

Exclusive Product Defect Insurance for Small Commercial Companies



A Market Changing Solution for an Underserved Class

In partnership with “A” rated carriers, Amwins developed an exclusive Product Defect Insurance (PDI) product for small businesses to provide balance sheet protection against the overwhelming costs that can jeopardize an insured’s profitability, reputation, and business if a defective product is discovered.

This product marries the coverage afforded in the two standard market forms, designed for larger enterprises, into one straight forward policy rooted in the defect of the insured’s product. We replaced the complex application with a simple, pre-binding affidavit, greatly lowering the barriers to entry and reducing the time required to bind this coverage.

This first-of-its-kind solution is the perfect substitute for the GL buyer who wants more coverage than is afforded by the standard ISO endorsement or has been discouraged by past attempts to purchase PRI or CPI.

Target Clients



Small businesses

Companies with less than \$25 million in revenues.



First time buyers

Designed specifically for insureds who currently purchase a BOP or Commercial GL policy (with or without a Withdrawal endorsement), and don’t purchase a standalone Product Recall or Contaminated Products policy*

*If you are not a first time buyer, we can still help find a solution for you.



Wide range of insureds

Manufacturers, distributors, processors, and wholesalers of consumable and durable products for more than 650 NAICS, including but not limited to:

- Food, beverages, cosmetics
- Toys, appliances, home goods
- Industrial components, including fabricated metal products, plastic products, electrical products, etc.
- Applications, including automotive, solar, wind, utility, medical, etc.

Highlights

- **Limits:** Options from \$100,000 to \$1 million
- **Coverage:**
 - Business Interruption
 - Recall Costs
 - Replacement Costs
 - Investigation Costs
 - Compensatory Damages
- **Minimum Premium:** \$2,000
- **Easy quoting process with quick turn-around**
 - No application
 - Information needed to **quote:** NAICS, revenues, named insured and address
 - Needed to **bind:** completed one-page affidavit & Surplus Lines Tax Form
 - Simplified renewal



Why Product Defect Insurance is the Solution for You

Small companies typically resort to purchasing Product Liability via their primary GL policy, leaving their balance sheet exposed to product recall events.. The existing market solution is geared towards large companies, with the resources for complex applications, funds for substantial SIR's and premiums for Product Recall (PRI) or Contaminated Products (CPI) insurance. These up front expenses may be daunting for smaller companies, leading to uncovered, devastating losses. **PDI solves this dilemma.**

Progression of Available Solutions

General Liability / BOP	GL + Withdrawal Endorsement	✔ Product Defect Insurance	Standard Market Product Recall / Contaminated Products:
<ul style="list-style-type: none"> - Responds only to bodily injury or property damage to a customer - Product Recall Exclusion - General GL Claims handlers 	<ul style="list-style-type: none"> ✔ Provides limited coverage for 1st party recall expenses only, often subject to actual recall of defective/contaminated product - Product Recall Exclusion - General GL Claims handlers 	<ul style="list-style-type: none"> ✔ Full business interruption with 1st & 3rd party recall expenses, replacement costs, etc. ✔ Dedicated claims specialist ✔ Simple - all-inclusive form with no sublimits, no application to obtain terms, and streamlined process ✔ Designed with lower limits, SIRs and premiums that standard market ✔ Ideal for first time buyers 	<ul style="list-style-type: none"> ✔ Full business interruption with 1st & 3rd party recall expenses, replacement costs, etc. ✔ Dedicated claims specialist - Nuanced - multiple forms with tailored coverage, in-depth underwriting process with 4-7 page application - Larger limits, higher SIRs, higher premiums, broadened coverage compared to product defect - Ideal for the experienced buyer

Contact your Amwins broker to learn more about this groundbreaking product and how to obtain quotes for your clients.