

CRISIS MANAGEMENT // RECALL NEWSLETTER
AUSTRALIA

Product Recall Monitor January to June 2019

AUGUST 2019

The Liberty Specialty Markets (Liberty) Product Recall Monitor summarises recent product recalls that have taken place across a variety of industries in Australia. We also share what's new in our Food and Beverage insurance offering.

In this edition we share the latest recalls in:

- ▶ Home & living
- ▶ Food & groceries
- ▶ Allergen
- ▶ Babies & kids
- ▶ Health & lifestyle

TRENDING
TOPICS

AUSTRALIA

What's new at Liberty?

Insurance cover for the food & beverage industry

Liberty has introduced a new Food and Beverage Insurance Policy that is a recall cover specifically tailored for the food and beverage industry. Designed to address both product recalls and withdrawals, it protects manufacturers from the risk of contaminations and also the need to withdraw their product due to manufacturing error or quality control issues.

In the past food and beverage manufacturers have relied on Contaminated Products policies, which only offer protection in the event of an incident that could cause bodily harm to a consumer.

Fast track your claims

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 claims up to \$75,000 within three business days.

What's covered?

We've worked with food and beverage producers for many years and have rolled the most commonly required covers into one convenient industry policy.

Our Food and Beverage Policy includes:

- ▶ Automatic inclusion of Product Withdrawal cover
- ▶ Triggers are closely aligned to the legal requirements to recall under the Australian Consumer Law, and the Australian Food Codes
- ▶ A nil Self-Insured Retention is automatically applied
- ▶ Option to add endorsements for Business Interruption and Rehabilitation Expenses
- ▶ Cover for Replacement Costs once the product has left the client's physical possession

Compare the covers

Here's a quick summary of how your food and beverage clients can enjoy extra protection:

Incident	Liberty Food & Beverage Policy	Traditional Contaminated Products Policy
Contamination by listeria, e-coli, salmonella or other food pathogens	Yes	Yes
Glass, metal or plastic contamination	Yes	Yes
Taste/inedible product due to manufacturing error	Yes	No
Product unfit for consumption due to manufacturing error, with no bodily injury	Yes	No





324 product recalls were reported in Australia in the first half of 2019. The Australian Competition & Consumer Commission report into Product Safety in Australia reveals the diversity of goods recalled, ranging from power charger banks, eggs, generators, chicken kiefs, sunglasses and chocolate.

Source: The information in this document has been obtained from: Australian Competition & Consumer Commission, Recalls (8 August 2019) Product Safety Australia <https://www.productsafety.gov.au/recalls>

Here's a sample of what's been recalled this year in Australia

Home and living

12 April 2019 – Bath Mat

This product could pose a potential fall risk. The surface of the bath mat may become excessively slippery when wet, which could result in a fall and a serious injury.

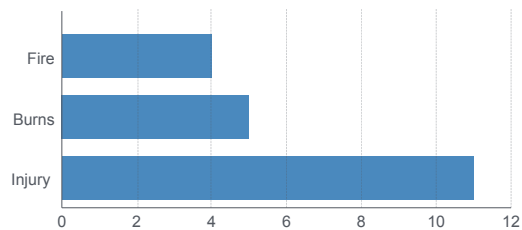
31 March 2019 – 2 Slice Toaster

The product may not comply with the Electrical Safety Standard. A fluctuating voltage issue may cause an electrical shock. Risk of an electrical shock if a user touches the inside heating element when the toaster is plugged into the power supply and the control lever is not triggered and remains in upper position.

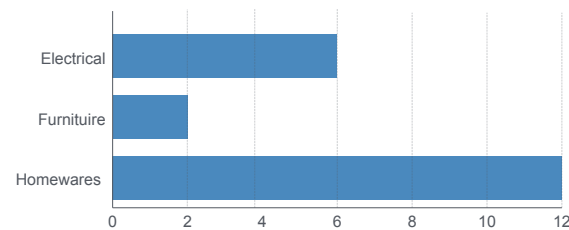
31 January 2019 – Ceiling Fan with LED Light

The ceiling fan is designed to have a non-removable light cover. Some ceiling fans supplied to the market have a removable light cover. If the LED light is turned on and the light cover is removed from the ceiling fan, there may be potential for electric shock or serious harm.

Home and living – Reasons for recalls
1 January 2019 to 30 June 2019



Home and living – Category of recalls
1 January 2019 to 30 June 2019





Food and grocery

15 June 2019 – Rice Seasoning

The recall is due to the presence of undeclared allergens (egg and milk). Any consumers who have an egg and/or milk allergy or intolerance may have a reaction if the product is consumed.

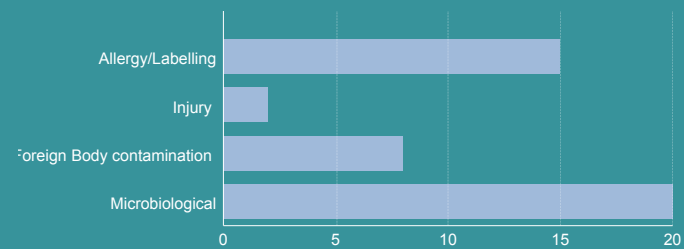
28 March 2019 – Eggs

The recall is due to potential microbial (salmonella enteritidis) contamination. Food products contaminated with salmonella may cause illness if consumed.

