial loss for automotive parts manufacturers.

Product recalls have spurred automotive Original Equipment Manufacturers (OEMs) to demand that parts suppliers reimburse costs associated with any recall caused by a supplier's defective part. Given the size and scale of automotive recalls, these suppliers face significant financial and operational exposures. To compound 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 Product Impairment.

WorldAware 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. WorldAware'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.

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 85 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 an incident has happened WorldAware 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

A.M. BEST

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FOR MORE INFORMATION
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COVERAGE TRIGGERS

Bodily injury & Property Damage

Cover for recall of products due to the use of the product resulting in bodily injury or property damage or which poses actual and imminent danger of causing bodily injury or property damage.

Product Impairment

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

- Liability for third party financial loss following recall
- 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

ABOUT ALLIANZ

As an international financial services company, we offer our 100 million customers worldwide products and solutions in insurance and asset management. Allianz Global Corporate & Specialty is our dedicated brand for corporate, specialty and mid market risks and insures more than three quarters of the Fortune 500® companies.