

Hanover Manufacturers Advantage

Coverage scenarios

Manufacturers of all types of goods face unique risks and exposures to loss—from suppliers of raw materials through delivery of finished products. And, anywhere along the chain, one accident, mishap, or product recall can impact a manufacturer’s throughput and cause adverse business liabilities and claims. In response, The Hanover has developed specific coverage solutions and services aimed at closing gaps that may exist in manufacturers’ current insurance programs.

Hanover Manufacturers Advantage coverage

Our optional coverages and endorsements allow policy customization that aligns best with a particular business’ needs. Below are some exposures to keep in mind when considering coverage. It should be noted that actual losses must be evaluated based upon their own facts and circumstances.

RISK EXPOSURE	KEY QUESTION(S)	HANOVER SOLUTION*
A sophisticated piece of equipment that is critical to operations breaks down, halting throughput.	<ul style="list-style-type: none"> Are the physical perils and business interruption risks associated with the rapidly evolving technology of data-driven machines adequately covered? Are there insurance gaps? 	<p>The Hanover’s equipment breakdown coverage responds to these new exposures and new risks associated with the rapidly evolving manufacturing technologies with bold new coverages.</p> <ul style="list-style-type: none"> Microelectronics coverage covers failures when physical damage is not detectable or when firmware or software failure causes nonphysical damage. Coverage is triggered when covered equipment suddenly stops functioning and replacing that part or component containing electronic circuitry restores functionality. Cloud computing services have been added to service interruption coverage. This pays for data research, repair and restoration services, lost business income and extra expense when an insured’s cloud service provider experiences an outage due to equipment breakdown. Data restoration coverage for data lost when there is a covered service interruption, such as a loss of electrical power. Coverage applies to data on insured’s own equipment, and to data they store in the cloud, when there is a covered service interruption at the cloud provider. Off-premises coverage includes business income, extra expense and data restoration, as well as property damage for all kinds of mobile equipment that may be at risk
Manufactured products are found to be defective.	<ul style="list-style-type: none"> What happens if a defective product causes a product recall? Who pays for the recall expenses? 	<p>The Hanover’s product recall expense coverage reimburses for expenses incurred to remove a defective product from the marketplace, including costs to notify customers, employee expenses, shipping, transportation and disposal of defective products. Also covered is the cost of inspecting and testing of defective products to determine whether or not a recall is warranted.</p> <p>Optional “additional covered expense” reimburses for recall-related expenses and losses incurred by other parties, such as: repair, replacement or repurchasing costs; customer’s lost profit coverage, and good faith advertising coverage.</p>

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A customer sues a manufacturer over a recalled product.	<ul style="list-style-type: none"> What happens if the company with the product recall and its customer can't agree on reimbursement costs and lost profit? 	Customer lawsuits as a result of a product recall related to a manufacturer's defect lawsuit would not be covered by general liability insurance. However, optional product recall liability coverage does cover all subsequent claims for damages, including legal representation.
Manufacturing operations and product distribution include international exposures.	<ul style="list-style-type: none"> What about lawsuits generated overseas? What coverage is needed for companies that send staff overseas, run foreign offices, or import and export products and services? 	<p>The Hanover's GlobalReach offers comprehensive, global protection to protect businesses abroad. Key coverages of our comprehensive non-admitted solution include:</p> <ul style="list-style-type: none"> Commercial global property Commercial global liability International business auto Foreign voluntary workers' compensation/employers' liability Employers' liability, kidnap, ransom and extortion Business travel accident <p>Also includes medical, security, and travel-related assistance services for employees and their families traveling to foreign locations on business through our partnership with UnitedHealthcare Global assistance services.</p> <p>We also have the capabilities to acquire admitted policies in more than 150 countries in addition to being able to provide a controlled master program with difference in conditions/ difference in limits coverage that bridges the gaps often found in local admitted policies.</p>
As a result of a faulty plastic mold, a customer could not deliver its parts in time and lost its contract. It sued the tool and die shop for lost revenue and expenses.	<ul style="list-style-type: none"> How can metal or plastic manufacturers protect themselves from liability? 	<p>The Hanover's Manufacturers Errors & Omissions Coverage offers three options:</p> <ul style="list-style-type: none"> Manufacturers errors and omissions—loss of use endorsement forms cover claims for lost revenues Manufacturers errors and omissions repair, replacement or adjustment endorsement forms cover claims for the cost to repair or replace defective parts The Hanover's base loss of use form can be endorsed to add repair, replacement or adjustment coverage
A storm causes a major power outage, resulting in loss of refrigeration.	<ul style="list-style-type: none"> What affect would an outage have on your business if you lost a large portion of raw materials or finished product due to spoilage or contamination? 	The Hanover's food spoilage contamination endorsement provides coverage for spoilage or contamination to stock due to a covered loss. We also provide Risk Solutions service visits to assess and make recommendations for improvement on disaster preparedness/business continuity, and proper storage of food products and ingredients.

