



The Next Big Thing in Insurance Coverage

Coverage/Underwriting



Zurich HelpPoint

Contents



1. Brand Assurance Coverage
2. How the Coverage Works
3. Limits/Deductibles
4. Case Studies
5. Structure

4/26/2012

2

What does Brand Assurance Cover?



The policy covers fees and expenses needed to restore a company's brand or reputation in the event of an "Insured Event" crisis. These fees and expenses include crisis management services from a worldwide recognized crisis management consulting firm, WPP, crisis content, advertising and other related brand restoration expenses.

4/26/2012

3

What are some of the crisis management services specifically covered by the policy?



- Public relations
- Public affairs
- Advertising and media design and placement
- Market and customer insight
- Customer communications
- Preparation of key personnel
- Hiring of media vendors, government relations experts, creation of toll free customer numbers, direct correspondence to customers, polling and focus groups

4/26/2012

4

What is NOT covered under the Brand Assurance Policy



- Economic Loss
- Liability Loss
- Fines and Damages
- Product Recall Costs
- Any Brand Restoration Expenses stemming from any change in population, customer tastes, economic conditions, seasonal sales variation or competitive environment

4/26/2012

5

What are the covered “Insured Events”



- | | |
|---|---|
| <ul style="list-style-type: none">– Blackmail or Extortion (against employee, director or officer)– Breach of IT Security (resulting in actual theft/destruction of proprietary information)– Counterfeit Goods (allegedly resulting in BIPD)– Criminal Proceedings (against company or key executive)– Damage to Premises– Environmental or Climate Change Impairment (resulting from a company product or service)– Financial Restatement (publicly filed financials)– Food Borne Illness– Industrial Espionage– Loss of Key Executive (severe illness or death) | <ul style="list-style-type: none">– Major Litigation (class, group or multiple party actions)– Mass Tort– Personal Endorser– Product or Service Boycott– Product Recall– Terrorism– Workplace Violence– Wrongful Detention or Kidnapping |
|---|---|

4/26/2012

6

Product: Wording in Action



Overview



70

Coverage Limits/Retentions/Premium



- Limits: \$50mm/\$100mm
- Deductible: Starting at \$1mm
- Escalating Coinsurance

4/26/2012

8

Target Customers



- Target Customers: Fortune 250 and FTSE 250
- Customers from a diverse range of industries and from various geographical locations

4/26/2012

9



Case Studies – Negative

Shell's Brent Spa Crisis

- Shell announced in 1995 to sink the no longer useful oil storage tank, Brent Spar, to the bottom of the ocean.
- Let cheaper solution to dismantling the structure, made of concrete and steel, on land and recycling the products.
- 3 month protest from Greenpeace – including occupation of the facility and conflict with shell boats trying to water cannon them off.
- Products boycotted causing Shell to lose up £15m a day, as well as having a petrol station in Germany firebombed.
- Shell claimed deep sea dump was safest and most eco-friendly way of getting rid of it, but never publicly addressed issue – but in the end changed its mind and dismantled on shore



10



Case Studies - Positive

Pepsi

- Thursday, June 10, 1993, came the first report of a syringe found in a can of Diet Pepsi.
- The following week, 50 more reports of alleged incidents.
- However, after just eight days from the initial event, Pepsi was able to declare the scare over:
 - The company had persuasively and publicly argued that the syringes could not have been introduced during the manufacturing process.
 - Immediately checked every canning line at the production plants along with employee records.
 - Pepsi showed an in-store surveillance video that caught a customer in act of deliberate fraud.
 - CEO Weatherup appeared on a many news shows including CNN's Larry King show.

11



Case Studies - Positive

Mattel

- In August 2007, toy giant Mattel performed a voluntary recall of over 21 million products because of high levels of lead paint used in its manufacturing.
- Through a solid crisis communication plan, the company was able to take control of the situation and regain the trust of the public. Mattel's most effective communication was the video message the CEO Eckert posted online emphasizing his concern as a parent and his personal responsibility.
- Targeting consumers, stakeholders and media, Mattel sought to create a scenario that would provide the latest information on what the company was doing to improve the safety of its offerings.

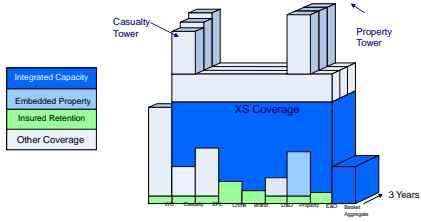


12

Structure



- Monoline Placement
- Captive
- Embedded in Integrated Product offering



4/26/2012

13

Contact



Jane Veeder
Strategic Risk Solutions
212.553.5219
Jane.veeder@zurichna.com

14
