



UK / Crisis Management & Special Risks

Automotive Components Product Recall

Car companies are under ever greater scrutiny from governments, media and the public as the number of global automotive recalls has grown in recent years and is gaining regulators' attention. To off-set their own risk the car companies (Original Equipment Manufacturers – OEMs) will often pass the liability for their recalls down the supply chain to the component part manufacturer responsible for the defect in the vehicle. This could result in a devastating financial impact for the supplier if the right cover is not in place.

Coverage

Our Automotive Components Product Recall policy has been specifically designed to protect automotive component manufacturers against these exposures. The policy provides the Insured with a comprehensive choice of coverage to address key product recall exposures and liabilities offering a choice of coverage triggered by:

- Product safety issues
- Product guarantee (failure to perform) issues
- Government ordered recalls

Importantly the policy covers both the insured's first and third party exposures.

Risk transfer – Automotive Recall

Standard policy provides for product safety and government recall covering the following losses:

Recall expenses including:

- Advertising and communications expenses
- Transportation costs
- Disposal costs
- Extra expenses to rent additional warehouse space
- Additional staff costs

Replacement expenses including:

- Refund costs
- Repair costs
- Replacement of the product
- De-installation and re-installation costs into the third party products

Third party recall expenses

Extensions include:

- Product guarantee without exclusion related to fitness / quality / efficacy / efficiency
- Third party financial loss

Response AXA XL - Crisis Management & Special Risks

Response AXA XL is a dedicated network of crisis consultants providing priority access to policyholders. The network is made up of core consultancies in key global territories and comprises, amongst others, specialists in areas such as product safety, public relations, security, legal and regulatory.

Pre-incident consulting

We dedicate a portion of the premium for consultants to work up front with our policyholders to provide bespoke services such as:

- Best industry practice workshops
- Product safety & reliability analytics – to ensure safe design of the component (functional safety, electrical safety, mechanical safety, chemical safety)
- Assessment & certification e.g. functional safety of product, quality management system
- Crisis simulations and recall planning
- External risk monitoring
- FMEA training & consultancy
- Design for Six Sigma (DFSS)
- Supplier assurance evaluation

Crisis response

In the event of an actual or potential incident policyholders have 24/7 priority access to Response AXA XL consultants through the policy emergency hotline.

No self-insured retention applies to Crisis Response and we also cover initial costs even if coverage is initially unclear.

Client profile

- Tier 1, 2 and 3 automotive component manufacturers
- Small companies to large multinational companies
- Overall turnover or contract specific
- Safety critical and non-safety critical component manufacturers

Geographic focus

UK/Ireland, North America, worldwide.

Capacity

Limit up to USD 75m (or currency equivalent) on primary or excess of loss basis

Minimum premium

USD 25,000 or currency equivalent

Minimum self-insured retention

USD 25,000 or currency equivalent

Retroactive date

Automatic 12 months retroactive cover

Quote information

AXA XL application form quality assurance documents

AXA XL Insurance

Teams from AXA Corporate Solutions, AXA Matrix, AXA Art and XL Catlin collaborate to provide you a seamless experience. Please know that the services listed here are just one part of our offering. Your usual contact will be able to talk with you about the complete AXA XL Insurance offer to help you deliver the most relevant solution for your client.

Contact

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