



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.

Continued...

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 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:

- Third party financial loss

Response AXA XL

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

Worldwide

Capacity

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

Minimum premium

USD 50,000 or currency equivalent

Minimum self-insured retention

USD 50,000 or currency equivalent

Quote information

- AXA XL application form
- Quality assurance documents

We can also offer non-binding indicative terms upon receipt of an AXA XL indication form.

Why choose us?

- We are the No. 1 P&C commercial lines platform worldwide*
- We offer a leading claims service
- We can offer global cover supported by local knowledge and experience
- Our strength and capacity allows us to be flexible, tailoring cover to fit client needs

Contact

AXA XL

20 Gracechurch Street

London

EC3V 0BG

T +44 20 7933 7000

www.axaxl.com/product-recall

* No. 1 declaration is based on 2021 revenues for AXA XL and AXA GI commercial business.

This summary does not constitute an offer, solicitation or advertisement in any jurisdiction, nor is it intended as a description of any products or services of AXA XL. AXA XL is a division of AXA Group providing products and services through three business groups: AXA XL Insurance, AXA XL Reinsurance and AXA XL Risk Consulting. AXA, the AXA and XL logos are trademarks of AXA SA or its affiliates. © 2022.