

## 华泰财险附加第一方与第三方产品召回费用保障条款（C款）

请仔细阅读本附加条款，尤其是以下划线标注免除我们责任的条款内容。

本附加条款 A 保障提供的第一方产品召回费用保障仅适用于第一次向我们以书面通知的时间是在保险期间的**缺陷**。

本附加条款 B 保障提供的第三方产品召回费用保障是索赔发生制的保障。除非另有约定，该保障仅适用于在保险期间内第一次以书面向您提出且通知我们的索赔。

### a. 承保范围

在本保险单的承保范围条款下，增加以下“A保障 — 第一方产品召回费用保障”和“B保障 — 索赔发生制并以通知为条件的第三方产品召回费用保障”。

#### A 保障 - 第一方产品召回费用保障

(1) 依据本保险的条件和条款的规定，我们将补偿您在不超过连续 12 个月的期间内仅因为适用本保障的**承保产品的缺陷**所给付或发生的**召回费用**。

本保障仅适用于在产品召回费用承保明细表所记载的承保地域内发生的**召回费用**。

(2) 本保障仅在下列情况下适用：

(a) 该产品是在产品召回费用承保明细表所记载的追溯日后，及保险期间终止前制造、销售、处理和分销的；并且

(b) 您第一次以书面通知我们该**缺陷**的时间是在保险期间内。

(3) 本保障不适用于以下**缺陷**：

(a) 在保险期间开始前，已全部或部分向我们或其他保险人通知的**缺陷**；或

(b) 在保险期间开始前，您已经知道或应该已经知道的，可以合理预期将导致本保障项下任何给付的**缺陷**。

(4) 就本保障而言：

(a) 仅当我们在最迟不超过保险期间结束后 30 天内收到并记录有关**缺陷**的书面通知，该**缺陷**方被视为已经在保险期间内通知我们。

(b) 所有关于同一**缺陷**的通知将以我们收到被保险人的第一次书面通知的时间为通知时间。

根据本项保障的规定，我们对于任何针对**被保险人**或其他个人或机构提出的索赔、**诉讼**或其他任何性质的请求没有调查、答辩或和解的义务。

本项保障不承保任何补偿金额、履行行为或提供服务的义务或责任。

我们根据本项保障的规定应给付的金额，应根据本批单的责任限额条款内的共同给付规定所描述的共同给付比例来计算。

我们可以在任何时候自行决定给付责任限额剩余的部分。

我们根据本款给付的最高限额为本批单责任限额条款所规定的金额。

我们的给付义务在可用的责任限额用尽时终止。

*B 保障 - 索赔发生制且以通知为条件的第三方产品召回费用保障*

- (1) 依据本保险的条件和条款的规定，如果第三方在不超过连续 12 个月的期间内因为适用本保障的**承保产品的缺陷**发生**召回费用**，而您依据法律须对该等**召回费用**承担赔付义务，则我们将补偿您该**召回费用**。

本保障仅适用于在产品召回费用承保明细表所记载的承保地域内发生的**召回费用**。

- (2) 本保障仅在下列情况下适用：

- (a) 该产品是在产品召回费用承保明细表所记载的追溯日后，及保险期间终止前制造、销售、处理和分销的；并且
- (b) 由个人或机构提出的有关该**召回费用**的索赔是在保险期间内第一次以书面向您提出且已通知我们的索赔。

- (3) 本保障不适用于以下**缺陷、索赔、诉讼**或情况：

- (a) 在保险期间开始前，已全部或部分向我们或其他保险人通知的**缺陷、索赔、诉讼或其他情况；或**
- (b) 在保险期间开始前，您已经知道或应该已经知道的，可以合理预期将导致本保障项下任何给付的**缺陷、索赔、诉讼**或其他情况。

- (4) 就本保障而言：

- (a) 由个人或机构提出的有关**召回费用**的索赔，在下列情况下视为已经提出，以先发生者为准：
- (i) 您；或我们  
收到并记录该索赔的通知；或
- (ii) 我们自行决定和解。
- (b) 仅当我们在最迟不超过保险期间结束后 30 天内收到并记录有关该索赔的书面通知，该索赔方被视为已经在保险期间内通知我们。
- (c) 所有由同一个人或机构针对相同的**缺陷**提出的索赔，在第一次根据第(4)项描述的标准提出索赔时，视为已经全部提出。

我们根据本项保障的规定应给付的金额，应根据本批单的责任限额条款内的共同给付规定所描述的共同给付比例来计算。

我们可以在任何时候自行决定给付责任限额剩余的部分。

我们根据本款给付的最高限额为本批单责任限额条款所规定的金额。

我们的给付义务在可用的责任限额用尽时终止。

## b. 责任限额

在本保险单的责任限额条款下，增加下列条款：

### (1) 产品召回费用总责任限额

产品召回费用承保明细表所记载的产品召回费用总责任限额是我们对**召回费用**负给付义务的最高金额。

我们给付的任何金额将减少可用于其他给付的总责任限额。该总责任限额的剩余金额即为我们对于任何其他给付的最高限额。

如果我们或属于我们关联企业的其他保险人为超过一个保险期间提供承保保障，我们对于任一**缺陷**的给付责任应仅依据其中一个保险期间的“责任限额”、“自付赔款”、“**被保险人的共同赔付份额**”条款及其他条款与条件决定、并受其约束。该保险期间如果存在，应该是在第一次以书面形式通知我们该**缺陷**的时候有效的保险期间。

