



CRUM & FORSTER[®]

A FAIRFAX COMPANY

Product Recall Insurance

Application Form

for

Component Parts

email productrecall@cfins.com to submit

www.cfins.com

Application Form for Component Parts

Please answer the following questions to provide Crum and Forster Specialty Insurance Company with the information necessary to properly evaluate your Product Recall insurance. This information is not only vital for evaluating your exposure; it will also provide C+F with an accurate profile of your company so that we can be an informed partner in this program:

- All questions must be answered completely – if you need more space please continue on a separate sheet of paper and indicate question number.
- Please provide a copy of your Financial Statement, Recall Plan, Quality Control / Assurance Plan, SOPs, GMPs and Crisis Management Plan
- This application must be signed and dated by an officer of the company

1. APPLICANT'S DETAILS

1.1 Name and Address of Applicant: _____

(please attach list of subsidiaries, if applicable under this policy)

1.2 Main Contact Name: _____
 Main Contact Phone: _____
 Main Contact E-mail: _____

1.3 Website: _____

1.4 Date first established: _____

1.5 Type of Operations: Manufacturer Assembler Importer Wholesaler
 Distributor Exporter Retailer
 Other _____

1.6 Type of Products: Automotive Critical Automotive Non-Critical Tires
 Airbag Seatbelt Electronics Boats / Ships
 Computer Machinery Plastics Building Materials

1.7 Total Number of Facilities / Plants: Home Country = _____
 Elsewhere = _____

1.8 Total Number of Employees: Home Country = _____
 Elsewhere = _____

2. SALES INFORMATION

2.1. Please list the sales figure for current year, the past 3 years as well as the estimated sales for the forthcoming year and indicate the approx. percentage of sales per country:

Year	Total Sales	USA (%)	Canada (%)	Europe (%)	RoW (%)

2.2. Please complete the following information for the top 5 plants / facilities:

	Address	Total Sales	Products	Daily output in \$
Plant I				
Plant II				
Plant III				
Plant IV				
Plant V				

2.3. Please comment on any spare production line or capacity as it relates to 2.2 above:

2.4. Please complete the following information for the top 5 products or if coverage is contract specific, please list products to which this insurance is to apply:

	Product Name/SKU	Total Sales	Average batch size in \$	Largest batch size in \$	Daily output in \$	Cost per unit (\$)
Product I						
Product II						
Product III						
Product IV						
Product V						

(Please provide a copy of the schematics for the top 5 product)

2.5. Taking question 2.1 into account, please detail your 3 largest contracts in the last 24 months:

Customer = _____ Total Sales = _____
 Customer = _____ Total Sales = _____
 Customer = _____ Total Sales = _____

2.6. Taking question 2.1 into account, please detail your average / normal contract size

3. PRODUCT INFORMATION

3.1. Please list your top 5 customers by percentage of sales. Please classify the customer (wholesale, retail, manufacturing, broker or other):

Customer	% of Applicants Sales	Type of Customer

3.2. Please list the estimated total sales (in percentage) by:

Wholesale	Retail	Manufacturing	Broker	Other
%	%	%	%	%

3.3. Please provide percentage of branded (product manufactured for others with their name), non-branded (products with no name) and/or own label products (with applicants name or brand):

Branded	Non-Branded	Own Label
%	%	%

3.4. Please list anticipated use for desired products to be covered including estimated cost of finished product once incorporated into customer or third party's product:

Product	Customer's Product	Estimated per unit cost

3.5. What percentages of your products are manufactured by outside vendors? _____%

3.6. Do you operate a research and development department? Yes No

3.7. Are you responsible for the design of your product? Yes No

3.8. Do you maintain records of design change and reasons? Yes No

3.9. Are your designs subject to independent external review, testing or certification? Yes No

3.10. Do you manufacture any of your products to the specification of your customer? Yes No

3.11. Are your products designed, tested, labeled and manufactured to meet or exceed all governmental and industry standards? Yes No

3.12. Are your products designed, tested, labeled and manufactured for optimum safety in spite of misuse or abuse? Yes No

3.13. What is the life expectancy of your products (give numbers of years)? _____

3.14. What is the failure rate (PPM) of each product after handover (please state in each case whether this is based on actual experience)?

