



Product Recall, Contamination and Packaging Defect Insurance

Proposal Form

Application Form for Product Recall, Contamination & Packaging Defect Insurance

This application form is for the purpose of obtaining a quotation and does not bind the applicant or the Insurers to complete the Insurance. This information is not only vital for evaluating your exposure it will also provide the underwriter with an accurate profile of your company. However please note, that if a policy is later issued, this application form shall be the basis of, and become part of, the contract.

- All questions must be answered completely
- It is recommended to seek advice from your Head of QA when completing parts of this form
- This application must be signed and dated by an officer of the company or the authorised person responsible for obtaining Insurance

1. Applicant's Details

1.1 Name and address of company and subsidiaries to be insured under this Policy:

1.2 Main Contact Name and position:

Main Contact Phone: _____

Main Contact email _____

[To be used only by our Crisis Consultant for pre-incident planning and response]

Website: http://www. _____

1.3 Date company first established: _____

1.4 Has this company previously traded under a different name or ownership?

Yes No

If yes, please provide name of business: _____

1.5 Type of Operations:

Manufacturer

Co-packer

Packaging

Bottler

Importer

Wholesaler

Retailer

Distributer

Supplier of Ingredients

Other

1.6 Type of Products:

Nuts / Snacks

Vegetables

Fruits

Dairy

Meat / Poultry

Fish / Seafood

Bakery

Beverage

Ready made meals

Other

1.7

	Home	Elsewhere
Total Number of Plants/Facilities		
Total Number of Employees		

2. Sales Information

2.1 Please provide estimated sales for the forthcoming year, sales for the current year, plus sales for the preceding year:

Year	Total Sales	Aust / NZ (%)	Asia (%)	USA / Canada (%)	RoW (%)

2.2 Please complete the following information for the top 3 plants or facilities:

	Location	Total Sales	Products	Production Lines #	Normal operating capacity %	Daily output in \$, £, €
Plant 1						
Plant 2						
Plant 3						

2.3 Are there any interdependencies between plants?

Yes No

2.4 Can products be produced at another company location?

Yes No

2.5 Are there any qualified alternate production options (co-pack)?

Yes No

2.6 Is there any seasonality to the products production or sale?

Yes No

2.7 Please provide the following information for the top 5 products or if coverage is contract specific, please list products to which this insurance is to apply:

Product	Product Name/ Type	Total Sales	Average batch size in \$, £, €	Largest batch size in \$, £, €	Daily output in \$, £, €	Profit Margin %	Shelf life	Type of packaging	Packaging in house or 3 rd party?	An ingredient of a product? Y/N	Used in food service industry? Y/N
# 1											
# 2											
# 3											
# 4											
# 5											

3. Product Information

3.1. Please list your top 5 customers by percentage of your total sales. Please classify the customer (wholesale, retail, manufacturing, broker, food service):

Customer	% of total Sales	Type of Customer

3.2. Please provide percentage of private label (product manufactured for others with their name), non-branded (products with no name) or branded (with your name or brand):

Private Label	Non-Branded	Branded
%	%	%

3.3. What percentage of your products are manufactured by a third party?

_____ %

3.4. Are all products manufactured by a third party or contract manufacturer governed by HACCP? Yes No

3.5. Have you agreed to indemnify, waive rights of recovery or hold harmless any supplier of goods or services? [E.G. raw material supplier, contract packer, a third party manufacturing on your behalf]

If yes, please provide details: _____

3.6. What percentage of your products become a component part / ingredient of another product?

_____ %

3.7. Please indicate whether any of your products contain allergens, genetically modified ingredients or any nutritional boosters and whether your labelling specifies these ingredients:

3.8. Please indicate any new products that have commenced production or have entered the public stream of commerce within the last 12 month:

4. Supplier Information

4.1. Please indicate the estimated number of suppliers:

4.2. Please indicate how many of your suppliers are domestic and how many are foreign:

Domestic: _____ Foreign: _____

4.3. Please identify any sole source and/or suppliers and the products/services they provide.

4.4. Are there any alternative suppliers to the above?

4.5. Please complete in respect of your top 5 suppliers:

Suppliers Name	Domestic or Foreign	Product(s)	% ingredient of product?

