

MAXIMA PRODUCT LIABILITY INSURANCE

PROSPECTUS

(RETAIL)

Introduction

Product liability law finds its origin in the common law concept of caveat venditor, meaning "let the seller beware", placing the onus on the seller for any problem that the buyer might encounter with a service or product. Product liability implies the responsibility of a manufacturer or vendor of goods to compensate for injury caused by defective merchandise that it has provided for sale. Product liability cases have consequently led to development in general principles of contract law and tort law; wherein in contract law, product liability is based on the principle of 'warranty', and in tort law product liability is based on the principles of 'negligence' and 'strict liability'.

The Indian Ministry of Consumer Affairs, Food and Public Distribution made the new Consumer Protection Act, 2019 ("CPA 2019") effective which replaced the erstwhile Consumer Protection Act, 1986 in entirety. One of the key features of the CPA 2019 is the concept of product liability. Prior to this there was no specific provision under any statutes in India which governed product liability and also there was no comprehensive legislation regarding this. Law related to product liability in India was essentially governed by contracts and generally under the Consumer Protection Act, 1986, the Sales of Goods Act, 1930, the Indian Penal Code, 1860 and certain specific statutes pertaining to specific goods and standardization.

In order to safeguard the manufacturer, vendor or distributor, the Product Liability Insurance policy was introduced. This policy covers claims for which the Insured becomes legally liability to pay to third parties as the result of bodily injury or property damage arising out of an accident which occurs due to or arising out of any defect in the product manufactured, sold or distributed by the Insured.

Who can take this insurance?

- Any individual who is into the business of design, manufacture, trading or distribution of tangible product.

What the Policy does not cover?

This policy does not cover liability in connection with below:

1. Absolute Asbestos
2. Agreement or Contractual Liability
3. Aircraft Products
4. Biological Agents / Communicable diseases
5. Consequential Loss

6. Damage to impaired property or Property not physically injured
7. Damage to Own Property
8. Expected or Intended Injury
9. Genetically Modified Organism
10. Injury to employees
11. Pollution
12. Product Efficacy and Guarantee
13. Prior Acts - Claims and losses arising made or notified before the retroactive date
14. Recall of Products, Work or Impaired Property
15. Unapproved Goods or Products

For complete list of exclusions, please refer the policy wordings

What is the Sum Insured?

In Product Liability Policy, the sum insured is referred to as Limit of Indemnity. This limit is fixed per accident and per policy period which is called Any One Accident (AOA) limit and Any One Year (AOY) limit respectively. The limit of Indemnity is to be decided by the Insured based upon their own and industry experience.

What should be the deductible?

The first amount which the insured needs to bear on each and every loss which he claims, is known as policy deductible.

What are the Endorsements/Extensions available under the policy?

Standard Extension

- Additional Insured
- Batch Clause Extension
- Named Technical Collaborator's Clause Extension
- Unnamed Vendors' Inclusion Clause
- Waiver of Subrogation

Others Extension

- Financial Loss Endorsement
- Blending and Mixing Endorsement
- Product Guarantee Endorsement
- Product Recall Endorsement
- Product Recall Endorsement with Government Mandated Recall
- Specific Matter Endorsement

TERRITORIAL LIMITS

The Company's liability to make any payment shall be to make payment within India and in Indian Rupees only. However, the same can be extended on a Worldwide basis as per requirement of the Insured.

What to Do in Event of a Claim?

- Ensure safety of employees.
- Initiate Loss minimization measures.
- Inform incident to Public Authorities if required.
- Call Zurich Kotak GIC Call Centre on Toll Free No: 1800-266-4545 OR
- Send Letter or Fax to Zurich Kotak GIC corporate office
- Email us at care@zurichkotak.com
- Zurich Kotak GIC will depute an IRDAI licensed surveyor to attend to the loss
- Please provide necessary assistance to surveyor or company officials for finalization of loss.
- Please furnish required documents and any clarifications that may be sought.

Turn Around Time (TAT) for claims settlement

Appointment of surveyor	Within 24 hours of reporting of claim
Submission of final survey report	Within 15 days of allocation
Settlement of claims	Within 7 days of receipt of the survey report or after expiry of 15 days from allocation of the claim to the surveyor whichever is earlier*

**This timeline will apply where surveyors are appointed*

What are the terms of Cancellation?

The insured can cancel the policy at any time during the term, without assigning any reason, by giving notice in writing to the Company

The Company shall-

- Refund proportion premium for unexpired policy period, if the term of the policy is upto one year and there is no claim(s) made during the policy period.
- Refund premium for the unexpired policy period, in respect of policy with the term more than one year and the risk coverage for such policy years has not commenced.

The Company can cancel the policy only on the grounds of established fraud, by giving minimum notice of 7 days to the insured.

Grievance

For resolution of any query or grievance, **Insured** may contact the respective branch office of the **Insurer** or may call toll free number 1800 266 4545 or may write an e- mail at care@zurichkotak.com.

In case the **Insured** is not satisfied with the response, **Insured** may contact the Grievance Officer of the **Insurer** at grievanceofficer@zurichkotak.com. In case if the **Insured** is not satisfied with the solution the Grievance Officer has provided, **Insured** can write to seniorgrievanceofficer@zurichkotak.com/ chiefgrievanceofficer@zurichkotak.com.

However, if the resolution provided by the **Insurer** is not satisfactory the **Insured** may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal: <https://bimabharosa.irdai.gov.in>.

The **Insured** may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. The details of the Insurance Ombudsman is available at Annexure I of Policy wordings.

The details of the Insurance Ombudsman/ complete Grievance Redressal Process is also available at **Insurer's** website: www.zurichkotak.com

The updated details of Insurance Ombudsman offices are also available on the of website Council for Insurance Ombudsmen www.cioins.co.in/Ombudsman.

Duty of Disclosure:

We rely on information that you provide while accepting your proposal for insurance cover. If that information is not accurate, we can reduce or deny any claim you may make or cancel your policy. We never want to have to do that, so you must answer honestly, correctly and completely the questions asked.

Obligations of the Policyholder:

- Insured should disclose all material information correctly at time of filling the proposal form
- In case of any change / modification / addition to the already declared information, Insured should immediately bring it to Company's notice
- Disclosure of other material information during the policy period.
- Non-disclosure of material information may affect the claim settlement.

The Policy schedule and policy wording is provided on the basis of the duly filled signed, dated and stamped proposal form provided by the Insured. Any deviation may affect the claim settlement.

Note:

For detailed Coverage, Exclusions, Conditions etc., it is recommended to go through the Specimen copy of the Policy Wording which can be collected from any of our branch or downloaded from company web site.

**STATUTORY WARNING - PROHIBITION OF REBATES
(Under Section 41 of Insurance Act 1938)**

1. No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property, in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the Policy, nor shall any person taking out or renewing or continuing a Policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the Insurer.
2. Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees