

Food and drink, cosmetics, pharmaceuticals, tobacco products, packers and distributors are susceptible to product contamination. This can be either accidental or deliberate – through malicious product tampering. Such incidents are increasingly common. When they occur they can attract media interest with potential disastrous impact on the public's confidence in the affected product or brand.

Considerable costs can be incurred in recalling, replacing or destroying the contaminated product, and rebuilding confidence. However the long term costs, e.g. loss of profits, brand rehabilitation and the loss of a major customer, are even more substantial and will hit the company's balance sheet

Contaminated Products Insurance provides cover for recall costs, loss of gross profits and rehabilitation costs following either accidental or malicious contamination (whether actual or threatened). Adverse publicity and governmental recall are additional triggers which have recently been introduced and will be automatically included, subject to the geography the insurance product is provided for.

Crisis management planning and loss prevention services are also available and will be partly funded by the insurance contract. Specialty response consultants will be made available to contain and manage the incidents on behalf of the Insured.

Coverage

The programme comprises four parts:

1. Accidental contamination
2. Malicious product tampering
3. Government recall
4. Product extortion

1. Accidental contamination

Any accidental or unintentional contamination, impairment or mislabelling, or any adverse publicity implying such, which occurs during or as a result of its production, preparation, manufacture, processing, blending, mixing, compounding, packaging or distribution. The bodily injury trigger is the critical factor determining a covered loss.

2. Malicious product tampering

Any actual, alleged or threatened, intentional, malicious, and wrongful alteration or contamination of the Insured Product(s) by any person, whether or not by an employee of the Insured, so as to render it unfit or dangerous for its intended use or consumption or to create such impression to the public.

3. Governmental recall

Any official recall order issued by the competent authorities in order to comply with regulations on food safety; or a recall order by the competent authorities in order to comply with regulation on food safety is imminent. Again, the bodily injury trigger is the critical factor determining a covered loss.

4. Product extortion

Any threat or connected series of threats to commit a Malicious Product Tampering that is communicated to the Insured for the purpose of demanding cash, monetary instruments, property or services.

Coverage Components

- Recall costs (first and third party)
- All reasonable expenses to inspect, withdraw, destroy, and replace the product
- Interaction losses
- Business interruption (loss gross profit)
- Rehabilitation costs
- Consultancy costs (no deductibles applies)
- Adverse publicity

Options

- Third party recall liability coverage
- Preparation of crisis management plans
- Unsubstantiated recall costs for intentionally impaired ingredients

Client profile

Companies from the following industry sectors:

- Food & Beverage
- Tobacco
- Cosmetics/ pharmaceuticals
- Restaurant chains/fast food chains

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
- Packaging
- Claim Experience
- Crisis Plans/Recall Plans/Quality Management

Capacity

- Up to Kshs _____

Note to the Proposer

Please note that this proposal form is being completed on behalf of all insured’s.

Signing or completing this proposal does not bind the Proposer, or any individual or entity he or she is representing, to complete this insurance.

Please answer all questions. If any of the questions are not applicable, please state “N/A”.

Please provide by addendum any supplementary information which is material to the questions herein.

Proposer Details

1. (a) Name of company and all subsidiary companies to be insured under this policy.

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(b) Physical Address: Bldg: Floor: Street:

(c) Postal Address: _____ Postal Code: _____ Town: _____

(d) Email Address:

(e) Web site: www._____

(e) Product Category

Nut/Snack Fish Fruit & Vegetables

Dairy Meat/Poultry

Others (please specify)

(f) Business Description:

(g) Retail Manufacture Wholesale

2. Limits of Liability requested

(a) Accidental Contamination

Each Accidental Contamination/Each Policy Period Kshs.....

(b) Malicious Tampering

Each Malicious Tampering/Each Policy Period Kshs.....

3. Deductible requested

(a) Accidental Contamination Kshs.....

(b) Malicious Tampering Kshs.....

4. (a) Please indicate estimated annual sales Kshs.....

(b) Total number of Plant/Facilities

(c) Please provide the following:

SALES BY COUNTRY	20..	20..	20..
COMESA			
United Kingdom			
European Union			
U.S.A./Canada			
Rest of World			

(d) If any Sales are registered in the European Union and Rest of World, please indicate in which states:

European Union:

Rest of World:

5. List Company's products sold as part of or under another company's label or brand name.

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6. Please indicate any new products that have commenced production or have entered the public stream of commerce, within the last 12 months.

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7. What percentage of your products are manufactured by an outside vendor?

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8. Please provide the following information for the **top 3 products**:

Product Name			
Product Type			
Is it a Finished Product?			
Is it an Ingredient of another Product?			
Shelf Life (weeks or months)			
Packaging Type (please specify)			
Annual Turnover (Kshs)			
Daily Production (Kshs)			
Daily Production (Units)			
Plant Locations where product produced			
Number of Production Lines			
Country Sold			
Largest Batch Size or Value			
Average Batch Size of Value			

9. Does the Company agree to indemnify or hold harmless any suppliers of components or raw materials? Yes No

If "Yes", please provide details

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10. (a) Total number of company employees

(b) List below any strikes, riots, work-stoppages, plant closings in the last 3 years

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11. (a) Has the Company ever been a direct target of political, racial, environmental, or other extremist or special interest groups? Yes No

If "Yes", please provide details

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(b) Does the Company use or pay for animal testing of products? Yes No

If "Yes", please provide details

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(c) Does the Company import/export with volatile countries (e.g. Israel) or undertake other activities which might make it a target of extremist or special interest groups? Yes No

If "Yes", please provide details

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Safety, HACCP & Quality

12. (a) Do you have a written in-force Quality Assurance Plan? Yes No
 (Please attach a copy of the most recent plan)
- (b) Does it incorporate HACCP for all products? Yes No
 Date HACCP last reviewed
- (c) Does the plan incorporate all seven principles of HACCP? Yes No
 (Please attach copy of HACCP flow chart)
- (d) When was the date of the last Governmental Food Safety Organisation inspection?

