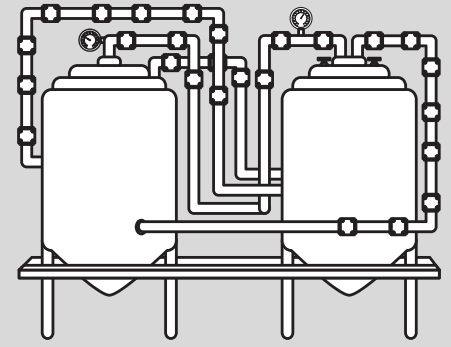


Is product recall insurance right for my brewery/distillery business?

For some companies, a product recall can pose a true business crisis. Many companies are still uninformed of the full extent of the cover available to them or that they are even able to buy product recall insurance.

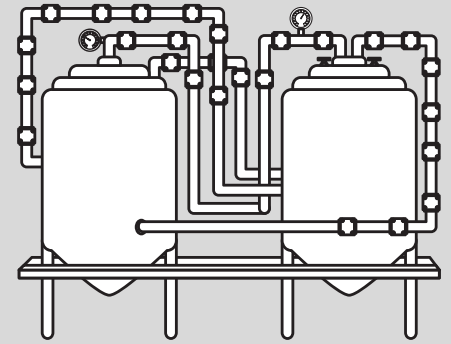
Riskworks understand that product recall insurance can sometimes be disregarded. To emphasise the actual value of product recall cover and present some insight into a good policy, here are six reasons why buying a standalone product recall policy is the right decision for your brewery or distillery business.



Product recall cover is probably not included in your liability policy

Product liability policies are important for protecting a manufacturer or distributor against being sued when their product has caused bodily injury or property damage to a third party.

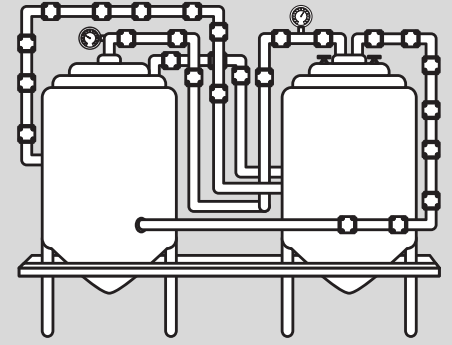
By comparison, product recall insurance is a first party indemnity policy focused on you and your recall event losses, providing completely different cover and protecting you even before your product has left your care, custody and control. If product recall cover is provided under your liability policy, it will likely be limited to recall costs only and heavily sub-limited, leaving you under-protected. You should consider holding both a liability and a recall policy to provide you with complete peace of mind



You're a manufacturer or you use another company to manufacture your product

Every manufacturer has product recall exposure, and regulatory scrutiny has been increased over the last five years. It is no longer acceptable to believe that a product recall event could never happen to you - manufacturing or human error could strike at any time. Product recall insurance provides peace of mind in a crisis, providing you with the support you need in investigating a product recall event, as well as replacing the loss of sales to keep your brewery/distillery business afloat.

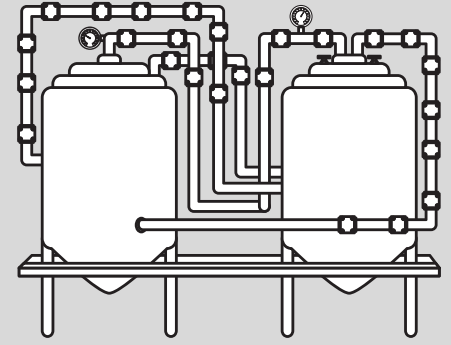
Cover isn't just for manufacturers themselves though. Your cover should also provide protection for those that manufacture for you, because you can't necessarily rely on their finances to reimburse you - you need to protect your brand and secure reputation at all times.



You don't have full oversight over the operations of your suppliers

Any product is only as good as its worst component or ingredient. While you may have full oversight of the products you manufacture, it's impossible to have the same insight into the operations of your suppliers and co-manufacturers.

No firm should rely on a third-party indemnifying them in order to survive a recall event. By indemnifying you directly for your loss of sales, a good policy will protect your cash-flow allowing you to continue operating and avoid severe business interruption losses and the financial consequences of a serious product recall event.

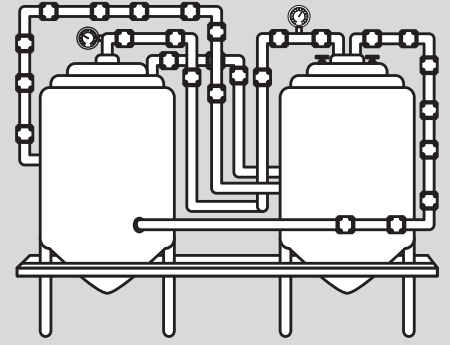


You rely on your major customer contracts

Increasingly, customers and retailers are requiring manufacturers to buy product recall insurance as part of their contractual obligation, often with significant limits.

Underwriters can work with you to address these contractual requirements, enabling you to take your contract negotiations to the next level.

Purchasing cover can also demonstrate your commitment to risk management and your customers' protection in the event of a possible recall, providing them with peace of mind and helping you to stand out from the competition



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