### (2) 自付赔款

您同意自行支付在产品召回费用承保明细表所记载的自付赔款。

自付赔款应根据产品召回费用承保明细表的记载适用。

无论**被保险人**是否持有可应用的保险或其他资金支持机制，也不论其是否可从该保险或该资金支持机制获得给付，自付赔款均应适用。

自付赔款仅可被被保险人自行支付而用尽，而该等被保险人自行支付的损失本应由本保险承保，但本保险因为有自付赔款的规定不适用该等损失。

自付赔款并不因为根据本保险的其他保障或根据其后的续保、延长保险期间或替代保险所作的或应作的给付而减少或用尽。

如果我们给付或发生在自付赔款内的金额，您必须迅速予以补偿。承保明细表上列名的投保人同意，并取得授权，迅速补偿根据本保险的规定应该补偿我们的金额。

### (3) 共同赔付

**被保险人**有义务依据产品召回费用承保明细表记载的共同赔付比例（**被保险人的共同赔付比例**）自行承担并支付本保险承保**损失**的未保险部分，而本保险只赔偿该**损失**的其余部分。**被保险人**应依据已发生的金额支付其应共同赔付比例的部分。

**被保险人的共同赔付比例**，应在扣除免赔额或自保金额（自付赔款）后，方予适用。

**被保险人的共同赔付金额部分**不减少责任限额。

如果我们给付或发生在**被保险人**共同赔付比例内的金额，您必须迅速予以补偿。承保明细表上列名的投保人同意，并取得授权，迅速补偿根据本保险的规定应该补偿我们的金额。

## c. 责任限额

在“责任限额”条款下的“责任限额因给付而减少”条款，增加适用于产品召回费用保障的下列规定。

(1) 责任限额因给付而减少

我们对于任何召回费用的给付将减少产品召回费用总责任限额。

我们对于任何与 B 保障 — 第三方产品召回费用保障相关的理赔费用的给付将减少产品召回费用总责任限额。

d. 除外责任

在本保险的“除外责任”的基础上，增加下列除外责任规定。

本保险不适用于与本保险单项下的除外责任情形有关的任何损害赔偿、损失、支出或费用。

然而，“除外责任”规定之下名为产品、工作或“受损财产”的召回的除外责任事项并不适用于产品召回费用保障。

在本保险单的“除外责任”条款内，增加下列适用于产品召回费用保障的除外责任规定。

(1) 反垄断或贸易管制

本保险不适用于因为实际或指称发生下列情形而引致的任何损害赔偿、损失、支出或费用：

- (a) 反竞争、阻碍经济关系(包括阻碍合同关系或阻碍预期利益)、垄断、掠夺性价格、价格歧视、限定价格、贸易管制、不公平竞争或不公平业务或贸易做法、或其他类似做法。
- (b) 违反任何司法的、监管的或成文的法律，而：
  - (i) 该法律是与前述(a)段描述的任何做法有关的；或
  - (ii) 制定该等法律的全部或部分目的是：
    - 确保或维持市场的竞争；或预防或禁止任何对于市场产生负面影响的做法；
- (c) 违反任何司法的、监管的或成文的法律，而制定该等法律的全部或部分目的是确保或维持市场的正当运行，不受参与或共谋参与勒索诈骗的个人或机构作为的影响。

(2) 被保险人或其关联企业提出的索赔

就 B 保障提供的第三方产品召回费用保障而言，本保险不适用于与下列任何主体索赔的取得或重新取得任何产品或产品的控制的任何相关损害赔偿、损失、支出或费用：

- (a) 被保险人；
- (b) 直接或间接控制作为被保险人的任何机构的决策机构的一般选举投票权的个人或机构；
- (c) 任何被保险人的子机构；
- (d) 被保险人拥有权益的合伙、合资企业或非法人机构的成员或合伙人；
- (e) 任何前述机构的董事、高级主管、股东、雇员或法定代表；或
- (f) 任何前述个人的配偶。

本除外责任规定不适用于符合以下条件的前述(a)项描述的个人或机构所提出的召回费用索赔：

根据构成本保险合同一部分的批单批注成为本保险的追加**被保险人**：

或为第三方；而且

不属前述(b)、(c)、(d)、(e)或(f)项所描述的个人或机构。

(3) 合同 - 产品召回费用保障

就 B 保障提供的第三方产品召回费用保障而言，本保险不适用于**被保险人**因为依据合同或协议必须承担的损害赔偿、损失、支出或费用给付。

本项除外责任规定不适用于在没有该等合同或协议时，**被保险人**须负担召回费用的损害赔偿的情形。

(4) 犯罪、不诚实或欺诈

本保险不适用于因为**被保险人**本身的，或其同意或明知的任何犯罪的、不诚实的、欺诈的或恶意的行为所引起的损害赔偿、损失、支出或费用。

(5) 变质

本保险不适用于商品或产品因以下原因所引起的损害赔偿、损失、支出或费用

(a) 正常保存期限结束；或法定的或一般行业认定的“使用”期限结束；

(b) 正常的腐蚀；或

(c) 正常的变质或腐烂。

(6)

(7) 被保险人的财务困难

本保险不适用于因为任何**被保险人**破产，丧失偿付能力或其他财务困难所引起的损害赔偿、损失、支出或费用。

(8) 未记名机构的商品或产品

本保险不适用于因为取得或重新取得对任何未作为**被保险人**记载于承保明细表的任何人所制造、出售、处理或分销的商品或产品的控制有关的的损害赔偿、损失、支出或费用。

