

FIRST PARTY RECALL INSURANCE



APPLICATION FORM

Applicant's Details

1. (a) Name of company and all subsidiary companies to be insured under this policy:

(b) Company address: _____

(c) Web site: _____

(d) Main contact name: _____

(e) Main contact phone: _____ Fax: _____
(Essential for response and pre incident)

(f) Description of Applicant's business activities:

2. (a) Estimated annual sales prior year: _____

(b) Projected annual sales next 12 month: _____

3. Total number of plants/facilities in home country: _____ Facilities elsewhere: _____

4. (a) Please provide the following:

SALES BY COUNTRY	200	200	200
USA			
Canada			
European Union			
Rest of World			

(b) If any sales are registered in the European Community and Rest of World, please indicate in which states:

European Union: _____

Rest of World: _____

5. Please provide a list of products subject to this coverage*:

Product Lines and Brand Names	% of Annual Turnover	Mfg, Retail or Wholesale	Finished Good or Component Part	Commercial or Consumer End User

*continue on additional pages as necessary

6. (a) List company's products sold as part of or under another company's label or brand name:

(b) What percentage of your products are a component part / ingredient of other products? _____ %

7. (a) Please indicate any new products that have commenced production or have entered the public stream of commerce within the last 12 months:

8. What percentages of your products are manufactured by an outside vendor? _____ %

9. (a) For non-manufacturing risks, estimated number of suppliers: _____

(b) Average length of contractual relationship with key suppliers: _____

10. Do you agree to indemnify or hold harmless any suppliers of components or raw materials?

Yes No If yes, please provide details: _____

11.(a) Total number of company employees: _____

(b) List below any strikes, riots, work stoppages and/or plant closings in the last three (3) years:

12.(a) Has the company ever been a direct target of political, racial, environmental, or other extremist or special interest groups?

Yes No If yes, please provide details: _____

19. (a) Do you collect and monitor customer complaints? Yes No

If so, how do you collect complaints?

- Internet site Free Phone Number Electronic (i.e. database)
 Other _____

Product Testing

20. (a) Is product testing utilised? Yes No

(b) At what point in the manufacturing process is testing performed?

in line end-product raw materials other: _____

(c) Do you have an in-house testing laboratory? Yes No

(d) Do you retain an outside testing laboratory? Yes No

21. (a) Are all your product labels inspected? Yes No

If "yes", when and by whom: _____

(b) Do warning labels meet applicable industry standards? Yes No

If no, please explain: _____

(c) Do user instruction, manuals and packaging meet applicable industry standards? Yes No

If no, please explain: _____

Recall Preparedness

22. Information concerning Recall Manuals and Crisis Management Plan:

(a) Do you have a Recall Plan in place? Yes No

When were these plans last reviewed and / or updated? _____

(b) Do you have a Crisis Management Plan in place? Yes No

When were these plans last reviewed and / or updated? _____

(c) Is a batch coding system utilized? Yes No

If yes, please provide details (recorded by location, date, shift etc.): _____

(d) Has new bar / batch coding equipment been installed within the last 5 years? Yes No

(e) Is bar / batch coding equipment serviced annually? Yes No

(f) Who can initiate a major product recall? _____

23. Estimate the cost to recall your leading brand:

Maximum: _____ Average: _____ Minimum: _____

Loss Information

23. Have the company's products or any of its premises ever been the subject of comment or complaint by any governmental agency or department? Yes No

If "yes", please provide details (which agency, date, nature of complaint, outcome, date resolved):

24. Have any products been recalled due to an error in design, manufacturing, or packaging in the last five (5) years? Yes No

If yes, please advise product, reason for recall, date of recall, recall method utilised, and cost of recall:

25. Were any contracts lost/discontinued as a result? Yes No

If yes, please provide details:

26. Have any products been recalled for actual, threatened or suspected malicious alteration in the last five (5) years? Yes No

If yes, please advise product, reason for recall, date of recall, recall method utilised, and cost of recall:

27. Have any products been recalled due to an error in labelling, instruction manuals, or packaging, in the last five (5) years? Yes No

If yes, please advise product, reason for recall, date of recall, recall method utilised, and cost of recall:

28. Have any products been recalled due to an accidental omission, introduction or substitution of a component or substance in the last five (5) years? Yes No

If yes, please advise product, reason for recall, date of recall, recall method utilised, and cost of recall:

29. Does the company, its directors and officers, or any other person known to the Insured have knowledge or information regarding any specific fact which may reasonably give rise to a claim under the proposed policy? Yes No

If yes, provide details:

**SIGNING THIS APPLICATION DOES NOT BIND
THE APPLICANT TO COMPLETE THIS INSURANCE**

Declaration

I declare that the statements and particulars in this application are true and that no material facts have been misstated or suppressed after enquiry. I agree that this application, together with any other information supplied shall form the basis of any contract of insurance effected thereon. I undertake to inform the Insurers of any material alteration to those facts occurring before completion of the contract of insurance. A material fact is one which would influence the acceptance or assessment of the risk.

Signed: _____

Title: _____
(to be signed by Chairman/Chief Executive or equivalent)

Company: _____

Date: _____

Please enclose with this Application Form:

Recall Manuals
Crisis Management Plan

Limits of Liability requested:

Option I: _____ per event / annual
Option II: _____ per event / annual

Self-Insurance Retention requested:

Option I: _____ each and every loss
Option II: _____ each and every loss

Additional Coverage Options:

- Rehabilitation Expenses
- Restore, Repair, Refund
- Loss of Net Profit
- Loss of Gross Profit
- Third Party Recall Expenses
- Product Extortion
- Governmental Recall Containment

FRAUD NOTICE

- Arkansas:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
- Colorado:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claiming with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
- District of Columbia:** WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
- Florida:** Any person who knowingly and with intent to injure, defraud, or deceive any insurance company files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
- Hawaii:** For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.
- Kentucky:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
- Louisiana:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
- Maine:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.
- New Jersey:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
- New Mexico:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

New York: **All commercial insurance forms, except as provided for automobile insurance:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Automobile insurance forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.

Fire Insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.

Ohio: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Pennsylvania: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Auto: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.

Puerto Rico: Any person who knowingly and with the intention to defraud includes false information in an application for insurance or file, assist or abet in the filing of a fraudulent claim to obtain payment of a loss or other benefit, or files more than one claim for the same loss or damage, commits a felony and if found guilty shall be punished for each violation with a fine of no less than five thousands dollars (\$5,000), not to exceed ten thousands dollars (\$10,000); or imprisoned for a fixed term of three (3) years, or both. If aggravating circumstances exist, the fixed jail term may be increased to a maximum of five (5) years; and if mitigating circumstances are present, the jail term may be reduced to a minimum of two (2) years.

Rhode Island: **Property Insurance, Real Or Personal:** The insurance application form shall indicate the existence of a criminal penalty for failure to disclose a conviction of arson.

Tennessee: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Workers Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.

Virginia: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

West Virginia: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.