



**UNITED INDIA INSURANCE COMPANY LIMITED  
REGD. & HEAD OFFICE, 24, WHITES ROAD  
CHENNAI-600 014**

CIN: U67200MH2000PLC129408, Website: www.uiic.co.in

**ATTACHING TO AND FORMATING PART OF POLICY NO. [x]**

**UNI-PRODUCT RECALL ENDORSEMENT**

In consideration of the additional premium paid, it is hereby understood and agreed that the **Policy** is amended as follows:

1. Product Recall Expenses Extension:

The **Insurer** will indemnify the **Insured** for any **Product Recall Expenses** arising due to the recall of a **Product** or a part of a **Product** or which was intended to be recalled but disposed off as the recall expenses outweigh any benefit that could be derived from such recall, provided that:

- (a) the sub-limit specified in the Schedule is the maximum, total and cumulative liability of the **Insurer** in respect of any and all claims under this Extension during the **Policy Period**;
- (b) the recall of the **Product(s)** took place during the **Policy Period** and such **Product(s)** were manufactured, sold, handled or distributed on or after the Retroactive Date specified in the Schedule; and
- (c) such recall is made necessary by reason of one of the following:
  - 1. a **Recall Occurrence**; or
  - 2. by order of a governmental or regulatory body or any other similar body requiring a recall directly due to the accidental omission of a substance in the manufacture of a **Product**, or the accidental introduction or substitution of a deleterious substance in the manufacture of the **Product**, or defect, error or omission in the design, structure, plan or execution thereof of the **Product**, or error in the manufacture, blending, mixing, compounding or labeling of the **Products**; or

3. extortion demands made upon the **Insured**;
- (d) the **Product Recall Expenses** are incurred in a territory specified in the Schedule.

The **Insurer's** liability for **Product Recall Expenses** incurred by the **Insured** will be in excess of the Product Recall Retention amount specified in the Schedule (deductible) for any one recall. The **Company** will be liable for the Product Recall Retention amount (deductible) which will remain uninsured. If the **Insurer** advances any **Product Recall Expenses** for which the retention applies under the **Policy**, the **Company** agrees to reimburse the **Insurer** immediately to the full extent of the retention upon the **Insurer** notifying the **Company** of the **Product Recall Expenses** so advanced.

For the purpose of determining the applicability of the sub-limit and the Product Recall Retention applicable under this Extension, all **Product Recall Expenses** incurred in the simultaneous recall of any types, classes or models of the same **Product** shall be considered as arising out of one recall. It is agreed that there shall be no limit to the number of payments resulting from one recall which may be made by the **Insurer**.

It is hereby agreed and understood that the insurance cover provided under this Extension is subject to the terms, extensions, Exclusions and General Conditions contained in the **Policy** or endorsed thereon. Without prejudice to the generality of the foregoing, the General Conditions as applicable to **Claims** covered under the **Policy** shall apply *mutatis mutandi* to **Products Recall Expenses** covered under the **Policy**, unless repugnant to the context or contrary to **Policy** terms made specifically applicable to **Product Recall Expenses**.

The **Insured** shall be entitled to purchase any other product recall insurance over the sub-limit specified in the Schedule without prejudice to this Product Recall Expenses Extension, provided that the **Insured** notifies **Us** in writing of the details of such other excess insurance at the time such other insurance is taken out by the **Insured**.

2. Clause 5 is amended by the addition of the following definitions:
- 2.1. **Product Recall Expenses** means only the reasonable and necessary cost incurred by the **Insured** for the following, during the Product Recall Period specified in the Schedule. The Product Recall Period specified in the Schedule commences from the date on which the Insured first incurred the first Product Recall Expense:

- (a) telephone and telegraphic communications, radio or television announcements and newspaper advertising;
- (b) stationery, envelopes, productions or announcements and postage therefor;
- (c) the cost of shipping the **Insured's Products** from any purchaser, distributor or user to the place or places designated by the **Insured**;
- (d) the cost of hire of additional persons other than the regular employees of the **Insured**;
- (e) remuneration paid to regular employees, other than salaried employees of the **Insured**, for necessary overtime;
- (f) transportation and accommodation expenses incurred by employees of the **Insured**;
- (g) the extra expense for rental or hire of additional warehouse or storage space;
- (h) the costs of independent security consultants, public relations consultants, crisis management consultants, or product recall consultants provided the foregoing costs do not exceed the Consultants Costs Limit specified in the Schedule;
- (i) the costs and expenses incurred in public relations;
- (j) retail slotting fees and cancellation fees for any advertising and/or promotion programs, which were scheduled but were unable to be executed solely because of a **Recall Occurrence**;
- (k) the retailers' and other third party **Product Recall Expenses** incurred during the recall of the **Product**;
- (l) the actual cost of disposal of the **Products** but only to the extent that it is determined by the **Insured** that specific methods of destruction other than those usually employed for trash discarding or disposal are required to avoid **Bodily Injury** as a result of such disposal;
- (m) extortion monies or the monetary value of any other consideration, paid or delivered under duress away from the **Insured's** premises;
- (n) cost of destruction necessarily incurred by the **Insured** for the physical examination and/or destruction of the **Products** excluding the value of such **Products** destroyed;