3.15. Please indicate any new products that have commenced production of have entered the public stream of commerce within the last 12 month:

4. SUPPLIER INFORMATION

4.1. Are the products ordered to your specifications? Yes No

4.2. Have you determined which ones are critical to the safety of your final product? Yes No

4.3. Please indicate the total number of suppliers: _____

4.4. Please indicate how many of your suppliers are domestic and how many are foreign:

Domestic = _____ Foreign = _____

4.5. Please complete in respect of your top 5 suppliers and then all other, per below:

Suppliers Name	Domestic or Foreign	Product(s)	% ingredient of product?	Average length of contractual relationship

4.6. Do you have a Supplier Approval Program in place? Yes No
(if yes, please provide a copy)

4.7. Do you have a Vendor Approval Program in place? Yes No
(if yes, please provide a copy)

4.8. Do you perform quality control and product safety audit/inspections of your suppliers? Yes No

4.9. Do you have rights of subrogation against all suppliers? Yes No
Please describe:

(please provide copy of a standard contract used with your top 5 suppliers OR for the products to be covered under this policy, if this is product or contract specific)

4.10. For your 5 largest contracts, are there contractual limitations on your ability to subrogate? Yes No
Please describe:

4.11. Do you require your suppliers to carry Product Recall Insurance? Yes No

If yes, what limits are they required to purchase? _____

What coverage are they required to purchase? _____

4.12. Do you require your suppliers to carry Product Liability Insurance? Yes No

If yes, what limits are they required to buy? _____

Are you requiring to be added to their policy as additional insured? Yes No

4.13. What percentage of your foreign suppliers and/or manufacturers

	Suppliers %	Manufacturers %	If yes,
a) Carry U.S. Products Liability Coverage?			Limits:
b) Have Vendors Liability Insurance coverage			Limits:
c) Operate a U.S domiciled location			Location:

5. QUALITY CONTROL & TESTING

- 5.1 Do you or your third party manufacturer have a Quality Assurance Plan in place (if yes, please provide copy)? Yes No
- 5.2 Do you or your third party manufacturer have any SOPs (Standard Operating Procedures) or GMPs (Good Manufacturing Practices) in place? Yes No
- 5.3 Do you or your third party manufacturer Is there a Quality Assurance Department? Yes No
- 5.4 Is the head of the Quality Assurance Department dedicated full time for such work? Yes No
- 5.5 Do you or your third party manufacturer have procedures for new product validation? Yes No
- 5.6 Do you or your third party manufacturer have a testing program at critical control points on the following:
- Incoming material (incl. packaging and labels) Yes No
- Manufacturing / Processing Yes No
- End product (incl. packaging and labels) Yes No
- 5.7 Do you or your third party manufacturer use internal and/or external testing laboratory? Internal External
- 5.8 Are records of result of quality control tests kept so that you can identify at a later date what tests you applied to given products at a given time? Yes No
- 5.9 How far back do your records go (please give numbers of years)? _____
- 5.10 If your products are manufactured to the specification of your customer do they test the products upon receipt? Yes No
- 5.11 Do you receive an acceptance sign-off from you customer? Yes No
- 5.12 Do all of your products, as insured under this policy, comply with all US / Europe regulations and / or local law in the country where sold? Yes No

6. RECALL PREPARDNESS & TRACEABILITY

- 6.1 Do you have a Recall Plan in place (if yes, please provide copy)? Yes No
- 6.2 Does the company utilize batch coding system? Yes No



6.3 What percentage of your products can you identify by the following:

Product Name:	%	Day:	%	Hour:	%
Batch:	%	Shift:	%	Other:	%

6.4 To what level can you trace your products handled, manufactured or produced once they have left your care, custody and control?

Please provide details: _____

6.5 Are records kept of all shipments? Yes No

If yes, for how long: _____

7. LOSS INFORMATION

7.1. Have you, your premises, products or processes been the subject of recommendations or complaints made by any regulatory body, internal or third party audit over the past year?
 Yes No

If yes, please provide details and documentation.

7.2. In the last 10 years have you withdrawn or recalled any products or have you been responsible for the costs incurred by any third party arising from the withdrawal or recall of any products regardless of any subrogation? Yes No

If yes, please complete a claims supplemental form, as attached.

