

Loss Bulletin

Vero Liability Insurance



Faulty electric fans require product recall

Loss details

Nature of business

Importer and distributor of fans

Nature of loss

Expenses incurred conducting product recall

Type of product

Electric ceiling fans

An earthing fault was discovered in ceiling fans distributed by the insured. There was a risk of an electrical fault developing if no safety switch was installed. Touching the fan could result in electrocution. The insured's Vero liability policy had the added benefit of a Product Recall Expenses extension.

Fortunately, no personal injuries had been caused by the fault, however the Product Recall Expenses extension was triggered.

The insured initially proposed to recall the fans but then discovered that electricians could rectify the faulty fans in situ. This was quicker, more cost-effective and convenient for customers.

The insured asked Vero to indemnify the costs incurred and not implement a product recall. The rectification was no more expensive and Vero agreed to settle on this basis.

Final loss

Settlement amount

\$42,437



How can I find out more?

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