(9) 类似的商品或产品

本保险不适用于因为任何已可确定是没有**缺陷**的任何批次的商品或产品所引起的损害赔偿、损失、支出或费用，纵使其他批次的类似商品或产品已确定是有**缺陷**的。

(10) 已知的缺陷

本保险不适用于因为任何有**缺陷**的商品或产品所引起的损害赔偿、损失、支出或费用，如果该缺陷是您在：

(a) 本保险生效以前；或

(b) 您或任何代表您的个人或机构交付承保产品以前；  
已经知道或应该已经知道的。

(11) 合同或执照有效性的维持

如果被保险人有义务取得任何保证、保险、租约、执照、命令或许可、或其他合同或协议或使其生效，或维持或确保其效力，本保险不适用于在任何时候由于实际的，声称的或可能的

(a) 被保险人没取得任何保证、保险、租约、执照、命令或许可、或其他合同或协议的全部或部分或使其生效，或维持或确保其效力；或

(b) 该等保证、保险、租约、执照、命令或许可、或其他合同或协议的全部或部分被取消、失效、修正、不获续约、被撤销、被中止或受到其他损害  
所引起的损害赔偿、损失、支出或费用。

(12) 被收购机构过去的商品或产品

本保险不适用于因为被保险人收购的机构在收购生效前制造、销售、处理或分销的任何商品或产品所引起的损害赔偿、损失、支出或费用。

(13) 废弃物场所

本保险不适用于因为商品或产品被放置于在任何时候被用来处理、储存、处置或加工废弃物的营业处所、场所或地点所引起的损害赔偿、损失、支出或费用。

(14) 故意违反法律

本保险不适用于因为任何违反法规、规定、条例或其他法律，或政府指示或命令所引起的损害赔偿、损失、支出或费用。

e. 一般条款

除主保险单的约定外，本批单增加适用于产品召回保障的下列一般条款。

(1) 委付

除非特别以书面同意，我们不接受对任何财产的委付。

(2) 发生索赔、诉讼或其他损失状况时的义务 - 产品召回费用保障

(a) 您必须确保一旦发现，或收到政府机构的通知，有关任何**承保产品**有**缺陷**，而有必要重新获取对**保障产品**的控制时，应及时通知我们或该其他保险人。

对于该情况的通知，并不构成索赔的通知。

(b) 所有**被保险人**必须尽一切合理的努力停止发货、装船、运送或以其他方式配送任何：

(i) 已知或怀疑有**缺陷的保障产品**；和

(ii) 类似商品或产品，直到确认该商品或产品没有**缺陷**时止。

(c) 就 A 保障提供的第一方产品召回费用保障的任何索赔而言：

- (i) 根据我们不时作出的合理要求，任何**被保险人**必须：
  - 1) 允许我们检查与**召回费用**的索赔有关的记录，并制作副本；
  - 2) 允许我们在合理要求的时间与立誓的个人单独会面，询问其任何与本保险或索赔有关的事物，包括**被保险人的**账册与纪录。我们从对个人检验所取得的信息必须由该个人签署。
- (ii) **被保险人在将缺陷**通知我们后 90 天内，必须确保提供我们包括下列信息的立誓的书面证词：
  - 1) 政府机构要求重新获取对于**保障产品**的控制的书面通知；
  - 2) 支持您决定重新获取对于商品或**保障产品**的控制的文件；
  - 3) 对于**缺陷**的完整描述与证明，包括其原因；
  - 4) 识别相关的**保障产品**的清单，包括批次号码，需好及制造日期；及
  - 5) **召回费用**的逐项明细估计。
- (d) 就 B 保障提供的第三方产品召回费用保障而言，如果针对**被保险人的**索赔或**诉讼**已经提出，您必须：
  - (i) 立即记录索赔或**诉讼**的明细及收到的日期；
  - (ii) 快通知我们及其他保险人；及
  - (iii) 确保我们尽快收到索赔或**诉讼**的书面通知。
- (e) 您及其他相关的**被保险人**必须：
  - (i) 立即将收到与索赔或**诉讼**相关的任何请求、通知、传票、或法律文件的复件送交给我们；
  - (ii) 授予我们取得记录或其他资讯的权利；
  - (iii) 与我们及其他保险人合作，以进行：
    - 1) 索赔案件的调查或赔付；或
    - 2) **诉讼**的答辩。
  - (iv) 同意我们在合理的情况下进入您的营业场所，取得您的记录及其他信息；以及
  - (v) 在我们提出请求后，协助我们行使对于本保险承保的**被保险人的**损失应负责任的个人或机构的权利。
- (f) **被保险人**未经我们事先的书面同意不得对任何索赔或**诉讼**承认责任或提议和解。
- (g) **被保险人**除自行承担给付外，未经我们书面同意不得付款，接受责任或支付任何费用。
- (h) 与本保险有关的通知，应以书面寄送下列地址：  
索赔通知：