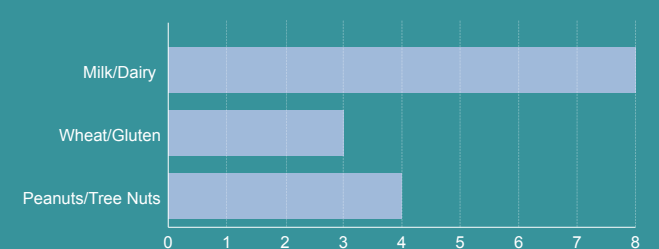
4 January 2019 – Spicy Beer Nuts

The recall is due to the potential presence of glass fragments. Food products containing glass fragments may cause injury if consumed.

Food and grocery – Reasons for recalls
1 January 2019- 30 June 2019



Allergen – Categories for recalls
1 January 2019- 30 June 2019



Babies and kids

18 January 2019 – Plush Toy

The reindeer's plastic nose may detach from the plush toy. Small parts can be a choking hazard for infants and young children.

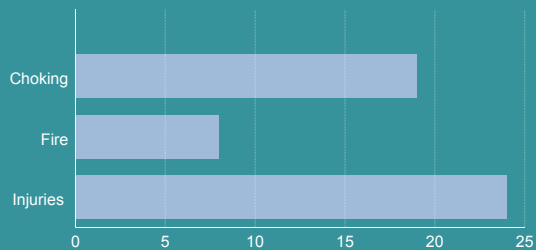
2 May 2019 – Wooden Playpen

Due to a manufacturing fault in one batch, the spring ball inside the playpen that locks the moulded plastic corners into place may become loose. If the spring ball becomes loose, it could pose a choking hazard to babies and young children.

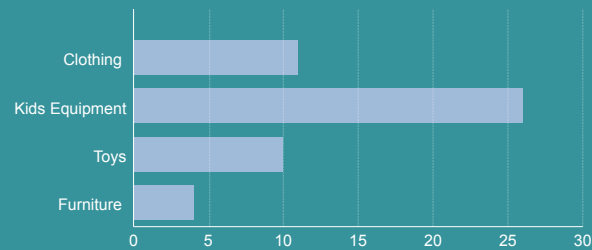
24 June 2019 – Glow Bugs

The battery compartment may not be adequately secured with a screw in some instances, and the button batteries in the product may be easily accessible. If young children gain access to the button batteries and ingest them, they may suffer internal burn injuries, which can result in serious illness and even death. In addition, the batteries may pose a choking hazard to young children.

Babies and kids – Reasons for recalls
1 January 2019 to 30 June 2019



Babies and kids – Category of recalls
1 January 2019 to 30 June 2019





Health and lifestyle

19 June 2019 – Bike Seat Bag

If either of the rear hooks on the seat bag loosen or break, the bag may detach from its loops. If the seat bag detaches or loosens from its loops, the bag may entangle in the bicycle's rear wheel, potentially causing serious injury to the rider and other road users.

2 May 2019 – Teething Powder

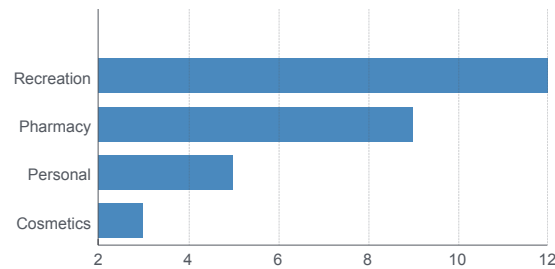
Due to the tight fit of the plastic cap, small, threadlike (up to approximately 1cm long x less than 1mm wide), soft slivers of white plastic could peel off the jar cap upon opening, potentially contaminating the product. If plastic was not noticed and was

ingested it presents a potential choking hazard to infants and young children.

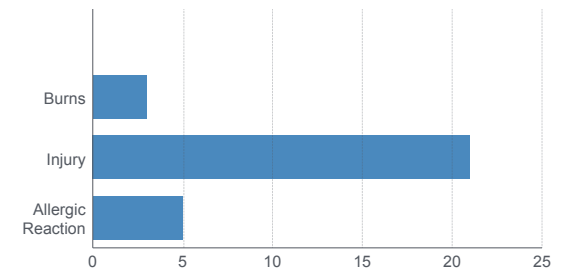
14 March 2019 – Natural Mineral Powder

The product ingredient list is for an earlier formulation of the product and does not reflect the ingredients in the container. Users may be exposed to cosmetic ingredients they are sensitive or allergic to. If a user suffers an adverse reaction they will not be able to check the ingredients list to identify the possible cause and seek appropriate treatment.

Health and lifestyle – Reasons for recalls
1 January 2019- 30 June 2019



Health and lifestyle – Categories for recalls
1 January 2019- 30 June 2019



Contact us

If you're looking for more information on insuring the food and beverage industry, please get in touch with our specialist crisis management underwriters. Our full team is listed on our websites.

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