7.3. Does the company, its directors and officers have any knowledge of any current situation, transaction, event, error or omission which it, s(he) (they) would suppose might afford grounds for a claim which could fall within the scope applied for herein, or which indicated the possibility of any such claim?
 Yes No

Please provide details:

NOTICE: WITHOUT PREJUDICE TO ANY OTHERS RIGHTS AND REMEDIES OF THE INSURER, ANY CLAIMS ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT ERROR OR OMISSION DISCLOSED OR WHICH SHOULD HAVE BEEN DISCLOSED ABOVE WILL BE EXCLUDED FORM THE COVERAGE AS TO ALL INSURED.

7.4. Do you maintain any Product Liability Insurance? Yes No

If yes, what are the limits and deductibles / SIR? _____

7.5. Do you maintain any E&O Insurance? Yes No

If yes, what are the limits and deductibles / SIR? _____

8. LIMITS & SELF INSURED RETENTION

8.1. Limits of Insurance requested: _____

8.2. Self Insured Retention requested: _____

9. COVERAGE

9.1. Base coverage under this policy is Recall Costs (incl. third party recall costs) and Consultant Costs. The following additional endorsements are offered on this coverage form and may be available for your exposure. Copies of all forms and endorsements may be found on our website and through your broker. Please indicate what additional you would like to consider on your policy:

First Party Endorsements:

- Loss of Profit
 - 3 months 6 months 9 months 12 months
- Rehabilitation Expenses
 - 25% 50%
- Extra Expense
- Replacement Costs

Third Party Endorsements:

- Customer Loss of Profit
- Customer Rehabilitation Expense
- Customer Extra Expense
- or
- Third Party Recall Liability

Additional Triggers:

- Governmental Recall
- Adverse Publicity
- Impaired Property

10. DECLARATIONS

I declare that the statements and particulars in this application are true and that no material facts have been misstated or suppressed after enquiry. I agree that this application, together with any other information supplied shall form the basis of any contract of insurance effected thereon. I undertake to inform the Insurers of any material alteration to those facts occurring before completion of the contract of insurance. A material fact is one which would influence the acceptance or assessment of the risk. For complete acceptance, this application must be signed by an officer of the company.

I certify that I have read and understand the applicable fraud warning set forth below:

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, DC, FL, HI, MA, MD, NE, OH, OK, OR, VT or WA- see Additional Fraud Notices attached hereto for these States). INSURANCE BENEFITS MAY ALSO BE DENIED.

Signature: _____

Date: _____

Position: _____

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The Crum & Forster Enterprise, which is part of Fairfax Financial Holdings Limited, is comprised of leading and well-established property and casualty business units. The insurance companies within the Enterprise, rated A (Excellent) by A.M. Best Company, are: United States Fire Insurance Company, The North River Insurance Company, Crum and Forster Insurance Company, Crum & Forster Indemnity Company, Crum & Forster Specialty Insurance Company, Seneca Insurance Company, Inc., Seneca Specialty Insurance Company, First Mercury Insurance Company, and American Underwriters Insurance Company.

ADDITIONAL FRAUD NOTICES

NOTICE TO COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS, IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

NOTICE TO FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE.

NOTICE TO HAWAII APPLICANTS: FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT OR BOTH.

NOTICE TO MARYLAND APPLICANTS: ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY AND WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO MASSACHUSETTS, NEBRASKA, OREGON AND VERMONT APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, MAY BE COMMITTING A FRAUDULENT INSURANCE ACT, WHICH MAY BE A CRIME AND MAY SUBJECT THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

NOTICE TO WASHINGTON APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.



Claims Supplemental Form for Component Parts

1. Name of Applicant: _____

2. Product(s) involved: _____

3. Date and location where incident took place: _____

4. Please provide details of the incident (attach separate sheet if necessary):

5. Did the incident result in a recall / withdrawal / stock recovery? Yes No

6. Did the incident result in your customer(s) recalling their product? Yes No

7. How many production lines were affected? _____

8. How many batches were affected? _____

9. How many production units were affected? _____

10. Please split out % of affected products:

Post-shipment = _____ In storage / distribution = _____ In production = _____

11. Please split out overall costs between: Recall Costs = _____

Replacement Costs = _____

Loss of Profit = _____

Extra Expense = _____

Other = _____

Total Costs = _____

12. What corrective actions have been taken to prevent a similar incident?

Signature: _____

Date: _____

Position: _____