理赔部经理

本公司地址如承保明细表所记载

其他通知：

核保经理

本公司地址如承保明细表所记载

(3) 决定损失的基础

在决定 A 保障提供的第一方产品召回费用保障项下的损失时，我们将利用相关的信息来源，包括：

- (a) 财务记录与会计程序；及
- (b) 账单、发票与其他收据。

损失金额应根据下列基础决定：

- (a) 超过正常运营费用的**召回费用**；及
- (b) 为了减少**召回费用**而发生的其他必要费用，而**召回费用**确实因此减少。

我们将从该项费用中扣除任何为了重新获取对于**保障财产**的控制而购买作为暂时使用的财产的剩余价值。

(4) 损失赔付

如果所有的被保险人遵守了本保险的所有条款与条件，而且

- (a) 我们对于损失金额已达成协议；或
- (b) 仲裁裁决已经作出，

在我们收到“发生索赔、诉讼或其他损失状况时的义务 - 产品召回费用保障”条款所要求的立誓的书面证词后，我们将赔付您在承保范围内的**召回费用**。

(5) 其他人不受益

就 A 保障提供的第一方产品召回费用保障而言，本保险仅保障您的利益，任何其他人或机构均不得自本保险直接受益。

(6) 减少费用

就 A 保障提供的第一方产品召回费用保障而言，所有被保险人必须采取所有必要且合理的措施，以减少召回费用。

(7) 诉讼时效

被保险人根据本保险单向我们请求赔偿的诉讼时效适用现行法律规定：

- (c) 就 A 保障而言，受承保范围项下“A 保障 - 第一方产品召回费用保障”条款的限制，在法律允许的前提下，自**被保险人**知道或者应当知道承保的**缺陷**之日起算。
- (d) 就 B 保障而言，受承保范围项下“B 保障 - 索赔发生并以通知为条件的第三方产品



召回费用保障”条款的限制，在法律允许的前提下，自**被保险人**知道或者应当知道承保的索赔或**诉讼**之日起算。

## f. 定义

本保险单增加下列适用于产品召回费用保障的定义。

### (1) 保障产品

**保障产品**是指本保障内的**缺陷**被发现时，由

- (a) **被保险人**；
- (b) 直接或间接控制作为**被保险人**机构的决策机构选举的一般投票权的个人或机构；
- (c) 任何**被保险人的**子机构；
- (d) **被保险人**拥有权益的合伙、合资企业或非法人机构的成员或合伙人；
- (e) 前述机构的董事、**高级主管**、股东、雇员或法定代表人；或
- (f) 前述个人的配偶；

以外的个人或机构所占有的任何：

- (a) **承保产品**；或
- (b) 将**承保产品**作为其包装物、零部件或成分而结合在一起的商品或产品，而**承保产品**不能与该商品或产品分离。

### (2) 缺陷

**缺陷**是指 实质有害的情况，而该情况

- (a) 并非**被保险人**故意造成的；
- (b) 是一个合理的人处于**被保险人的**情况所不会预期发生的；
- (c) 是由任何**被保险人**，或代表**被保险人的**个人或机构，的行为所引起的；而且，
- (d) 导致**伤害**，或呈现**重大的**导致**伤害**的可能。

**缺陷**不包括因为商品或产品被恶意

- (a) 改造；或
- (b) 污染。

而实际、指称或可能发生的情况。

### (3) 伤害

**伤害**是指：

- (a) 个人遭受身体**重大的**：
  - (i) 伤害；
  - (ii) 病痛；或

(iii) 疾病； 或

(b) 对于有形财产的**重大的**实物损害，并且具有普遍性。有形财产不包括电子形式的任何软件、资料或其他信息。

伤害不包括对：

(i) 承保产品； 或

(ii) 被保险人所有的财产  
的伤害。

(4) 承保产品

**承保产品**是指本保险单的产品-完工责任保险（或综合责任保险）所适用的**记名被保险人的产品**，亦即：

(a)

(i) 任何**被保险人**； 或

(ii) 其它以**被保险人**名义营业者

所制造、出售、处理或分销的商品或产品（除不动产以外）； 以及

(b) 与该商品或产品有关的容器（除车辆外），材料，零部件或设备。

(5) 召回费用

**召回费用**是指下列费用中合理、必要和专用于重新控制**保障产品**的部分：

(a) 在报纸、杂志或其他印刷媒体、数字媒体公告、广播或电视广播上发布召回的费用，建立网站或网页以响应召回的费用及为实施召回而产生的必要通信费用；

(b) 直接由召回引起的必要交通运输及住宿费用；

(c) 雇佣除被保险人的及第三方的常规雇员外专用于实施**保障产品**召回的额外人员的费用；

(d) 专为**保障产品**召回工作的被保险人的及第三方的常规雇员的加班费用；

(e) 专为召回而租用额外仓库或储存处产生的最长不超过 12 个月的费用；

(f) 任何已安排但仅由于**缺陷**而无法执行的广告和/或促销计划的零售进场费及取消费；

(g) 被保险人及第三方或其代表发生的妥善处置无法使用或回收再利用的受影响**保障产品**、其包装物或采购营销材料的费用。

(h) 自任何**保障产品**或其他财产移除**承保产品**费用；

(i) 将置换的**承保产品**安装入**保障产品**或其他财产的费用；

(j) 检查、调整或修理任何**保障产品** 或其他财产的费用。

(提示：项目 (h)， (i)， (j) 中仅承保勾选部分)

召回费用不包括：

- (a) 改正缺陷的任何支出或费用；
  - (b) 保障产品、其置换品或其他财产的置换品的任何支出；
  - (c) 对于任何个人或机构的退款，包括 与该退款有关的任何支出或费用；
  - (d) 关于市场份额、商誉、信誉、收入或利润的获得、维护或恢复的任何支出或费用。
  - (e) 上述(h)，(i)，(j)项各款中未经勾选为承保项目的费用。
- (6) 重大的
- 重大的**是指范围和程度相当重大的，而不是虚假的或想像的。
- (7) 废弃物
- 废弃物**包括将要再利用、修理或回收的物质。

其余条款与条件维持不变。

First And Third Party Product Recall Expense Coverage (Version C)

This Endorsement applies to the Policy described above.

