

PRODUCT GUARANTEE, FINANCIAL LOSS AND/OR PRODUCT RECALL PROPOSAL FORM

Once complete please send to
Alex McCarthy (alex.mccarthy@limestreetbrokers.com) OR
call Alex on 0207 980 3964

CLAIMS MADE INSURANCE

This insurance is on a 'claims made' basis. Therefore, it is essential that any claims or circumstances that might give rise to a claim are notified during the policy period in which you are first made aware of the claim or circumstance in accordance with the terms of the policy. Failure to notify a claim or incident during the policy period will enable (re)insurers to repudiate that claim or circumstance.

GENERAL PROPOSAL FORM

1. (a) Name(s) or Company(ies) proposed to be insured including any Subsidiary Company(ies):

(b) Principal Address:

(c) Website Address:

(d) Date first established:

2. (a) Profile of the Company(ies) including a full description of the Proposer's activities:

(b) Please enclose the following:-

- (i) Product Brochures
- (ii) Latest Financial Statement/Annual Report

3. (a) List of Products (in general terms) produced or supplied and to which this insurance is to apply:

Nature of Product	Approximate Annual Turnover	Date First Marketed

Total Turnover of Products to be Insured = £

- a) If your business activities include installation, please state percentage of above Turnover which applies to installation costs.
- b) Are any of your products a component part of a Customers product YES/NO
If so, please provide details of the end use of the final product as well how your product fits with other components and its function within the final product.
- c) Are any of your products used by a third party as an ingredient in their products YES/NO
If so, please advise the turnover which applies to such ingredients.
- d) Are any of your Products manufactured and/or supplied by a Third Party(ies)? YES/NO
If the answer is YES please complete Appendix 2.
- e) Will any new type of Product be marketed during the next twelve months? YES/NO
If so, please give details:
- f) If whole Turnover is not to be covered, please explain why.

4. a) Details of Proposer's i) average contract size: £

ii) normal Batch Run by monetary value £

iii) normal Batch Run by Product units

b) Details of Proposer's 3 largest contracts by Turnover in the last three years:

Client T/O £

Client T/O £

Client T/O £

c) Details of Proposer's current 3 largest Customers by Turnover

Client T/O £

Client T/O £

Client T/O £

5. What is the anticipated failure rate of each Product after handover?

(Please state in each case whether this is based on actual experience - please explain how this figure is reached)

6. Details of Overseas markets:-

Product	Estimated Annual Value of Exports	Country	Representation
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If the Proposer has USA/Canadian Exports, please complete Appendix 1 - 'Questionnaire in respect of exports to USA'

7 (i) Where Products are produced and supplied subject to your contract terms and conditions, what limitations as to your liability are imposed - please supply a specimen Contract Wording.

(ii) If your standard Contract Conditions are not used what variations are normally agreed? Please supply examples.

(iii) If any of your Products are manufactured or supplied by a third party, please supply a copy of the supply Purchase Conditions and confirm that rights of recourse are maintained against such third parties.

8. (a) Please supply details of the Proposer's quality control procedures:

(b) Please describe the testing undertaken on the Proposer's products prior to delivery to their Customer:

(c) Has the Proposer obtained a formal Quality Control Specification Accreditation? YES/NO
If the answer is YES, please provide details:

(d) Please advise if you have the following:

(i) Crisis Management Plan	YES/NO
(ii) Recall Plan	YES/NO
(iii) Public Relations Plan	YES/NO

(If the answer is NO to the above please explain how the Proposer would deal with a potential recall/withdrawal of their Product in the absence of such plans)

(If the answer is YES to the above please send copies of these plans with this Proposal.)

(iv) A Research and Development Department (if affirmative, please specify details and qualifications of personal including design team.

9. (i) Please supply details of records maintained to trace the location of Products:

(ii) Do the Products carry:-

(a) the Proposer's Company name?	YES/NO
(b) the Proposer's Trade Mark?	YES/NO
(c) a part number?	YES/NO
(d) a production batch number?	YES/NO

(iii) How long are records kept?

(iv) Can a product be traced so that both the source and the destination of individual batches be identified? YES/NO

10. Name(s) and position(s) of the Proposer's organisation empowered to authorise a recall:

11. If any of the Proposer's Products are incorporated into other Products, would the other manufacturer(s) initiate a recall?

12. What is the amount of the aggregate indemnity required?

- a) £ 500,000
- b) £ 1,000,000
- c) 2,000,000

If above £2,000,000 please indicate limit required and why - £ _____

13. What self insured retention amount will you carry - please note that a minimum will apply;

- a) £ 10,000 each and every claim
- b) £ 25,000 each and every claim
- c) £ 50,000 each and every claim

- NB. i) The required deductible may be varied by Insurers
ii) The each and every claim "deductible" may be combined with an aggregate deductible during the period.

THE ANSWERS TO QUESTION 14 AND 15 ARE OF THE UTMOST IMPORTANCE AND GREAT CARE SHOULD BE TAKEN TO ANSWER THESE ACCURATELY ONLY AFTER STRINGENT ENQUIRIES: ANY INACCURACY COULD LEAD TO A CLAIM BEING REJECTED AND/OR REPUDIATION OF THE INSURANCE.

14. In relation to Products Liability, Products Guarantee, Financial Loss or Products Recall, have any claims been made against the Proposer or any predecessor in business in the past five years?
- | | |
|------------------------|--------|
| (a) Products Liability | YES/NO |
| (b) Products Guarantee | YES/NO |
| (c) Financial Loss | YES/NO |
| (d) Products Recall | YES/NO |

If Yes, please complete Appendix 3 – Supplementary Claims Information.

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15. Other than any details indicated above, is the Proposer or any predecessor in business, after enquiry, aware of any circumstances which could give rise to a claim? Problems (however minor) with a Product of which the Proposer is aware should be declared. YES/NO

If Yes, please complete Appendix 3 – Supplementary Claims Information.

DUTY OF DISCLOSURE

Under English law, if you are a business insured (i.e. an insured who has bought insurance wholly or mainly for purposes related to their trade, business or profession) the business has a duty to disclose to the insurer every material circumstance which it knows or ought to know after reasonable search. This is the case before your cover is placed, when it is renewed, and at any time that it is varied. Your policy wording may also provide that this duty continues for the duration of the policy. A circumstance is material if it would influence an insurer's judgement in determining whether to take the risk and, if so, on what terms. If you are in any doubt whether a circumstance is material, we recommend that it should be disclosed. Failure to disclose a material circumstance may entitle an insurer to impose different terms on your cover, or proportionately reduce the amount of any claim payable. In some circumstances, an insurer will be entitled to avoid the policy from inception and, in this event, any claims under the policy would not be paid.

I/We declare that I/we made a fair presentation of the risk, by disclosing all material matters which I/we know or ought to know or, failing that, by giving the insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances.

SIGNED: **On behalf of the Proposer**

POSITION: **DATE:**