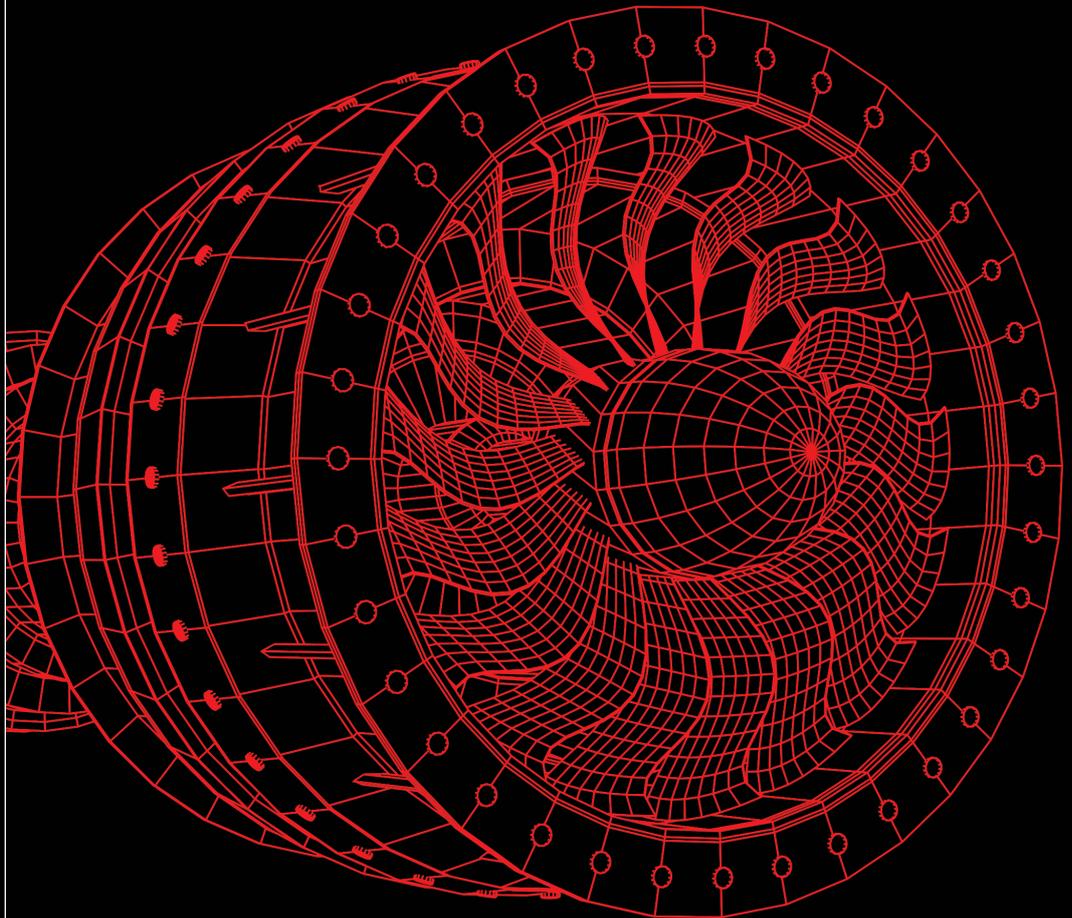


Aviation
Component
Warranty



We have put together the first industry-specific policy for aircraft component manufacturers.

What is it and how does it work?

The product is aimed at Tier 2, 3 and 4 suppliers to the industry with sales of less than \$1 billion producing components ranging from simple bearings or fasteners to complex avionics.

The policy was written to respond to contractual obligations to customers arising from supply of a defective component. It is designed to respond to three types of incidents:

1. as a wrap-around to the grounding section of your aviation liability policy filling in any gaps in cover;
2. for non-occurrence grounding events and non-occurrence non-grounding events; or
3. quality issues on a stand-alone basis.

The product has one simple insured event:

- product warranty responds to all three types of incident;
 - where bodily injury has been caused;
 - where a competent regulatory authority has ordered the grounding of an aircraft; or
 - where the product fails to perform its function or is rejected for being out of specification – caused by both errors in the manufacturing process or design errors.

What does it cover?

The policy is there to provide balance sheet protection against recall and replacement costs incurred following the supply of faulty, out of specification or dangerous product by you and covers both first- and third-party costs.

The expense to recall your product includes inspection costs to confirm an insured event has occurred notification, transportation, disposal and additional employee costs. In fact all reasonable and necessary costs incurred directly because of and connected with the recall can be claimed. Replacement expense can be either a replacement part, a refund, the cost to repair the affected part or the cost to acquire an equivalent part from another manufacturer. It also includes the cost to reinstall the replacement parts. It also covers defence costs incurred for the investigation and defence of any covered claim.

Other aspects of the cover

Twelve months retro cover is provided as standard on all new business quotes (longer periods are available for an additional premium) so you have meaningful cover in place from day one of the policy period.

Multi-year policies are available (with annual review clauses) and can be tailored to cover your whole turnover or specific contracts.

Who can I contact at Hiscox?



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