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THE RECALL RISK FOR AVIATION MANUFACTURERS.

Component suppliers in the aviation industry are contractually or legally liable for costs associated with a faulty part they have supplied to their customers.

An error in manufacturing or design can lead to extensive recall costs, as well as the supplier's own expenses and third-party financial loss.

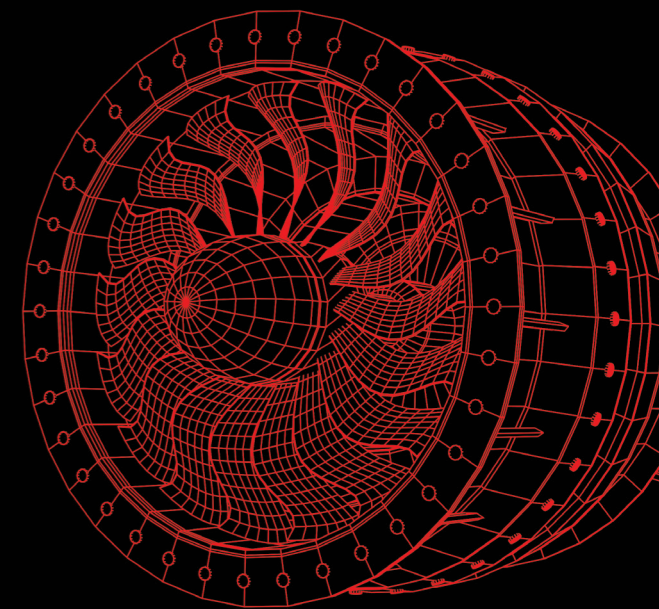
Aviation Recall

For more information

To find out more about Hiscox Aviation Recall, speak to your usual Hiscox underwriting contact, email abcrecall@hiscox.com or contact your broker. For more information on the Aircraft Builders Council visit www.aircraftbuilders.com.



SMOOTHS SUPPLIER TURBULENCE.



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AIRCRAFT BUILDERS
COUNCIL, INC.

Hiscox Aviation Recall

We have put together the first industry-specific policy for aircraft component manufacturers. The Hiscox Aviation Recall policy 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.

This market-leading product has been designed to fit exactly to aviation component part manufacturers contractual exposure and responds to three types of incidents:

1. where bodily injury has been or would be caused by use of the insured product (occurrence)
2. where a competent regulatory authority has ordered the grounding of an aircraft (grounding)
3. where the product fails to perform its function or is rejected for being out of specification (warranty).

What does it cover?

The policy is there to provide balance sheet protection against recall and replacement costs incurred following the supply of a 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

We provide 12 months of retro cover 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.

We can offer capacity of up to \$25 million.

Product recall cover through Lloyd's

Hiscox can trace its Lloyd's roots back to 1901 and underwrites through Syndicate 33 (one of the oldest and most respected syndicates in Lloyd's) and 3624. All Syndicates benefit from the security of Lloyd's high quality A+ financial rating (S&P), as well as its Central Fund.

What differentiates Hiscox Aviation Recall Insurance?

Unlike many other product recall insurers, Hiscox has worked with the aviation industry to develop bespoke and easy-to-understand policy wordings.

We have extensive knowledge of the product recall and warranty world with five dedicated underwriters who have over 80 years' combined industry experience. We lead over 80% of the business we write and insure companies in a variety of industries ranging from multinationals listed on the Dow Jones to 'mom and pop' businesses or single contracts.

Hiscox has also been selected by the Aircraft Builders Council Board of Trustees as the carrier to offer product recall coverage for ABC insureds.



AAFT BUILDERS COUNCIL INC.

Hiscox Aviation Recall Insurance

Key features and benefits

FEATURES

BENEFITS

Bespoke policy wordings.

Responds to the client's specific needs. Underwriters have a thorough understanding of the coverage points.

Broad policy trigger.

Client has confidence they will be covered for a wide range of circumstances.

One of the biggest underwriting teams in London.

Brokers and clients benefit from a proactive team that has decades of underwriting experience in product recall.

Offer on a subscription or 100% basis.

Client can take advantage of the risk diversification of the Lloyd's market.

Fast quote turnaround.

Brokers and clients benefit from quick decision-making.

Access to underwriters on a face-to-face basis.

Underwriters empowered to make decisions and meet with clients when required.

Claims handling mirrors our underwriting philosophy.

Clients will be dealt with by decision-makers to get claims paid promptly and efficiently.

Access to crisis management consultants.

Instant support for clients when facing a recall crisis.

Additional extensions for third-party financial loss.

Policy coverage can be tailored to meet the client's own risk appetite or budget.