PLEASE READ THE ENDORSEMENT CAREFULLY ESPECIALLY THE UNDERLINED PARTS WHICH EXEMPT THE

**COMPANY FROM LIABILITY UNDER THIS POLICY.**

THE INSURANCE PROVIDED BY COVERAGE A OF THIS ENDORSEMENT FOR FIRST PARTY PRODUCT RECALL EXPENSE COVERAGE APPLIES ONLY TO **DEFECTS** THAT ARE FIRST REPORTED TO US IN WRITING DURING THE POLICY PERIOD.

THE INSURANCE PROVIDED BY COVERAGE B OF THIS ENDORSEMENT FOR THIRD PARTY PRODUCT RECALL EXPENSE COVERAGE IS CLAIMS-MADE COVERAGE. EXCEPT AS OTHERWISE PROVIDED, SUCH COVERAGE APPLIES ONLY TO CLAIMS THAT ARE BOTH FIRST MADE AGAINST YOU AND REPORTED TO US IN WRITING DURING THE POLICY PERIOD.

**a. Coverages**

Under Coverages, the following coverages titled Coverage A - First Party Product Recall Expense Coverage and Coverage B - Third Party Product Recall Expense Coverage Claims-Made And Reported are added to this policy.

*Coverage A - First Party Product Recall Expense Coverage*

- (1) Subject to all of the terms and conditions of this insurance, we will reimburse you for **recall expenses**, paid or incurred by you during a period not exceeding twelve (12) consecutive months, solely because an **insured product**, to which this coverage applies, has a **defect**.

This coverage applies only to **recall expenses** incurred in the Coverage Territory shown in the Product Recall Expense schedule.

- (2) This coverage applies only if such:
- (a) products were manufactured, sold, handled and distributed after the Retroactive Date shown in the Product Recall Expense Schedule and before the end of the policy period; and
  - (b) **defect** is first reported to us by you in writing during the policy period.
- (3) This coverage does not apply to any **defect**:
- (a) reported, in whole or in part, to us or any other insurer before the beginning of the policy period; or
  - (b) known or that should have been known by you, before the beginning of the policy period, that could reasonably be expected to result in any payment under this coverage.
- (4) For the purpose of this coverage:
- (a) such a **defect** will be considered to have been reported to us during the policy period only if written notice of the **defect** is actually received and

recorded by us not more than 30 days after the end of such period.

- (b) all reports in connection with the same **defect** will be deemed to have been made at the time the first of those reports is made to us by any **insured** in writing.

Under this coverage, we have no duty to investigate, defend or settle any claim, **suit** or other demand of any nature against any **insured** or any other person or organisation.

No other obligation or liability to reimburse sums or perform acts or services is covered.

The amount we will pay under this coverage is subject to the Co-Payment Percent as described in the Co-Payment provision of the Limits Of Insurance section of this endorsement.

We may at any time, at our discretion, pay the applicable Limit Of Insurance that remains available.

The most we will pay hereunder is fixed as set forth in the Limits Of Insurance section of this endorsement.

Our obligations hereunder end when we have used up the applicable Limits Of Insurance.

*Coverage B - Third Party Product Recall Expense Coverage Claims-Made And Reported*

- (1) Subject to all of the terms and conditions of this insurance, we will pay **recall expenses** incurred by others during a period not exceeding twelve (12) consecutive months, which you become legally obligated to pay by reason of liability imposed by law due to a **defect** in an **insured product** to which this coverage applies.

This coverage applies only to **recall expenses** incurred in the Coverage Territory shown in the Product Recall Expense Schedule.

- (2) This coverage applies only if:
  - (a) such products were manufactured, sold, handled and distributed after the Retroactive Date shown in the Product Recall Expense Schedule and before the end of the policy period; and
  - (b) a claim by a person or organisation for such **recall expenses** is both first made against you and reported to us in writing during the policy period.
- (3) This coverage does not apply to any defect, claim, suit or other circumstance:
  - (a) reported, in whole or in part, to us or any other insurer before the

beginning of the policy period; or

(b) known or that should have been known by you, before the beginning of the policy period, that could reasonably be expected to result in any payment under this coverage.

(4) For the purpose of this coverage:

(a) a claim by a person or organisation for **recall expenses** will be deemed to have been made, when:

(i) notice of such claim is received and recorded by:

1) you; or

2) us; or

(ii) we, at our discretion, make a settlement;

whichever comes first.

(b) such a claim will be considered to have been reported to us during the policy period, only if written notice of the claim is actually received and recorded by us not more than 30 days after the end of such period.

(c) all claims made by the same person or organisation in connection with the same **defect** will be deemed to have been made at the time the first of those claims is made in accordance with the criteria described in this paragraph (4).

The amount we will pay under this coverage is subject to the Co-Payment Percent as described in the Co-Payment provision of the Limits Of Insurance section of this endorsement.

We may at any time, at our discretion, pay the applicable Limit Of Insurance that remains available.

The most we will pay hereunder is fixed as set forth in the Limits Of Insurance section of this endorsement.

Our obligations hereunder end when we have used up the applicable Limits Of Insurance.

## **b. Limits Of Insurance**

Under Limits Of Insurance, the following provisions are added to this policy.

(1) Product Recall Expense Aggregate Limit

The Product Recall Expense Aggregate Limit shown in the Product Recall Expense Schedule is the most we will pay for the sum of **recall expenses**.

Any such sum we pay will reduce the amount of the aggregate limit available for any other payment. The remaining amount of such aggregate limit is the most that will be available for any other payment.

