

Product Liability Insurance

การประกันภัย ความรับผิดอันเกิดจากผลิตภัณฑ์



Mitsui Sumitomo Insurance Co., Ltd. Thailand Branch

175 Sathorn City Tower 14th Floor , South Sathorn Road,
Thungmahamek, Sathorn, Bangkok 10120, Thailand

Tel: +66 (0) 2679 6165-87 Fax: +66 (0) 2679 6209-14

www.ms-ins.co.th



**MITSUI
SUMITOMO**
INSURANCE CO., LTD.
THAILAND BRANCH
www.ms-ins.co.th

A Member of **MS&AD** INSURANCE GROUP

Mitsui Sumitomo Insurance Co., Ltd. Thailand Branch headquartered in Japan within the MS&AD Insurance Group, is going to celebrate the 50th anniversary of its establishment in Thailand in 2014.

Initially specializing in providing non-life insurance for large-scale Japanese manufacturers and their affiliates, these days the company strives to provide its best insurance solutions for corporate clients of many nationalities in various lines of non-life insurance business including motor insurance.

With full support from the head office, the company's strong financial position in Thai insurance business and high service standards have long been recognized and awarded continually.

As one of those recognitions, the company became the first foreign insurer in the history of Thai non-life insurance industry when it won the first prize of the prestigious Prime Minister's Insurance Award 2011 for Outstanding Management.

Contents

- 01** - What are the benefit of Product Liability Insurance ?
 - Product Liability
- 02** - Coverable Losses and Policy Exclusions
- 03** - Liability from Final Products / Manufactured Products
 - Limit of Liability and Policy Territory
 - Premium Calculation Factors
- 04** - Liability Claim Process
 - Policy Period and Claims Payable

What are the Benefit of Product Liability Insurance ?

Benefit




Product liability insurance protects the Insured from legal liability caused by bodily injury, sickness and property damage to a third party or end-users caused by defects in the insured's products and occurring within the policy territorial limits.

With product liability insurance, we will appoint an experienced agent or lawyer to act on your behalf in providing you with an appropriate defense in cases involving the allegations of claimants caused by the defective products for which you are liable.

By such professional defense and acting, your burden in going through the process alone will be eased, unless you would prefer to proceed with the lawsuit on your own.

During the lawsuit process, however, you will still need to submit necessary documents and testimony evidence in addition to appearing in court.

Product Liability

Case	Cause	Damage	Loss
01 	Defective Television	<u>Fire damages the house</u>	- Repair Costs - Defense Costs
02 	Defective Cosmetics	<u>Face is damaged by many spots</u>	- Medical Treatment - Defence Costs
03 	Defective Battery	<u>Fire from the battery burns the finger</u>	- Medical Treatment - Defence Costs

Coverable Losses

Compensation for Damages

This is an insurance payment for amount incurred by the insured's **legal liability** due to

- ★ Bodily injury including death
- ★ Property damage
- ★ Including litigation cost for legal defense

to a third party (claimant), caused by the defective products for which the insured is legally liable.

As we act on your behalf and defend you, we negotiate with the claimant and make the compensation directly to the claimants on Insured's behalf.

Major Policy Exclusions

Remark: Please read the full policy wording for more details

- ★ Liability assumed under any contractual agreement.
- ★ Delay in or lack of performance by or on behalf of the named insured of any contract or agreement.
- ★ Failure of the insured's product to perform and meet the level of performance, quality, fitness or durability warranted or represented by the named insured products.
- ★ Product damage to the insured's products.
- ★ Manufactured product liability exclusion.
- ★ Final product liability exclusion.
- ★ Product recall / Product withdrawal from market.
- ★ Product guarantee / Extended warranty.
- ★ Any pollution and contamination.
- ★ Fines, penalties, punitive damages etc.
- ★ Any claim and pending litigation occurring with the insured's knowledge before the policy inception date or prior to the retroactive date.

Other Exclusions

- ★ Liability for any loss or damage resulting from products containing asbestos.
- ★ Liability from any organization doing business of manufacturing, selling and servicing alcoholic beverages.
- ★ Liability / injury to the insured's employees.
- ★ Workmen compensation / employer liability.
- ★ Professional liability services.
- ★ War, invasion, acts of foreign enemies, hostilities, (whether or not war has been declared) civil war, rebellion, revolution insurrection or terrorism (including any action taken to hinder or defend against actual or anticipated incidents or terrorism), nuclear weapons, radioactive materials.

Liability from Final Products / Manufactured Products

Additional Explanation

Final Product Liability

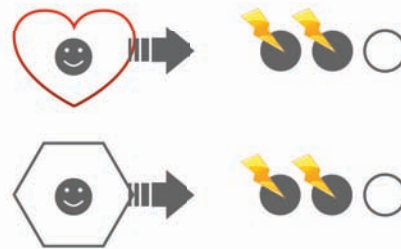
This insurance does not apply to liabilities arising from property damage to any products or goods, irrespective of whether or not the aforementioned is finished, containing, including or incorporating the named insured's products as a part or ingredient.



