
Product Liability Insurance

Salient Feature

Policy indemnifies the insured against legal liability to third parties in consequence of death / bodily injury arising from the use of product sold to them.

Scope of Cover

Policy indemnifies the insured all sums which the insured shall become legally liable to pay as damages in consequence of accidental death/bodily injury or disease to third party or damage to their property arising out of any defect in the products manufactured and covered under the policy after such products have left the insured's premises.

Main Exclusions

1. Product Recall.
2. Deliberate, willful or international non-compliance of any statutory provision.
3. Loss of goodwill, loss of market.
4. Fines, penalties, punitive/exemplary damages.
5. War and War like situations.
6. Any loss occurring prior to the Retroactive Date mentioned in the policy.

Premium Rating

Premium : - Premium will depend on the kind of products produced by the insured i.e. insured's classification as per Risk Group. Turnover, Ratio of Any One Accident Limit to Any One Year Limit etc.

Excess : - Policy is subject to Compulsory Excess i.e. in the event of a claim, the insured must bear 0.50% to 1% of the limit of indemnity.

Notes

Exports : - Exports of products to USA, Canada, Europe and other countries also can be insured under the policy.

Vendors Legal Liability : - The policy can be extended to include the liability of vendors.

Technical Collaborator Liability : - The liability arising out of any agreement of Technical Collaboration can be covered as an extension.