If we or any insurer affiliated with us issue coverage for more than one policy period, our obligation in connection with any one **defect** shall be subject to, and governed by, the Limits Of Insurance, the Retained Limits, the **Insureds'** Co-Payment Share and the other terms and conditions of only one policy period. That policy period will be the one, if any, which was effective at the time such **defect** was first reported to us by you in writing.

(2) Retained Limits

You agree to pay the Retained Limits shown in the Product Recall Expense Schedule.

The Retained Limits apply as described in the Product Recall Expense Schedule.

The Retained Limits apply whether or not any **insured** maintains applicable insurance or other funding mechanisms and whether or not such insurance or funding is collectible.

The Retained Limits can be exhausted only by payments to which this insurance would otherwise apply but for the application of the Retained Limits.

The Retained Limits will not be reduced or exhausted by any amounts paid or payable under any other coverage of this policy or under any subsequent renewal, extension or substitution thereof.

If we pay or incur any amounts in connection with amounts within the Retained Limits, then you must promptly reimburse us for any such amounts. The Policyholder shown in the Declarations agrees, and is authorized, to promptly reimburse us for any and all reimbursable amounts under this insurance. Failure to promptly reimburse us under the provisions of this insurance shall be deemed an event of nonpayment of premium.

(3) Co-Payment

The **insureds** are obligated to pay and to bear uninsured and at their own risk that percentage of amounts to which this insurance would otherwise apply, shown as the Co-Payment Percent in the Product Recall Expense Schedule (the **Insureds'** Co-Payment Share), and this insurance applies only to the remaining percentage of such amounts. The **insureds** are required to pay the **Insureds'** Co-Payment Share as incurred.

The **Insureds'** Co-Payment Share shall be applied after the application of any deductible or self-insured amounts (Retained Limits).

The **Insureds'** Co-Payment Share will not reduce the Limits Of Insurance.

If we pay or incur any amounts in connection with amounts within the **Insureds'** Co-Payment Share, then you must promptly reimburse us for any such amounts. The Policyholder shown in the Declarations agrees, and is authorized, to promptly reimburse us for any and all reimbursable amounts under this insurance. Failure to promptly reimburse us under the provisions of this insurance shall be deemed an event of nonpayment of premium.

**c. Limits Of Insurance**

Under Limits Of Insurance, as applicable to Product Recall Expense Coverage, the following is added to the provision titled Payments That Reduce The Limits Of Insurance.

(1) Payments That Reduce The Limits Of Insurance

Any **recall expenses** we pay will reduce the Product Recall Expense Aggregate Limit.

Any **claim adjustment expenses** we pay, in connection with Coverage B - Third Party Product Recall Expense Coverage, will reduce the Product Recall Expense Aggregate Limit.

**d. Exclusions**

Under Exclusions, the following provisions are added to this policy.

This insurance does not apply to any damages, loss, cost or expense in connection with any circumstance excluded under this policy.

However, the exclusion titled Recall Of Products, Work Or Impaired Property does not apply to Product Recall Expense Coverage.

The following exclusions, applicable to Product Recall Expense Coverage, are added to this policy.

(1) Antitrust Or Restraint Of Trade

This insurance does not apply to any damages, loss, cost or expense arising out of any actual or alleged:

- (a) anticompetition, interference with economic relations (including interference with contractual relations or with prospective advantage), monopolisation, predatory pricing, price discrimination, price-fixing, restraint of trade, unfair competition or unfair business or trade practice, or other similar



practices.

- (b) violation of any judicial, regulatory or statutory law:
  - (i) relating to any practice described in subparagraph A. above; or
  - (ii) designed, in whole or in part, to:
    - ensure or maintain competition within a marketplace; or
    - (i) prevent or prohibit any practice that adversely affects a marketplace.
- (c) violation of any judicial, regulatory or statutory law designed, in whole or in part, to ensure or maintain marketplace integrity against practices of persons or organisations who participate or conspire to participate in racketeering.

(2) Claims By Insureds Or Affiliates

With respect to Coverage B - Third Party Product Recall Expense Coverage, this insurance does not apply to any damages, loss, cost or expense in connection with gaining or regaining control over any goods or products claimed by any:

- (a) insured;
- (b) person or organisation that controls, either directly or indirectly, interests entitled to vote generally in the election of the governing body of any organisation that is an insured;
- (c) subsidiary organisation of any insured;
- (d) member or partner of any partnership, joint venture or unincorporated organisation in which any insured has any interest;
- (e) director, officer, stockholder, employee or legal representative of any organisation described above; or
- (f) spouse of any person described above.

This exclusion does not apply to **recall expenses** claimed by a person or organisation described in subparagraph A. above, who is:

- (a) an additional **insured** under this insurance by an endorsement made a part of this insurance contract;
- (b) otherwise a third party; and
  - not a person or organisation described in subparagraphs (b), (c), (d), (e) or (f) above.

(3) Contracts

With respect to Coverage B - Third Party Product Recall Expense Coverage, this

insurance does not apply to any damages, loss, cost or expense that the **insured** is obligated to pay by reason of assumption of liability in a contract or agreement.

This exclusion does not apply to the liability for damages for **recall expenses** that such **insured** would have in the absence of such contract or agreement.

(4) Crime, Dishonesty Or Fraud

This insurance does not apply to any damages, loss, cost or expense arising out of any criminal, dishonest, fraudulent or malicious conduct committed by or with the consent or knowledge of the **insured**.

(5) Deterioration

This insurance does not apply to any damages, loss, cost or expense arising out of:

(a) expiration of:

(i) normal shelf life; or

(ii) statutory or normal industry recognized "use by" date;

(b) normal perishability; or

(c) normal deterioration or decomposition;

of goods or products.

