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> The most commonly required covers rolled into one convenient industry policy

SME Food & Beverage Product Recall insurance

Product recall protection tailored for small to medium importers, manufacturers, distributors and wholesalers

Liberty's Food & Beverage Recall Policy is a recall cover specifically tailored for small and medium enterprise (SME) food and beverage industry. It protects manufacturers and suppliers from the risk of contamination and the need to recall products due to a manufacturing or quality control issue.

Recall insurance policies are often not well understood due to the complexity of the policy structure and policy coverage. For SME clients, the complexity of the traditional product recall insurance accompanied by lengthy proposal forms can be a deterrent when it comes to obtaining this crucial insurance cover.

Liberty has created a simple yet comprehensive policy, offering a holistic industry solution that caters to the needs of our SME clients.

What type of recalls are covered?

- Accidental contamination or mislabeling of products
- Malicious tampering of products
- Government directed recalls
- Spoilage issues of your product
- Halal
- Alleged contamination

What costs are covered?

Liberty's SME Food & Beverage Recall insurance covers the costs associated with these types of recalls should they occur to any of our clients' products. These include:

- Recall expenses incurred for recalling products from the market
- Replacement costs of the affected products
- Inspection costs such as chemical analysis or physical inspections to determine if the products have been contaminated
- Consultant and advisors' costs associated with managing the product recall

What is covered under spoilage?

Spoilage issues are caused by quality related factors, for example mislabelling of a product that omits a key ingredient, or a manufacturing error such as incorrect baking temperature that could cause loaves of bread to turn mouldy before their expiration date. Both of these issues can cause a spoilage recall.

A product labelled with the wrong weight resulting in incorrect nutritional information, or a product that is infested with weevils are often factors that could impact the reputation of a product if it were sold to consumers, but they would not cause injury or harm.

These types of recalls have no potential for bodily injury – and therefore are not covered by typical product recall or contaminated product policies.



We're part of the Liberty Mutual Group, a Fortune Global 500 company that's been in business since 1912 with an S&P A+ financial strength rating

Global reach. Financial strength. Local authority.

Distinct, complex and constantly evolving – every business is as unique as their insurance needs. To confidently progress in the face of risk and uncertainty requires a level of security you can only achieve through working with specialists.

Liberty offers a breadth of world-class insurance and reinsurance services to brokers and insured clients. We bring value and solutions to business and government organisations across Asia – helping protect what they earn, build and own.

While not dangerous, such spoilages can be expensive for the manufacturers and if not handled correctly, can deter customers and cause long-term brand damage. Liberty understands the costs and associated issues with spoilage recalls and we have included it in our SME Food & Beverage Recall cover.

Other important features of our policy

- Self-Insured Retention is NIL
- Fast track claims

Case studies

Case study 1: Recall due to faulty yoghurt lid (spoilage)

An experienced yoghurt manufacturer received a phone call from a retailer that stocked their product advising that the yoghurt had a faulty lid which wasn't closing correctly.

There was no likelihood of any consumers becoming ill but the retailer chose to withdraw the product from its shelves.

The yoghurt manufacturer was charged for the associated costs of the withdrawal.

Typical magnitude of this type of incident:

- 2,000 units affected
- Recall costs due to spoilage issue $150,000

Case study 2: Recall due to allergen

A Liberty insured is a distributor of spring rolls. During the production process vegetable oil was substituted for peanut oil. Our client was not made aware of the substitution and the product label did not include peanut oil, a known allergen.

The product was consumed by a person with a peanut allergy who subsequently suffered an allergic reaction. Liberty's Crisis Management consultants assisted our insured in determining the cause of the suspected contamination.

The product was recalled from sale as it posed a threat of injury if consumed.

Typical magnitude of this type of incident:

- Replacement cost: $141,000
- Product recall cost: $55,000

Fast track your claim

We know that when you have a claim you want it paid fast. Some claims are complex, yet others are straightforward.

If indemnity can be granted and all the supporting documents are received, Liberty can settle food and beverage recall claims up to US$75,000 within three business days.

Our goal is to make things simple. We quickly settle small claims without any fuss.

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