4.6. Please indicate the average length of contractual relationship with key suppliers:

4.7. Do you have a Vendor Approval Program in place? Yes No

4.8. Do you audit your suppliers? (if yes, please provide copies of last audits for top 5 suppliers) Yes No

4.9. Do you have rights of subrogation against all your suppliers?
(please provide sample copy of contract with suppliers) Yes No

4.10. Do you require your suppliers to carry Product Recall Insurance Yes No

4.11. Do you require your suppliers to carry Product Liability Insurance? Yes No

4.12. Do you test for the presence of melamine, cyanuric acid or unapproved substances? Yes No

5. Safety, HACCP, Quality Control

5.1. Do you have a Quality Assurance Plan in place (if yes, please provide copy)? Yes No
Date Updated _____

5.2. Do you have a HACCP Plan in place (if yes, please provide copy)? Yes No
Date Updated _____

5.3. At what stage in the production process is the first “kill step” [CCP] introduced?

5.4. Are all products pasteurized? Yes No

5.5. If you receive Certificates of Analysis (COAS) do you randomly test against them to ensure conformance? Yes No

5.6. Do you have BRC standards in place? Yes No

5.7. Do you have any SSOPs (Sanitation Standard Operating Procedures) or GMP's (Good Manufacturing Practices) in

place (please provide copy)

Yes No

5.8 Is there a Quality Assurance Department

Yes No

5.9 Is the head of the Quality Assurance Department dedicated full time for such work?

Yes No

5.10 Do you have a testing program at critical control points on the following:

Incoming material (incl. packaging and labels)

Yes No

Manufacturing / Processing

Yes No

End product (incl. packaging and labels)

Yes No

5.11 Please provide details of procedure(s) used to check incoming material (incl. any Quality Assurance, testing and conformance specifications):

5.12 How often do you:

Clean production lines? _____

Break down lines? _____

5.13 Do you clean between lots or on a scheduled basis?

5.14 What testing methods are used?

Product Test Type	Raw Materials	Critical Control Points	End of Line	Frequency of Testing
Microbiological				
X-ray				
Metal Detectors				
Physical				
Chemical				
Visual				

5.15 Do you use internal and/or external testing laboratory?

Internal External Both

5.16 Is there a hold period before shipping?

Yes No

5.17 Is there a "positive release" procedure?

Yes No

5.18 Is there an incoming quarantine process?

Yes No

5.19 Are labels inspected?

Yes No

If yes, by whom: _____

- 5.20 Do warning labels meet applicable industry standards? Yes No
- 5.21 Are Food Safety Audits performed by an accredited third party? Yes No
- 5.22 Do all of your products, as insured under this policy, comply with all US / Europe food regulations and / or local law in the country where sold?
- a) Processing standards Yes No
- b) Ingredient standards Yes No
- c) Labelling standards Yes No
- d) Packaging standards Yes No

6. Security, Planning and Traceability

- 6.1. Do you collect and monitor customer complaints? Yes No
- 6.2. 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: _____

- 6.3. Do you import/export with volatile countries or undertake activities which might make it a target of extremist or special interest groups? Yes No

If yes, please provide details: _____

- 6.4. Do you use or pay for animal testing of products? Yes No
- 6.5. Have you experienced any strikes, riots, work stoppages and/or plant closings in the last 3 years? Yes No
- 6.6. Do you have any current or ongoing Employment Litigation Practise disputes with any current employees?
- 6.7. Do you have a current Recall Plan in place? (if yes, please provide copy) Yes No
Date Updated _____
- 6.8. Do you have a Crisis Management Plan in place? (if yes please provide copy) Yes No
Date Updated _____
- 6.9. Do you utilise a batch coding system? Yes No

6.10. What percentage of your products can the company identify by the following:

Product Name:	%	Day:	%	Hour:	%
Batch:	%	Shift:	%	Other:	%

6.11. To what level can you trace their products handled, manufactured or produced once they have left their care, custody and control?

6.12. Are records kept of all shipments?

Yes No

If yes, for how long:

6.13. Who can initiate a product recall?

6.14. With regard to Question 2.3 and the product detailed in # 1, please estimate the likely cost to recall five days of production?

7. Loss Information

7.1. Have you, your premises, products or processes been the subject of recommendations or complaints made by any regulatory body, internal or third party audit over the past ten (10) year?

Yes No

If yes, please provide details:

7.2. In the last 10 years have you withdrawn or recalled any products or have you been responsible for the costs incurred by any third party arising from the withdrawal or recall of any products regardless of any subrogation?

Yes No

If yes, please provide the following:

Date of incident or loss _____ Location where incident occurred _____

Description of the incident _____

Did the incident result in your customer(s) recalling their product?

