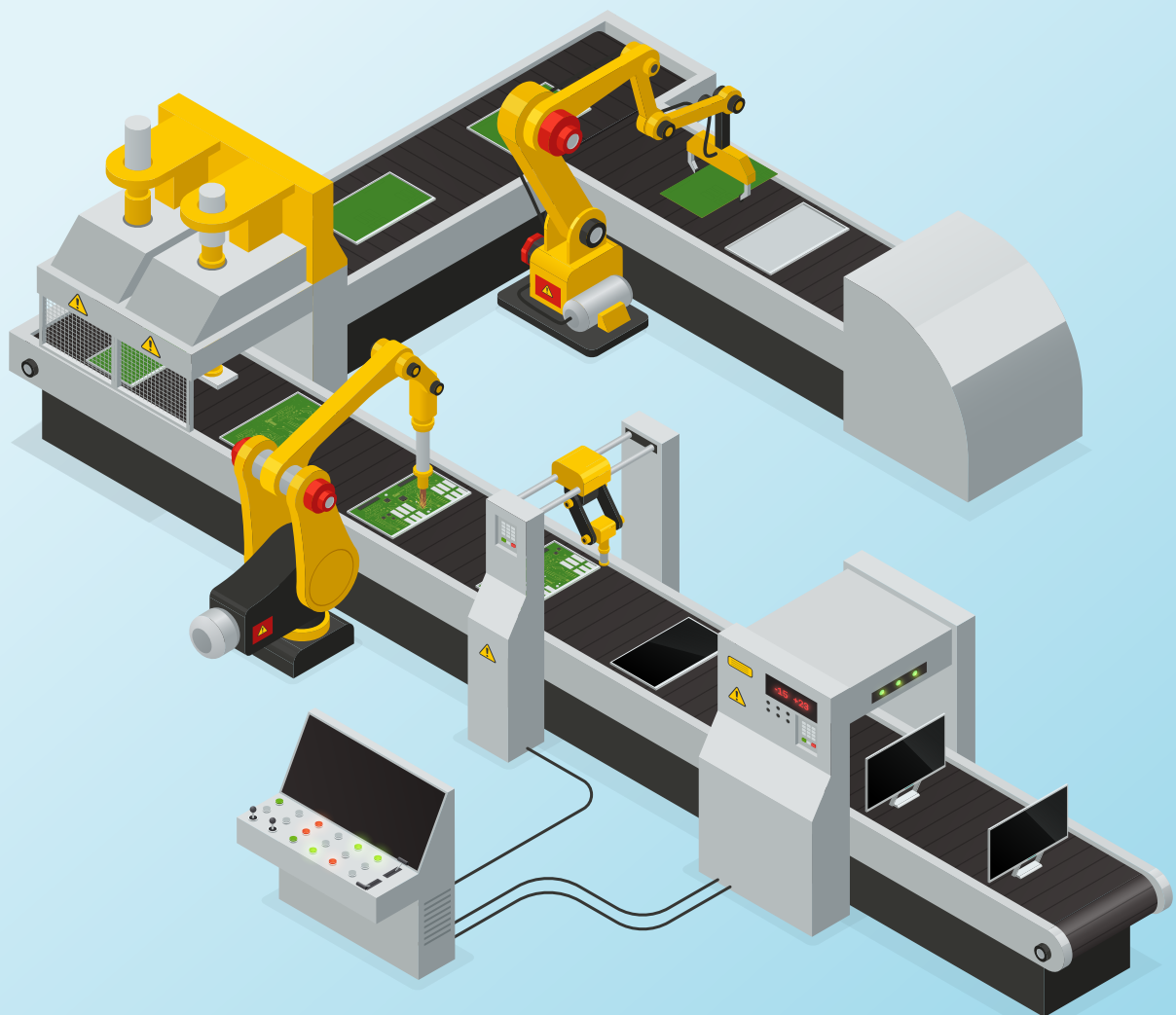




Our **manufacturer's** professional policy in action

Many manufacturers assume they do not need a professional liability policy, believing their exposure to errors and omissions (E&O) is low. However, this is not the case. Explore our claims examples to see how CFC's manufacturer's professional policy steps in when it matters most.



