



Keep producing the goods.

This covers you and your food manufacturing business with some unique coverage sections which are often not addressed under standard General Liability and Statutory Liability policies.

Along with standard broadform liability, this package includes product recall, slow and gradual pollution, errors & omissions, crisis management cover and consequential loss.

STATISTICS

1 in 4

Delta clients have made a claim on their food manufacturing policies

40%

of these claims are for Product Recall, **30%** of these claims arose from Labelling and/or Packaging Issues

RISK APPETITE

- > Food products
- > Beverages
- > Breweries & Distilleries
- > Cosmetics, Skincare & Beauty Products
- > Nutraceuticals



BENEFITS & FEATURES

The only tailored food manufacturing liability product in New Zealand

Product Recall

Provides cover for losses as a result of a defect or deficiency in the product which poses a danger to the user, including malicious product tampering. Covered losses include recall costs, replacement costs and compensation to third parties in the distribution chain.



Errors & Omissions

Covers financial losses incurred by customers and third parties as a result of the Insureds design, formulation or manufacturing.



Pollution Damage

Provides cover for insured's own clean up costs and compensation to third parties from a pollution event, including sudden and accidental pollution events, and also extends to cover slow and gradual pollution.



Crisis Management

Covers expenses incurred to help mitigate negative publicity generated by a crisis event.



Consequential Losses

Covers business interruption losses resulting from a covered claim.





Food & Beverage Manufacturing Liability



COVERAGE	Environmental Liability	Property Insurance	Professional Indemnity	General Liability	Product Recall Insurance	Manufacturing Liability
Business interruption	●	●	●	●	●	●
Civil claim – gradual pollution damages	●	●	●	●	●	●
On-site pollution clean-up costs	●	●	●	●	●	●
Pure financial loss to third party	●	●	●	●	●	●
Product replacement	●	●	●	●	●	●
Packaging defect	●	●	●	●	●	●
Malicious product tamper	●	●	●	●	●	●
Crisis management costs	●	●	●	●	●	●
Product recall costs	●	●	●	●	●	●

● Coverage provided
 ● Coverage possible
 ● No coverage

CLAIMS SCENARIOS

Scenario 1: Product recall-specific packaging defect extension

A chilled-food manufacturer used the wrong label for one of its ready-to-eat soup products. This mislabelling did not pose any danger to consumers but had the wrong ingredients and incorrect nutrition information on the label as a result. Generally, product recall policies will not respond as there is no foreseeable harm or threat to human health. But the packaging defect extension under Delta’s Manufacturing Liability will respond to such scenarios and covers the costs involved in recalling and replacing the product or re-labelling it.

Scenario 2: Manufacturer’s errors & omissions

A contract manufacturer’s packaging unit was faulty and caused the packaging to be defective which resulted in food spoilage with the customer losing revenue as a result. The product recall section responded with recall and replacement of the product but their customer sued them for loss of revenue and expenses. This is covered under the errors and omissions section.

Scenario 3: Pollution damage

A local authority investigated the contamination of a stream next to an abattoir and found that the contamination was the result of a long-term failure of containment of wastewater within the abattoir. The abattoir was ordered to compensate for the clean-up costs incurred by the local authority. In addition, the nearby businesses sued the abattoir for direct losses and expenses for additional disposal costs during the clean-up. Both claims were covered by the Pollution Damage section.

Scenario 4: Consequential loss

During a WorkSafe NZ investigation of a food manufacturer following a workplace accident, the company was unable to operate for a week. The reparations and defence costs were paid by the company’s Statutory Liability policy; the company, however, incurred a week of lost revenue. They claimed this amount on the Consequential Loss section of the policy.