 (Please attach a copy of the inspection report, if applicable)
- (e) Do you work with known allergens? Yes No
 If "Yes", please provide details
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13. (a) Is there a Quality Assurance Department? Yes No
- (b) Who is responsible for overseeing and implementing HACCP Procedures?

- (c) Is this person dedicated full time to such work? Yes No

If "No", please provide details

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- (d) What are the qualifications of senior HACCP or Quality Personnel?

14. Do you have food safety audits performed by an independent 3rd party audit company?

- (a) Complete the table below

Audit Type	Auditing Company	Frequency of Audits
BRC Global Food Standard (BRC)		
International Food Standard (IFS)		
EFSIS		
Other, Please specify		
Comments		

(b) How often are the Audits performed?

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(c) Is this carried out at all your sites? Yes No

(d) Give details of any major recommendations made that have not been implemented

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15. Do you require your **suppliers** to abide by HACCP standards? Yes No

(a) If "No", what other steps are taken

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(b) What steps are taken to assess the quality and safety standards adhered to by your suppliers? (Supplier Audits, Application, questionnaire, references, health inspection reports etc.)

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(c) Who (what position) decides whether a supplier is approved?

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16. Relating to your Product Testing, **please tick** the applicable boxes

Product Test Type	Raw Materials	In-Line	End of Line
Microbiological			
X-ray			
Metal Detectors			
Physical			
Chemical			

17. (a) Do you have an in-house testing laboratory? Yes No

(b) If not, do you retain an outside testing laboratory? Yes No

If "Yes" please state:

Name of laboratory

Where it is

Is it open 24 hours? Yes No

Are they accredited to ISO EN 17025 Yes No

(c) Is there a hold period before shipping? Yes No

- (d) Is there a "positive release" procedure? Yes No
- (e) Is there an incoming quarantine process? Yes No
- (f) Are certificates of product conformance from the suppliers received? Yes No

18. Are all your product labels inspected? Yes No

If "Yes", when and by whom

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19. Do you collect and monitor customer complaints? Yes No

How do you collect complaints?

- Internet Site Free Phone Number
- Electronic (i.e. database) Other

Recall Preparedness

20. Do you currently have:

(a) Recall Plans Yes No

When were they last updated?

(b) Are Recall simulations conducted? Yes No

When was the last simulation conducted?

(c) Crisis Plans Yes No

When were they last updated?

(d) Is a batch coding system utilized Yes No

If "Yes", please provide details (recorded by location, date, shift, etc.)

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(e) Do you keep records of your shipments? Yes No

(f) Who can initiate a major product recall?

(g) Please list people, and position, who form part of the Recall Team

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21. Estimate the costs for the following:

- (a) Recall of leading brand
- (b) Destruction costs of recalled products on leading brand
- (c) Redistribution of products of leading brand

Loss Information

22. Has the company's products or any of its premises ever been the subject of comment or complaint by any governmental agency or department? Yes No

If "Yes", please complete the following:

- (a) Which agency or department?
- (b) Date and nature of comment or complaint
- (c) Outcome of such comment or complaint
- (d) Date resolved

23. Claims history of the Company

- (a) Products recalled due to an accidental contamination and/or malicious product tampering in the last 10 years
 - Division & Product
 - Reason for Recall
 - Date of Recall
 - Recall method utilised
 - Cost of Recall

Were any contracts lost/discontinued as a result? Yes No
(Continue on separate sheet if necessary)

24. Does the Company know of any actual, threatened or suspected product tampering involving any of the company's products during the last twelve months? Yes No

If "Yes", please provide details

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25. Does the company, its directors and officers or any other person known to the Insured have knowledge or information of any specific fact which may reasonably give rise to a claim under the proposed policy?

Yes No

If "Yes", please provide details

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26. Person to be contacted by THE INSURANCE COMPANY approved Consultants for pre-incident services?

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SIGNING THIS PROPOSAL DOES NOT BIND THE PROSER TO COMPLETE THIS INSURANCE

Declaration

I declare that the statements and particulars in this proposal are true and that no material facts have been mis-stated or suppressed after enquiry. I agree that this proposal, together with any other information supplied shall form the basis of any contract of insurance effected thereon. I undertake to inform the Insurers of any material alteration to those facts occurring before completion of the contract of insurance.

A material fact is one which would influence the acceptance or assessment of the risk.

Signed

Title
(To be signed by Chairman/Chief Executive or equivalent)

Company

Date

Please enclose with this Proposal Form

The last Annual Reports and Accounts for the Company

Recall Manuals

Crisis Management Plan

HACCP Plan

HACCP Flowchart

All written statements and materials furnished to the Insurer in conjunction with the Proposal Form are hereby incorporated by reference into the proposal form and made a part thereof.