(6) Failure To Accomplish Intended Purpose

This insurance does not apply to any damages, loss, cost or expense arising out of any failure of goods or products to accomplish or perform their intended purpose, including any misrepresentation or breach of warranty made at any time with respect to the durability, fitness, performance, quality or use of any goods or products.

(7) Financial Impairment Of Insureds

This insurance does not apply to any damages, loss, cost or expense arising out of any bankruptcy, insolvency or other financial impairment of any **insured**.

(8) Goods Or Products Of Unnamed Organisations

This insurance does not apply to any damages, loss, cost or expense in connection with gaining or regaining control over any goods or products manufactured, sold, handled or distributed by anyone not shown in the Declarations as a named **insured**.

(9) Kindred Goods Or Products

This insurance does not apply to any damages, loss, cost or expense arising out of any goods or products from any lot or batch for which it can be readily determined that none of such goods or products from that lot or batch have a **defect**, even if goods or products from another lot or batch of kindred goods or products have been determined to have **defects**.

(10) Known Defects

This insurance does not apply to any damages, loss, cost or expense arising out of any good or product that has a **defect** if such **defect** was known, or should have been known, by you prior to the:

- (a) effective date of this insurance; or
- (b) delivery of such **insured product** by you or any person or organisation acting on your behalf.

(11) Maintenance Of Contracts Or Licenses

This insurance does not apply to any damages, loss, cost or expense arising out of any actual, alleged or threatened:

- (a) failure to effect, maintain, procure or secure; or
- (b) cancellation, lapse, modification, nonrenewal, revocation, suspension or other impairment of;

in whole or in part at any time, any bond, insurance, lease, license, order, permit or other contract or agreement that any **insured** is obligated to effect, maintain, procure or secure.

(12) Prior Goods Or Products Of Acquired Organisations

This insurance does not apply to any damages, loss, cost or expense arising out of any goods or products manufactured, sold, handled or distributed by any organisation an **insured** acquires, if such goods or products were manufactured, sold, handled or distributed prior to the execution of such acquisition.

(13) Waste Sites

This insurance does not apply to any damages, loss, cost or expense arising out of goods or products located at any premises, site or location which is or was at any time used for handling, storage, disposal, processing or treatment of **waste**.

(14) Willful Violation Of Law

This insurance does not apply to any damages, loss, cost or expense arising out of any willful violation of any statute, regulation, ordinance or other law, or

any governmental directive or order.

**e. Conditions**

The following Conditions, applicable to Product Recall Expense Coverage, are added to this policy.

(1) Abandonment

There can be no abandonment of property to us unless we specifically agree to such abandonment in writing.

(2) Duties In The Event Of Claim, Suit Or Other Loss Circumstance - Product Recall Expense Coverage

(a) You must see to it that we and any other insurers are notified as soon as practicable upon discovery, or upon notification by a governmental organisation, that any **insured product** has a **defect** which makes it necessary to regain control over any **covered product**.

(b) All **insureds** must immediately make every reasonable effort to stop any release, shipment, consignment or other distribution of any:

(i) **covered product** which is known or suspected to have a **defect**; and

(ii) kindred goods or products until it is determined that those goods or products do not have **defects**.

(c) With respect to any claim under Coverage A - First Party Product Recall Expense Coverage:

(i) as often as we reasonably require, any **insured** must:

1) permit us to inspect and make copies of records that support all **recall expenses** claimed.

2) permit us to examine any person under oath, outside the presence of any other person and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including any **insured's** books and records. In the event of an examination, answers of the person we examine must be signed.

(ii) within ninety (90) days after any **insured's** report of a **defect** to us, such **insured** must see to it that we are sent a sworn written statement containing the following information:

1) copy of any written notification from a governmental organization directing that control be regained over **covered products**;

2) documentation that supports your decision to regain control over any goods or

covered products;

- 3) a complete description and proof of the **defect**, including its cause;
- 4) a listing that identifies the applicable **covered products**, including batch or lot numbers, serial numbers and dates of manufacture; and
- 5) an itemized estimate of the **recall expenses**.

(d) With respect to any claim under Coverage B - Third Party Product Recall Expense Coverage, if a claim is made or **suit** is brought against any **insured**, you must:

- (i) immediately record the specifics of the claim or **suit** and the date received;
- (ii) notify us and other insurers as soon as practicable; and
- (iii) see to it that we receive written notice of the claim or **suit** as soon as practicable.

(e) You and any other involved **insured** must:

- (i) immediately send us copies of any demands, notices, summonses or legal papers received in connection with any **defect**;
- (ii) authorise us to obtain records and other information;
- (iii) cooperate with us and other insurers in the investigation or settlement of any claim.
- (iv) allow us all reasonable access to your premises, records and other information; and
- (v) assist us, upon our request, in the enforcement of any right against any person or organisation that may be liable to the **insured** because of loss to which this insurance may also apply.

(f) No **insured** may make any admission in respect of, nor offer to settle, any claim or **suit** without our prior written consent.

(g) No **insured** will, except at that **insured**'s own cost, make any payment, assume any obligation or incur any expense without our prior written consent.

(h) Notice to us under this insurance shall be given in writing addressed to:

Notice of Claim

Claim Department Manager

At the address of the Company shown in the Declarations

All other Notices

Underwriting Manager

At the address of the Company shown in the Declarations

(3) Loss Determination

In making any loss determination under this insurance we will utilize relevant sources of information, including:

- (a) financial records and accounting procedures; and
- (b) bills, invoices and other vouchers.

