

# What became of the claim?

## Recall resulted from a third-party-designed battery compartment



### Event

OEG Industrial Design Co., a specialised industrial design consultancy, was engaged by Dynamic Electronics Ltd to design a compact consumer-grade 3D printer. After the product reached the market, a post-launch technical review identified a design flaw: inadequate ventilation around the printer's internal power unit posed a potential overheating risk during extended operation. Although no incidents or injuries occurred, Dynamic Electronics voluntarily recalled the 3D printer due to the risk of a fire hazard.



### Impact

Due to its contractual obligation, OEG incurred over AUD 375,000 in customer refunds, replacements, shipping and logistics. Costs were also incurred for the disposal and recycling of the faulty product, as well as for PR and legal support. At the time, no regulatory fines were issued; however, failure to act promptly could have led to greater liability exposure under product safety regulations.



### Response

Delta responded under its Product Recall – Consumer Goods & Component Parts Policy. OEG's operating costs were covered, including expenses for product redesign and independent testing. OEG received immediate access to crisis communication consultants and expert regulatory and legal advisory services, guiding the company through compliance requirements, reporting obligations, and contractual risk management.



### Outcome

OEG had shared logistical obligations under their agreement with Dynamic Electronics; therefore, these expenses were covered in the claim. The policy gave OEG peace of mind to take immediate responsibility for the design oversight.

Dynamic completed the recall and launched a redesigned model. Consumer confidence began to recover due to timely, transparent communication. OEG was able to fully recover the total claim cost of \$375K from their Delta Product Recall policy.

## Product Recall



This case study highlights the critical importance of a comprehensive insurance cover when working with third-party contractors, such as product designers.