Yes No

How many production lines were affected? _____

How many batches were affected? _____

How many units were affected? _____

Please provide a breakdown of costs incurred on the loss/incident:

Recall Costs		Replacement Costs		Loss of Profit	
Extra Expense		Other		Total Cost	

What corrective actions were taken to prevent a re-occurrence of a similar incident?

7.3. Do you know of any actual, threatened or suspected product tampering involving any of the company's products during the past 10 years?

Yes No

7.4. Does the company, its directors and officers have any knowledge of any current situation, fact or circumstances which might lead to a claim under this policy?

Yes No

7.5. Do you maintain any Product Liability Insurance?

Yes No

If yes, what are the limits and deductible/SIR?

7.6. Do you maintain any E&O Insurance?

Yes No

If yes, what are the limits and deductible/SIR?

8. Checklist

8.1. Please ensure that all questions have been answered fully, please also check that copies of the following documents have been attached:

- Hold Harmless Agreement – Question 3.5
- Vendor approval program – Question 4.7
- Supplier Audits – Question 4.8
- Supplier Contract – Question 4.9
- Quality Assurance Plan – Question 5.1
- HACCP plan – Question 5.2
- SSOP or GMP – Question 5.7
- Recall plan – Question 6.7
- Crisis Management plan – Question 6.8

9. Important Notice

Your Duty of Disclosure

Before you enter into a contract of general insurance with us you have a duty, under the Insurance Contracts Act 1984, to disclose to us every matter that you know, or that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to accept the risk of insurance and, if so, on what terms and conditions.

You have this duty until we agree to insure you.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of general insurance. Your duty, however, does not require disclosure of matter:

- That diminishes the risk;
- That is of common knowledge;
- That we know, or should know in the ordinary course of our business;
- As to which compliance with your duty is waived by us.

Non Disclosure

If you do not comply with your duty of disclosure, we may be entitled to reduce our liability under the contract in respect of a claim, or may cancel the contract. If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

Privacy Statement

RM Specialty Pty Limited is committed to safeguarding and protecting you, the Insured's privacy. We are bound by the provisions of the Privacy Act 1988 (Cth) which sets out the standards to meet in the collection, use and disclosure of personal information. RM Specialty Pty Limited will only collect personal information from you to allow us to quote on and insure your risks and matter incidental thereto, including investigating and managing claims.

We may provide your personal information to others, such as other insurers or our reinsurers, claims investigators, lawyers and other professionals and government bodies. We will not under any circumstances trade, rent or sell your information.

If you do not provide us with complete, accurate and up-to-date information, we cannot properly quote for your insurance and we cannot insure you. If you provide us with your personal information about anyone else, RM Specialty Pty Limited will rely on you to have told them that you will provide their information to us, to whom we may provide it, the purposes for which we will use it and that they can access it. If the information is sensitive, we rely on you to have obtained their consent on these matters.

If you wish to access or correct your personal information please contact us by sending an email to steve@rmspecialty.com.au.

Declaration

I declare that all necessary enquiries into the accuracy of the responses given in this proposal have been made and the statements and particulars in this proposal are true and that no material facts have been misstated or suppressed after enquiry. I agree that should any of the information given in this proposal alter between the date of this proposal and the inception date of the insurance to which this proposal relates, I will give immediate notice to the insurer.

I confirm I have read and understand the 'Important Notices' set out within this proposal form and agree to abide by the requirements set out in the conditions.

I agree that this proposal, together with any other information supplied shall form the basis of any contract of insurance effected thereon. All written statements and materials furnished to the insurer in conjunction with this proposal are hereby incorporated by reference into this proposal and made a part hereof.

The completion and signing of this proposal form does not bind the applicant or the insurer to complete this insurance. The applicant's acceptance of the insurer's quotation and the insurer's written agreement to be bound is required to bind coverage and to issue a contract of insurance.

I agree that this application is for insurance in accordance with the normal terms and conditions of RM Specialty Pty Limited Product Recall, Contamination and Packaging Defect Insurance, the terms and conditions of which I have been shown and have read before completing this application, and which shall be incorporated into and form the basis of this insurance contract.

I confirm I am authorised to act on behalf of all other Insureds to complete, sign and submit this proposal and with respect to the giving and receiving of any return premiums that may become due under this policy, the acceptance of endorsements and the giving or receiving of any other notice provided for in this policy, all other Insureds agree that the first Insured listed on the policy schedule will act on their behalf.

DECLARATION TO BE SIGNED BY CHAIRMAN / CHIEF EXECUTIVE OR EQUIVALENT:

Full Name: _____

Signature: _____ Date: _____

Company: _____

***SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER
TO COMPLETE THIS INSURANCE***