but only when such costs are incurred with the prior written consent of the **Insurer** and exclusively for the purpose of recalling the **Products** and after making proper deduction for all recoveries and salvages collectible.

2.2. **Recall Occurrence** means:

- (a) the accidental omission of a substance in the manufacture of a **Product**;
- or

- (b) the accidental introduction or substitution of a deleterious substance in the manufacture of the **Product**; or
- (c) defect, error or omission in the design, structure, plan or execution thereof of the **Product**; or
- (d) error in the manufacture, blending, mixing, compounding or labeling of the **Products**;

as reasonably determined by the **Insured** to result in or having the potential to result in **Bodily Injury, Property Damage or Pollution**.

3. Exclusion 3.2 - Recall is deleted.

4. Clause 3 - Exclusions is amended by the addition of the following:

With respect to this Extension, the **Insurer** shall not be liable to make payment under this **Policy** for any **Product Recall Expenses** directly or indirectly based upon, caused by, connected with, in any way involving, attributable to or arising out of:

- (a) the recall of **Products** by reason of:
  - 1. being kindred **Products** of the **Insured**; or
  - 2. their being of the same trade or brand name but of different batches than that which has been determined to possibly or likely become a cause of **Loss** under this **Policy**;
- (b) loss of customer faith, or approbation, or any costs incurred to regain customer approval, or other consequential loss;
- (c) redistribution or replacement of the withdrawn **Products** by like products, or substitution therefor;
- (d) the withdrawal of the **Products** if at the inception of this **Policy**/Endorsement the **Insured** had knowledge of any condition of such **Products** which would indicate a possibility or likelihood of such **Product** being withdrawn;
- (e) any loss of revenue or profits;
- (f) loss of use of/defect arising in a **Product**:
  - 1. as a result of variation in temperature conditions; and
  - 2. after the **Product** is no longer in the custody of the **Insured**.
- (g) Terrorism including actual, alleged or threatened, malicious and wrongful alteration or contamination of any product, not limited to **Products**, by any person, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes and acting with the intention to influence any government and/or to put the public or any section of the public in fear.

5. Clause 4.1 - General Conditions is deleted and replaced as follows:

The **Insured** shall give the **Insurer** immediate notice in writing of any **Claim**/discovery or notification that any of **Products** must be withdrawn or recalled, and the date of such notice should be within the **Policy Period** (or as prescribed in an Extension). The notice should be sent to the **Insurer's** address specified in the Schedule along with the duly completed claim form and all other relevant documentation/information in respect of the **Claim/Product Recall Expenses** including (but not limited to) a background note which details the issues that have arisen, with supporting correspondence exchanged with the claimant, internal liability and quantum analysis and names of law firms/counsels being considered for the defence (if any).

In case of notification that relates to a **Product Recall Expenses**, the **Insured** shall cease and desist from further release, shipment, consignment or any other method of distribution of like or similar **Products** until it has been determined that all such **Products** are free from such defects as would be cause of **Loss** under this **Policy**.

6. Clause 4.2 - General Conditions is deleted and replaced as follows:

The **Insured** shall give to the **Insurer** written notice at the **Insurer's** address specified in the Schedule as soon as practicable of any circumstance of which the **Insured** shall become aware and which might reasonably be expected to give rise to a **Claim/Product Recall Expenses**. The **Insured** shall provide to the **Insurer** reasons for the anticipation of such **Claim/Product Recall Expenses** in writing, with full particulars as to dates and persons involved. Any subsequent **Claim/Product Recall Expenses** relating to, arising out of or in any manner involving such circumstance shall be deemed to have been made during the **Policy Period**.

Dated at [x] this [x]

For United India Insurance Company Limited

Duly Constituted Attorney(s)