E-commerce/data breach/cyber liability

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According to a report from the U.S. Department of Homeland Security, manufacturing is the second-highest industry of reported cyberattacks.	<ul style="list-style-type: none"> How would your business be affected if your network was violated by a hacker and software was damaged and data was breached? 	<p>Hanover's E-commerce coverage provides up to \$100,000 coverage for damage to hardware, software and data caused by a hacker virus or worm and up to \$250,000 of income lost due to the same causes.</p> <p>Hanover's data breach coverage provides notification, forensic analysis, and credit monitoring services expenses, costs of labor to recreate or copy lost or stolen data, cyber business interruption and extra expenses incurred due to a breach.</p> <p>Cyber liability coverage offers protection for lawsuits as a result of a data breach.</p>

Service

RISK EXPOSURE	KEY QUESTION(S)	HANOVER SOLUTION*
Poor electrical connections, unbalanced loads, deteriorated insulation, or other potential problems with electrical components may lead to excess power use, increased maintenance costs, or equipment failure.	<ul style="list-style-type: none"> How often should thermographic testing of electrical equipment be done in a manufacturing facility? 	Hanover Risk Solutions offers thermographic testing of electrical equipment for all insureds as a valued-added service; a service other insurance carriers may provide but on an additional fee basis.
Keeping workers injury-free and safe, especially during a tight labor market.	<ul style="list-style-type: none"> What steps should be taken to keep employees safe and on the job? 	Pre-loss consultations and jobsite safety analysis is available with our risk solutions consultants, who can recommend how to implement risk management best practices. Our consultants can also assist in workforce education needs.
Reduce workforce loss exposure through injury prevention.	<ul style="list-style-type: none"> Where can I go to learn how to help prevent injury in the first place? 	Hanover Risk Solutions consultants are highly experienced with an average of 20 years in safety consultation, and hold professional certifications/designations, including CSP, CIH, CFPS, PE, ARM, and MIS. In addition to the training programs available on our Risk Solutions website, Hanover Risk Solutions provides on-site visits from insurance professionals who can provide tools, tips, and recommendations to help reduce risk exposures before an injury happens.
Fully understanding all the factors needed to guarantee the right amount of business income insurance.	<ul style="list-style-type: none"> How much business income insurance is required for a manufacturer? What is the impact of underestimating the period of restoration and business income limits? How do you begin to quantify a period of restoration and extra expense needs? 	The Hanover's business impact risk assessment for manufacturers aids in identifying and evaluating business insurance (BI) exposures. Combined with the BI worksheet for manufacturers, it helps to estimate an appropriate BI limit to protect against an underinsured loss. In addition, Hanover Risk Solutions offers both business continuity self-help resources along with trained staff capable of customer consultations.

Claims

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Out-of-pocket costs which can quickly add up in the event of a claim.	<ul style="list-style-type: none"> Do employees have to pay for initial workers' compensation prescriptions out-of-pocket and wait to be reimbursed until after a claim is filed? 	With The Hanover's First Fill Rx program, initial prescriptions can be filled from an approved formulary prior to a claim being reported. This allows injured workers to obtain work-related prescriptions without delay or out-of-pocket expenses.
Multiple carriers can lead to claim submission confusion.	<ul style="list-style-type: none"> Is there a clear, simple way to know to which carrier I need to submit a claim? 	When you have total account coverage with The Hanover, you have just one point of contact for prompt service.
Worker absence and disability is a significant cost driver for most manufacturers and can be very stressful for workers.	<ul style="list-style-type: none"> What can be done to help injured workers get back on their feet? 	The Hanover's return-to-work specialists assist manufacturers in returning injured employees to safe, productive work as soon as medically possible. A nurse case manager works with the policyholder as well as the employee's doctor to match the employee's abilities with suitable existing or transitional work. This group effort contributes to lower disability costs.
Delays in reporting an injury to the carrier may result in a delay returning an injured worker back to work, resulting in a greater financial impact from the loss.	<ul style="list-style-type: none"> How confident can I be that my claim will be handled quickly and accurately? 	<p>Since many manufacturers' plants run 24 hours a day, injuries can happen around the clock. The Hanover offers several convenient options for reporting a new loss: Policyholders can call the 24/7 claims reporting hotline; submit a report via The Hanover's website; or email or fax a loss report.</p> <p>Timely reporting enables early intervention, including contacting the injured employee within 24 business hours. The adjuster will initiate contact with the employer and the doctor to facilitate a team approach to claim resolution.</p>

* While Hanover does business in all states, our Manufacturing appetite varies by state. Contact your local Hanover underwriter for more details about your specific needs and circumstances.

Let's talk manufacturing

Talk to a Hanover representative to see how we can develop a tailored protection plan for a broad spectrum of manufacturers.



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