

Manufacturing Capabilities









For manufacturers, a new industrial revolution is underway, advances in technologies, globalisation and a changing business landscape is completely transforming factory floors and the way manufacturers do business. Manufacturers are now confronted with a range of complex risks, in order for them to survive and prosper they need insurance protection that reflects the specific requirements of their business and the new operating environment. Chubb understands these challenges and complexities and is well positioned to proactively help companies of all sizes navigate and thrive in today's world of uncertainty.

Industry Expertise

- Over 50 years of experience providing insurance solutions to address the diverse exposures facing manufacturers
- A broad appetite to support manufacturers as they develop new technologies or enter into new industries
- A myriad of solutions for complex product liability business that may be hard to place
- Multinational capabilities to cover global operations and exposures through one of the largest networks of owned, local branches throughout the world
- Deep manufacturing expertise across underwriting, claims, and risk engineering
- Significant capacity to support monoline or integrated insurance programs

Target Classes of Manufacturing Business

- Non Critical Automotive Parts
- Food and beverage
- · Electrical goods
- Furniture

- Metals & Plastics Wood & Paper
- Government Contractors (eg Defense)
- Commercial Machinery

Why Chubb?

- Claims professionals with significant experience and knowledge in manufacturing claims and litigation
- In-house network of risk engineers to help manufacturing companies identify, mitigate, and control risk
- Advanced services in business continuity planning and supply chain disruption throughout the world
- · Generous policy terms and broad coverage
- Tailored solutions for each client
- Capable of providing up to \$100M capacity
- Chubb, via acquisitions by its predecessor companies, has been present in Australia for 100 years
- Capable of providing cover for US exporters







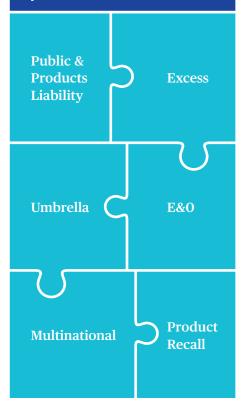






Integrated Solution

Scalable and modular insurance products for risks specific to your business.



Recent Manufacturing Claims

Products Liability

The Insured manufactured and supplied hydraulic hoses for installation in heavy machinery. A fire broke out in the engine of one of the reach stackers which was leased by the Plaintiff. It was alleged that the fire started when one of the hydraulic hoses detached, causing hot fluid to spill over the engine. Proceedings commenced and the plaintiff claimed in excess of \$1.7 million including interest and costs.

It was determined that the Insured had correctly manufactured the hydraulic hoses to specifications set by the manufacturer of the reach stacker. Chubb successfully argued that any deficiency with the hydraulic hoses arose from their design and how they were installed in the reach stacker. The claim ultimately settled for \$800,000 inclusive of costs and interest. Our Insured contributed only \$50,000 towards settlement, with the manufacturer of the reach stacker and their insurer meeting the remainder of the claim.

What Chubb has written lately

Chubb's liability appetite is very broad. We are able to provide flexible and customised solutions for various manufacturing risks. Below are some examples of risks we have written highlighting some of Chubb's capabilities:

Occupation	Coverage	The Chubb Difference
Manufacturer of sorting machinery and sorting plant operations	General Liability Umbrella Liability	 Consultation with the broker on key coverage differences to address onerous contracts Cover extended to blue collar labour hire workers (40% of payroll) Provision of Loss Control services to assist insured with risk management/mitigation
Distributor of compliance standards and product auditing	Global Master Program 12 domiciled locations Non admitted coverage	\$50m limit including US 2 week turnaround on issuing terms with a complete global solution 'Freedom of Service' policy provided (to minimise the number of admitted policies issued in European region) resulting in a premium saving for the client, whilst still ensuring compliance with local laws and regulations Successfully addressed approx 20 coverage queries which also involved manuscripting coverage
Manufacturers of rubber components used in rail, industrial and construction applications	First Party Recall E&O \$1m	Included cover for components used in the rail industry Local \$1m policy in the US with domiciled location to ensure adequate claims handling and to meet local laws and regulations
Auto parts manufacturer & importer	Primary & Umbrella Liability E&O \$5m	 Included cover for auto products \$50m combined limit (non-ventilated) US exports Advice for fee

Errors and Ommissions

A metalworker designed and manufactured a part used in air compressors. The part allowed a slight leak to develop in the compressor requiring the company to inspect and replace hundreds of compressors. The metalworker was sued for lost revenue due to the defective part. Chubb paid out indemnity costs for \$1.6 million and defense and Investigation Expenses of \$65,000.

Workers Compensation Recovery

The insured manufactured metal components. One afternoon an employee was reversing a forklift with a load of raw materials when they collided with an unsuspecting labor hire contractor. Chubb were notified of the incident and immediately took proactive action ensuring CCTV footage was reviewed and statements were taken from witnesses. The appropriate claims and legal counsel were engaged so a clear strategy could be developed about how the incident would be managed, ensuring that a fair outcome would be reached. Chubb's

early intervention and collaborative approach to handling the matter meant accurate reserves were posted and risk management advice provided to the insured to reduce their exposure to similar events in the future. The claim was promptly settled for \$1.05 million.

Contact Us

Chubb Insurance Australia Limited ABN: 23 001 642 020 AFSL: 239687

Grosvenor Place Level 38, 225 George Street Sydney NSW 2000 O +61 2 9335 3200 www.chubb.com/au

Chubb. Insured.[™]