

RICHARD OLIVER
INTERNATIONAL

Product Recall



A trading name of Glencairn Limited

GLENCAIRN 

Product Recall Overview

Richard Oliver International*

- Through innovation and many years of market experience, Richard Oliver International has earned its position as the premier London Market broker for Product Recall business.
- Our core culture is one of understanding. As a dedicated team we listen to our clients and identify their coverage needs: our longstanding relationships with established markets allow us to create individual policies that precisely address those needs.
- As the majority of our business is placed under a Lloyd's Binding Authority facility where we are the approved "Coverholder" broker, we have the ability to obtain the most competitive terms from the market with often the widest policy coverage. We are also able to swiftly adapt coverage to meet the demands of the ever-changing business environment.

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The Risk

Every business should confront the scenario of product recall as a keystone in their risk management strategy.

If adequate measures are not taken in advance, such an event will compromise the brand, cause direct and indirect financial loss and undermine reputation. It may well prove terminal to the small-to-medium enterprise in particular: if not to the brand and the business, to their custodians – the board.

By contrast, where the proper steps have been taken, a company can confidently plan and execute corporate strategy in the secure knowledge that the power to damage normally carried by such an event has already been blunted.

Indeed, by being ready to act swiftly, what might normally be a crisis can be transformed into a tactical advantage; whereas hesitancy can fatally wound a brand, dynamic and decisive action can exploit publicity, demonstrating to stakeholders that the company has taken its social responsibilities seriously – and to shareholders that their investment is exhaustively protected.

It is not enough merely to act responsibly: this must be evidenced.

Companies that manufacture, distribute and supply products know their core business. They have built their brands and profits on the bedrock of time-proven and constantly evolving technologies and can justly take pride in the adequacy of their quality control systems.

In what other dimension of your business would adequacy be an acceptable benchmark?

As core processes become more sophisticated so increases the opportunity for error or malice to enter the system with ruinously leveraged force. Humans are inherently fallible and occasionally malicious. Computers that are built, programmed and operated by humans can accordingly inherit human fallibility.

Furthermore, 'tamper-proof' technologies are only as perfect as the processes that produce them and offer limited protection against the sufficiently determined and ingenious individual.

In addition, statutory provisions concerning product safety are increasingly complex and unevenly observed from territory to territory. The contracting-out of production from Europe and the U.S. to emerging economies – in particular, China and India – has proved a mixed blessing.



Beyond Adequacy

History constantly outsmarts us. The apparently impossible and improbable are commonplace. In order to outsmart history and maintain a presence in the zone 'ahead of the curve', Richard Oliver International takes its clients beyond adequacy in the field that is our core business, our passion – the management of risk.

This is no reflection on a company's internal risk management. In one noted case – according to the company's first explanation – the cleaning process

accidentally transferred a few molecules of benzene onto a piece of plant in the U.K. In the hands of the media, 'a few molecules of benzene' was levered into proof of reckless and dangerous corporate practice.

The company suffered, very publicly: particularly when this story was found dubious and a global recall of the product ordered. A smaller company would have perished.



Tell it All and Tell it Now

Contrary to common belief, most customers do understand that mistakes can happen even in the most conscientious and professionally managed companies. What customers and stakeholders find unacceptable is the breach of the unspoken treaty of mutual respect that informs their relationship with a brand. Such a breach, publicly reiterated, is brand-toxic: by contrast, a properly managed recall can reinforce brand loyalty.

Research repeatedly shows that companies that command deepest customer loyalty are those which, in such circumstances, respond immediately, responsibly and honestly. Such action cements the bond between customer and brand.

This is an area in which the global scale, vision and intimate, cross-brand experience of the Richard Oliver International operation can make the difference between a 'non-event' and a branding calamity. Richard Oliver International delivers solutions ahead of the problem.



Legislation, making product traceability mandatory, for example, could have a significantly adverse impact on manufacturers and suppliers and their insurance needs.

The Solution



Richard Oliver International has worked with specialist carriers and brokers over many years to develop Product Recall solutions. Such policies are driven by our understanding of the specific needs of our clients and are designed to respond to established exposure and, wherever possible, to identify and anticipate the unforeseen.

The product safety landscape is constantly changing: Richard Oliver International has the vision to step back and review the 'big picture' – where a given sector has been, where it is now and where the forces of technology, law, economy, politics and society will refocus its insurance needs in the future.

In a single year thousands (and the trend is increasing) of safety recalls are announced and instigated by companies and regulatory agencies across the global spectrum of industries and brands. Over many years, the Richard Oliver International Product Recall Team and dedicated Claims division have successfully negotiated numerous claims across a range of type and magnitude.

Our specialist team provides access to the Product Recall markets for Richard Oliver International clients: however, capacity and risk appetite is very much dependent on a combination of variables. For example, the domicile and history of the proposed insured and their suppliers, the exact nature of the products and the territories to which our clients' products are sent.

This approach ensures that the right decisions are taken, fast.

The following four elemental categories of cover should be seen as the cornerstones of the Richard Oliver International Product Recall architecture. Each is equally responsive to problems arising from manufacturers, suppliers, processors or assemblers of products or components, and elastic enough to wrap around and neutralise such needs.

- **Product Guarantee**

The costs of the removal, repair, alteration and replacement of products that have failed to perform their intended function for which the Insured is legally liable.

- **Financial Loss**

Consequential losses suffered by customers of the Insured and/or third parties as a result of a defective product supplied for which the Insured is legally liable.

- **Product Recall**

The reasonable and necessary expenses of recalling and replacing products where their continued use or consumption could cause the Insured to incur a legal liability.

- **Product Contamination**

The reasonable and necessary expenses of recalling and replacing products where 'accidental' and/or 'deliberate' contamination has or could occur. Includes Insured's loss of gross profit, product rehabilitation costs and the use of crisis management services.

As mentioned, speed of response can be the key difference between product-related losses being contained – or used as a platform to demonstrate the company's robustness and commitment to transparency – and branding catastrophe.

Richard Oliver International can provide access to the latest in-house and expert advice, claims protocols that can include a 24-hour response service and access to back-up facilities to complement our client's own crisis response systems.

Your Next Step



Glencairn has an established reputation for industry leading products and services and is further distinguished from its competitors by maintaining the dedicated Product Recall team that is Richard Oliver International. Nurturing long-term relationships with quality markets enables us to devote highly experienced resources and market professionals to your Product Recall issues.

Such specialisation and commitment of resources continues to deliver added value for our clients – and for us. For many years we have been the pre-eminent brokers for Product Recall in the London markets and globally; our strategy of helping our clients to protect and grow their businesses is central to our culture.

This is especially true of relationships forged over time with both third party intermediaries and ceding companies to whom we are very happy to continue to offer our services. We believe that the first consideration in any insurance enterprise is identifying, anticipating and satisfying the client's needs through the most effective and efficient channels.

We are passionate about our professionalism.

The following selection of industries and specialities highlights some of the fields where the Richard Oliver International Product Recall team have brought their experience to bear.

- Automotive components/assemblies
- Food and drink
- Bearings
- Toys and games
- Packaging and containers
- Child safety products
- Industrial fasteners
- Electronic components
- Healthcare products
- Electrical products
- Metal pressings
- Plastic mouldings
- Air conditioning systems
- Glassware

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