

Celebrity Product RecallResponseSM Protection When a Celebrity Endorsement Becomes a Costly Mistake



Companies of many sizes are associating with well-known celebrities and athletes to promote everything from cereal and makeup, to cookware and causes. These celebrity product endorsements can be powerful marketing tools ... but the strategy can backfire when a celebrity spokesperson becomes entangled in an illegal activity, public scandal or disgrace – or dies unexpectedly.

When this occurs, a once positive association can quickly turn bad: A widely publicized disgrace can irreparably damage not only the celebrity's image, but the brands they represent – perhaps a company's most valuable assets. Companies must pivot quickly to control the fallout for their endorsed product, pulling goods from shelves and scrapping expensive advertising campaigns altogether. A swift, efficient product recall can be critical – and costly.

Celebrity Product RecallResponseSM, from Lexington Insurance, a leader in this type of coverage, is expressly designed to ease the financial burden of such a recall.

In the age of social media, word of celebrities behaving badly spreads worldwide instantaneously – with swift, adverse implications for products or brands the celebrity endorses. When this occurs, acting fast to get products the celebrities endorse off the shelves and shutting down advertising campaigns can be critical – and costly.

Critical Relief For A Key Niche

With Celebrity Product RecallResponse in place, companies can move forward with celebrity endorsement campaigns with confidence, knowing they can properly protect their products and their brand if their once-esteemed celebrity endorser suddenly falls from grace – or dies unexpectedly. The coverage is specifically designed for companies that need assistance shouldering recall burdens – including startups, small and mid-sized companies that could be leveled by the crisis.

Celebrity Product RecallResponse

Key Highlights

- Covers product recall expenses – including costs to: recall the product(s) utilizing a celebrity endorser's name and image; notify others of the incident; transport products; rent additional warehouse or storage space; dispose of or otherwise destroy products and product packaging; pay overtime wages to employees; and utilize other personnel, including their transportation and accommodation costs, for work devoted to such incident.
- Reimburses product advertising expenses – including costs the insured has incurred to remove marketing and advertising materials from the marketplace, including transporting material back to the insured and disposing of it.
- Covers worldwide exposures.
- Provides access to RiskTool Advantage[®] to assist companies with risk assessment and in preparing and executing a recall plan.

Celebrity Product RecallResponseSM

Protection When a Celebrity Endorsement Becomes a Costly Mistake

Celebrity Product RecallResponse responds when there is significant news media coverage of a celebrity endorser's criminal act, offence or distasteful public conduct that results in (or is likely to result in) public hatred, contempt or scorn directed at the "celebrity endorser" – and that has a significant adverse impact on the insured's product(s).

Coverage is an efficient solution for a wide range of companies that retain celebrities to endorse their product or service – including start-ups, small and mid-sized businesses engaging a celebrity endorser for the first time.

Celebrity Product RecallResponse can be structured for individual needs: It is available on a standalone basis or as an endorsement to Lexington's general liability or products liability insurance:

- Up to \$5 million in limits available standalone.
- Up to \$1 million in limits available by endorsement.

It can be customized to target a specific celebrity-endorsed product or multiple products manufactured and distributed by the insured. Policies can be further customized to address a client's individual issues.

It happens all the time.

A long-respected athlete is embroiled in a performance-enhancing drug use controversy, his endorsement of a new sports drink is suddenly a major liability for the company.

A celebrity is charged with domestic abuse. The manufacturer's products he endorses must pull national advertising materials from the marketplace fast.

A reality TV star engages in significantly offensive public conduct. The diet supplement and vitamin company's products she was endorsing must be pulled along with advertising nationwide.

Growing companies can associate with celebrities with confidence – with Celebrity Product RecallResponse.

Celebrity Product RecallResponse is part of Lexington's RecallResponse suite of products, which provide broad coverage and specialized claims and recall support for companies manufacturing products ranging from food and beverages, to electronic equipment components, to children's toys.

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