



No Coverage For Contaminated Products/Product Recall

EXPOSURE | A distributor had supply contracts with several grocers. The contracts transferred risk to the distributor and included unlimited indemnification.

WHAT HAPPENED | A salmonella loss of \$28 million occurred and the distributor was unable to recover from the responsible supplier.

RESULT | The distributor had accepted unlimited risk transfer from their customers but had not taken steps to protect their own interests. The distributor had not purchased contaminated product insurance, nor had they required their suppliers to provide evidence of having that coverage. The responsible party had a weak balance sheet and was unable to contribute to the loss.

WHAT LEAVITT GROUP WAS ABLE TO DO | Worked with the grocer's new distributors and supply chain vendors to provide adequate insurance coverage.