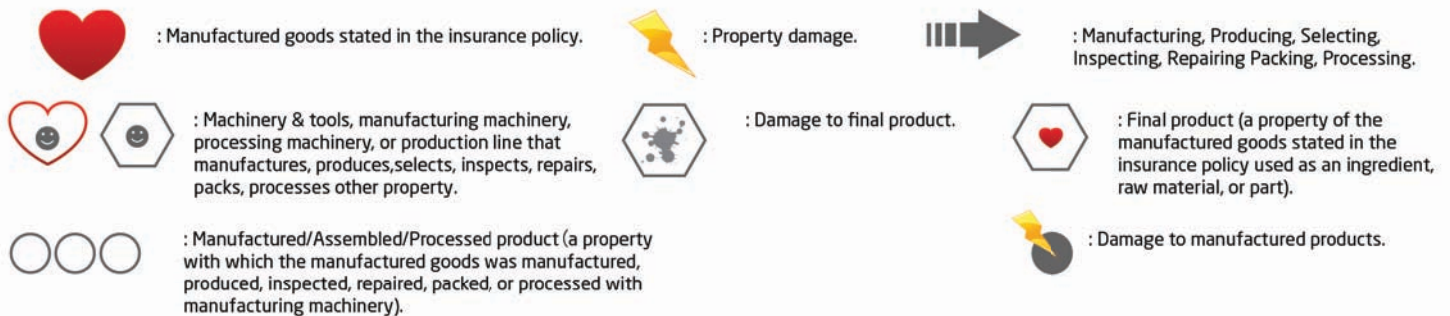
Manufactured Product Liability

This insurance does not apply to liabilities arising out of property damage to any products or goods, irrespective of whether or not the aforementioned is finished, which are manufactured, assembled or processed by use of the named insured's product.

But this exclusion does not apply to property damage arising out of physical injury to or destruction of the named insured's product.



Definitions



Limit of Liability and Policy Territory

Limit of Liability

★ The standard policy sets the combined single limit of liability for both bodily injury and property damage
e.g. Maximum limit "....."per occurrence] and in aggregate per policy period

★ The limit can be set in Thai Baht or any other currency.

★ The limit of liability is the combined limit of liability for the damage compensation and the defense cost combined, which is the total payable limit during the policy period (Aggregate limit).

Please note that once the payments reach the limit, no more payments can be made for additional accidents.

Policy Territory

★ Claims will be triggered if the accident /claim happens within the scope of policy territory.

★ Domestic Thailand is applicable for the coverage in general.

★ It is possible to add countries/areas other than Thailand in the coverage in cases where the products are exported to other countries (However, USA /Canada are generally excluded by our policy).

Premium Calculation Factors

★ Complete the questionnaire for quotation

★ Type of insurance business (Occupancy).

★ Sensitivity/hazards of the insured's products.

★ Exposure (risk size) e.g. size of business, estimated annual turnover.

★ Market distribution channels (domestic or export sales).

★ Policy territorial limit.

★ Limit of liability requirement.

★ Deductible.

★ Loss history.

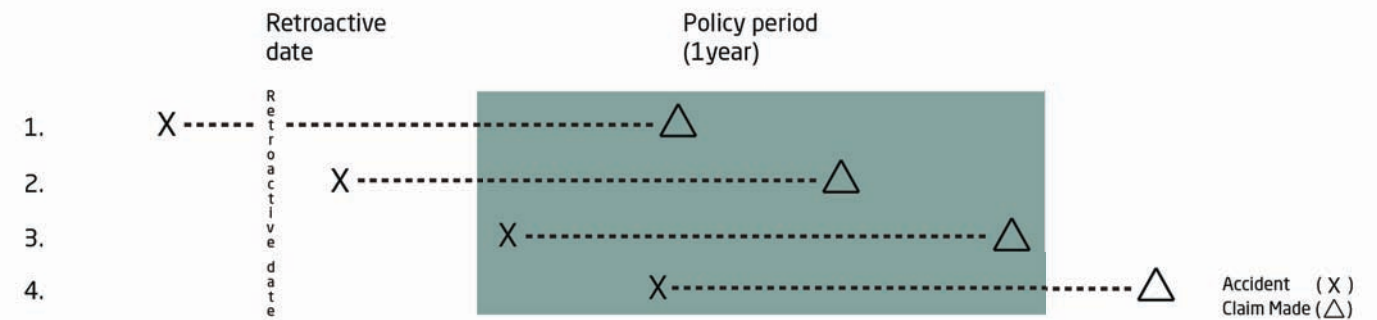
Liability Claim Process



Policy Period and Claims Payable

The claim trigger for product liability insurance is based on a "Claims Made Basis", i.e. Claims made by a third party (claimant) during the policy period.

For a claim to be triggered under a claim made basis, the claimants need to report the claim to the insurer within the policy period and the claims have to occur on or after the retroactive date.



- ★ Claim 1: Not covered as the accident occurred before the retroactive date.
- ★ Claim 2: Covered.
- ★ Claim 3: Covered.
- ★ Claim 4: Not covered as the claim was made after the policy period. The accident will, however be covered by a renewed policy, if any.

★ This booklet describes the outline of products only.

Please refer to the insurance policy for consideration.



Mitsui Sumitomo Insurance Co., Ltd. Thailand Branch
175 Sathorn City Tower, South Sathorn Road
Thungmahamek, Sathorn, Bangkok 10120, Thailand

Tel: +66 (0) 2679 6165-87
Fax: +66 (0) 2679 6209-14

www.ms-ins.co.th

A Member of **MS&AD** INSURANCE GROUP