

Manufacturers' E&O



Manufacturers face significant exposure for suits brought against them by their clients when a manufacturing error or omission (E&O) causes financial loss to the manufacturers' clients.

In conjunction with certain Lloyd's syndicates, Miller have produced exclusive products which address this exposure which is explicitly excluded by CGL carriers. Our policy therefore "fills the gap". Millers' manufacturers' E&O capabilities provide solutions to help transfer the risk from the manufacturer to the insurer.

Available coverage

Stand-alone Manufacturers' Errors & Omissions:

- » Providing coverage for third-party financial loss arising from the insured's design, development, manufacturing, selling and value-added reselling of products including advice, consultancy, design, plan, specification, formula, labelling, packing and instructions for use.
- » In addition coverage for claims arising from the installation, training in the use of, support, servicing, maintenance and repair of the insured's products.

Examples of third-party financial losses might include:

- » Third-party business interruption
- » Loss of revenues/profits
- » Recall costs incurred by the customer.

Manufacturers' E&O and Products Recall:

- » Combined policy for both first-party recall and manufacturers' E&O.
- » Providing first-party coverage to protect the insured's balance sheet and cash flow by reimbursing the insured for expenses and other financial losses resulting from an insured event, which are typically excluded on a general liability policy.
- » Coverages include: refunds, costs to repair or replace, labour costs, stock costs and redistribution costs of the affected products and/or impaired property.

Architects and Engineers E&O with Manufacturers' E&O endorsement:

- » For those firms that have the twin exposures of performing custom design and providing replicated manufacturing of a standard product we can provide coverage on an architects and engineers form with manufacturers' E&O endorsement.
- » Usual coverage that is provided on our Miller A&E form including coverage for claims arising from bodily injury and property damage in respect to the engineering/design of customised system or process.
- » Extended coverage for a financial loss caused to third party arising from the insured's manufacturing of a standard/replicated product (no bodily injury/property damage from these operations).



Additional cover included as standard

- » Pollution liability – arising off-site from the insured.
- » Multimedia and advertising liability – an important coverage for manufacturers who may face product disparagement suits.
- » Computer network security – essential for cloud based "just-in-time" manufacturing operations.
- » Privacy liability – protecting customer information from external threats.

How claims can arise

A manufacturer produces faulty components; they are unaware of this fact and sell their components to a client.

- » The client incorporates our insured's component into their product and then their end product is shipped and sold. Their customer discovers the product does not work. The client has to recall products – incurring a financial loss. The client discovers our insured's component is the cause of their product not working.
- » If the client discovers our insured's component is faulty prior to incorporating it into their product but it causes a delay to the client production and a loss in orders and profits. Potentially this is a consequential financial loss that could be covered by our form.

Who we place cover for

Cover is specifically designed for manufacturers of:

- » Automotive component parts
- » Industrial component parts
- » Fabricated metal products
- » Industrial valves and fittings
- » Aerospace and other transportation equipment
- » Plastics and rubber products
- » Packaging

About Miller

Since Miller was founded in 1902, we have gone from strength to strength because of our unwavering focus on delivering an exceptional standard of service to our clients.

We are known for doing the right thing, delivering on our promises and working as one team.

Today, we are a leading specialist (re)insurance broking partnership, headquartered in London with more than 600 people across our UK and international operations.



Miller is proud to hold Chartered Insurance Broker status, the industry gold standard awarded by the Chartered Insurance Institute (CII). This title demonstrates our professionalism, client focussed approach and commitment to excellent service standards.

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