

Product Guarantee & Contaminated Products

Product Guarantee

What is Product Guarantee?

Product Guarantee (PG) is a product developed in the Early 1970's that allows a company to operate with peace of mind that in the event of a recall of their products, those costs can be covered by insurance. In short, it offers a 'safety net' for the quality management process of a client. It is a niche aspect of the insurance market and is usually driven by contract requirements when supplying to a larger corporation and is annually renewable.

The policy covers items that have failed to perform in their expected function. This can be due to faulty design, manufacture, component part failure etc. once they have been handed over to the customer. The costs incurred for the repair, replacement, and recall of the products is covered by this insurance and is commonly extended to cover the product liability and financial loss suffered by Third Parties and loss of income for the insured.

Who is it for?

This product is most suited to manufacturers who offer a complete product or a component part. Common industries covered is the automotive industry, packaging firms, consumer products and plastic moulding/metal fabricator suppliers. That does not say the class is limited in its scope – product guarantee is a flexible product that can be curated to work with the scale and needs of the individual client. The fundamental purpose of the policy is to support companies in the event of a catastrophic recall that can damage profitability and reputation – if a recall has the chance to cripple a company, then it is worth exploring the benefits of product guarantee.

Contaminated Products

What is Contaminated Products?

Contaminated Products operates much the same way as PG – only that it is catered specifically to digestible goods. It covers against the accidental/unintentional contamination of products, their mislabeling or the threat of tampering, actual or alleged. This product specifically offers an enhanced crisis management solution with most policies, so that in the event a contamination is discovered on products that have already shipped to end customer, are on store shelves or in people's homes, a network of crisis response experts swing into action to minimize loss to all parties.

Who is it for?

This product is serviceable to any manufacturer, distributor or retailer of food stuffs, pharmaceuticals, nutraceuticals, cosmetics and tobacco. All aspects of the food and beverage industry, restaurants (in specific circumstances) are exposed to one degree or another to a contamination recall.

Lime Street Insurance Broker's Expertise and Market Access

Lime Street's expertise in this market is underscored by the variety of products it has arranged cover for. From monitoring equipment that is fitted to onshore/offshore wind farms that allows energy suppliers to keep an eye of their turbines 365 days a year, to the non-dairy chocolate that can be found on most supermarket shelves around the UK, we have found them policies that give them the peace of mind they will survive a financially crippling recall. We operate proudly as independent broker, who has access to the Lloyds of London Market and Composite London Market alike. For product guarantee specifically, we hold the sole Lineslip with AHJ, an MGA in the London Market who was set up specifically for this class of business, who's underwriting team has been a fundamental part of the development of this industry for the last 40 years.