The amount of loss will be determined based on:

- (a) recall **expenses** that exceed normal operating expenses; and
- (b) other necessary expenses that reduce **recall expenses** which otherwise would have been incurred.

We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use in connection with regaining control over any **covered product**.

(4) Loss Payment

We will reimburse you for covered **recall expenses** after we have received the sworn written statement, as described under the Duties in the Event of Claim, Suit Or Other Loss Circumstance - Product Recall Expense Coverage condition, if all **insureds** have complied with all of the terms and conditions of this insurance, and:

- (a) we have reached agreement on the amount of loss; or
- (b) an arbitration award has been made.

(5) No Benefits To Others

This insurance is for the benefit of you. No other person or organisation may benefit directly from it.

(6) Reduction Of Expenses

With respect to Coverage A - First Party Product Recall Expense Coverage, all **insureds** must take all necessary and reasonable steps to minimize **recall expenses**.

(7) Time Limit

Under Coverage A, subject to "First Party Product Recall Expense Coverage" under Coverages, the time limit for an **insured** to commence any formal proceedings under this policy against us is three years from the date the **insured** is aware or

should be aware of the **defect** to which this insurance applies.

Under Coverage B, subject to “Coverage B – Third Party Product Recall Expense Coverage Claims-Made And Reported” under Coverages, the time limit for an **insured** to commence any formal proceedings under this policy against us is three years from the date the **insured** is aware or should be aware of the claim or **suit** to which this insurance applies.

**f. Definitions**

The following Definitions, applicable to Product Recall Expense Coverage, are added to this policy.

(1) Covered Product

**Covered product** means any:

- (a) **insured product**; or
- (b) goods or products that incorporate an **insured product** as a container, part or ingredient and from which the **insured product** cannot practically be removed;

which are in the possession of a person or organisation, other than any:

- (a) **insured**;
- (b) person or organisation that controls, either directly or indirectly, interests entitled to vote generally in the election of the governing body of any organisation that is an **insured**;
- (c) subsidiary organisation of any **insured**;
- (d) member or partner of any partnership, joint venture or unincorporated organisation in which any **insured** has any interest;
- (e) director, **officer**, stockholder, employee or legal representative of any organisation described above; or
- (f) spouse of any person described above;

at the time the **defect** to which this coverage applies is discovered.

(2) Defect

**Defect** means an actual harmful condition that:

- (a) is not intended by any **insured**;
- (b) a reasonable person in the circumstances of any **insured** would not expect;
- (c) arises out of the conduct of any **insured**, or a person or organisation acting on behalf of any **insured**; and

(d) causes, or presents a **substantial** likelihood of causing, **injury**.

Defect does not include any actual, alleged or threatened condition arising out of malicious:

(e) alteration; or

(f) contamination;

of goods or products.

(3) Injury

**Injury** means **substantial**:

(a) physical:

(i) injury;

(ii) sickness; or

(iii) disease;

sustained by a person; or

(b) physical injury to tangible property that is widespread in nature. Tangible property does not include any software, data or other information that is in electronic form.

Injury does not include injury to any:

(a) insured product; or

(b) property owned by any insured.

(4) Insured Product

**Insured product** means **your product**, to which the Products-Completed Operations Liability (or General Liability) Coverage under this policy applies, that is a:

(a) good or product (other than real property) manufactured, sold, handled or distributed by:

(i) any **insured**; or

(ii) others trading under any **insured**' s name; and

(b) container (other than a vehicle), material, part or equipment furnished in connection with such good or product.

(5) Recall Expenses

**Recall expenses** means that part of the following expenses which are reasonable, necessary and devoted exclusively to regaining control over **covered products**:

(a) the cost of publishing the recall in newspapers, magazines or other printed



media, digital media announcements, radio or television broadcasts, setting up of a website or webpage to respond to the recall and the cost of correspondence necessary to effect the recall;

- (b) essential transportation and accommodation costs directly attributable to the recall;
- (c) the cost of hiring any additional person, other than regular employees of the **Insured** and others, devoted exclusively to effect the recall of **covered products**;
- (d) overtime paid to regular employees of the **Insured** and others for work devoted exclusively to the recall of **covered products**;
- (e) the cost of renting additional warehouse or storage space for the recall for a maximum period of twelve (12) months;
- (f) retail slotting fees and cancellation fees for any advertising and/or promotion programmes that were scheduled but were unable to be executed solely because of the **defect**.
- (g) Costs incurred by or on behalf of the **Insured** and others to properly dispose of any affected **covered products**, unused packaging or purchasing, marketing material in respect of the recalled product if it cannot be used or reused;
- (h)  removal of **insured product** from **covered products** or from other property;
- (i)  installation of replacement **insured products** into **covered products** or other property;
- (j)  inspection, adjustment or repair of **covered products** or other property.

(Reminder: Items (h), (i), (j) above are only covered when marked with “” )

Recall expenses does not include any:

- (a) cost or expense to correct any **defect**;
- (b) cost of **covered products**, replacements thereof or of any other property;
- (c) refund to any person or organisation, including any cost or expense in connection with such refund;
- (d) cost or expense in connection with the realisation, maintenance or recovery of market share, goodwill, reputation, revenue or profit; or
- (e) expenses (h), (i), (j) listed in the above paragraph that have not been appropriately marked as covered expenses.

(6) Substantial

**Substantial** means considerable in extent and degree and not illusory or imaginary.

(7) Waste

**Waste** includes any materials to be recycled, reconditioned or reclaimed.

All other terms and conditions remain unchanged.