Our **manufacturer's** professional policy in action



Errors & omissions

An automation component manufacturer ran into trouble when a batch of 1,000 components sent to a client was found to be 0.1mm off in size due to incorrect machine settings.

Unable to use the components, the client required a new batch, causing delays in the client's project and financial losses as they couldn't meet their own obligations.

The client held the manufacturer responsible. Fortunately, the insured's policy responded to cover the losses caused by the manufacturing error, as it was an unintentional mistake.

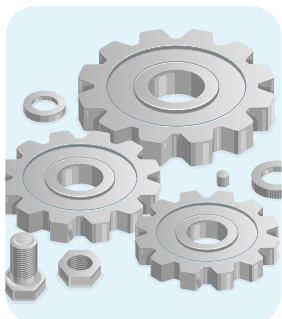


Errors & omissions

A plastic widget producer for the automotive industry supplied a client with 5,000 widgets for dashboards.

Unfortunately, a typo error in the manufacturing process meant the widgets were 0.5mm too small for their purpose and were not functional. This delayed the car manufacturer's production schedule, leading to a missed deadline. As a result, the client sued the insured for lost revenue and additional expenses.

The insured's policy responded to the claim as the claim is caused by an error in the manufacturing process.



Ancillary professional service

A manufacturer of 6.0" cogs for mechanical equipment mistakenly calibrated a machine to produce 5.95" cogs during a routine maintenance check.

The size error went unnoticed, and the cogs were dispatched to the client as usual. However, when the client attempted to use the cogs, they discovered the cogs were unusable.

The client pursued the insured for losses associated with the incorrect calibration of the machine. The insured's policy responds to the claim, as the claim stemmed from an ancillary professional service performed by the insured.



Pollution incident

A manufacturer of plastic bottles designed for hazardous chemicals faced a claim when a client discovered leaking bottles in their warehouse.

An investigation found the leaks were caused by a reaction between the bottle contents and a newly introduced bonding glue, which had weakened the bottles' structure.

The client pursued the insured for associated losses, and the insured's policy responded, as the leak was due to an issue in the manufacturing process.

Our **manufacturer's** professional policy in action



Media liability

A manufacturer of children's lunchboxes featuring popular characters encountered a legal issue after mistakenly assuming their renewed licensing agreement covered all franchises from a prominent media outlet.

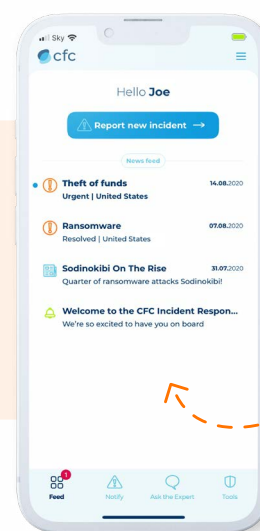
They released a new range featuring a well-known superhero, only to receive a cease-and-desist letter for unauthorized trademark use. The distributor flagged the issue, and the insured realized the agreement only covered cartoon characters, not superheroes.

The policy responded to defend the claim, resolving the matter with the insured and assisting the insured in extending their licensing agreement.

Proactive protection

With the threat of cybercrime impacting professional service lines more frequently, it's crucial to have the right cover in place.

Every CFC policyholder has access to the CFC Response app, providing vulnerability scanning, threat monitoring and real-time security prevention to help prevent cyber attacks before they happen.



To find out more about CFC's manufacturer's professional policy, please contact professions@cfc.com.

These examples are intended for illustrative purposes only. Each claim submitted to CFC by an insured is based on the terms and conditions of the coverage provided to that particular insured and the facts and circumstances relating to a particular claim. Coverage is subject to underwriting and the terms, conditions, and limits of the issued policy.

© 2024 CFC Underwriting Limited. All rights reserved. CFC Underwriting Limited is Authorised and Regulated by the Financial Conduct Authority FRN: 312848. Registered in England and Wales RN: 3302887. Registered Office: 85 Gracechurch Street, London EC3V 0AA.

