

## **COMMERCIAL GENERAL LIABILITY POLICY - RETAIL**

### **PROSPECTUS**

#### **Scope of Cover**

The **Comprehensive General Liability policy** is the ideal policy for organizations that are proactive in their approach towards Liability issues. It is accepted the world over as the complete policy to provide seamless protection to the Insured and covers Third Party Liabilities arising from various business exposures such as those arising from Premises, Products and Completed Operations and Advertising and Personal Injury, thus ensuring complete protection to the insured against Liability issues.

The policy allows you to cover your both- Premises risks as well as Product risks- for truly comprehensive protection, or even your premises risks or your product risks- individually, where desired or applicable

#### **Premises and Operations Liability**

Liability for activities arising out of the premises or operations of a company

#### **Products and Completed Operations Liability**

Liability of a company to a user who is harmed by products manufactured, sold or distributed by the company

#### **Extent of Insurance Cover**

The Commercial General Liability Insurance provides indemnity arising out of civil law under the following sections.

Coverage A: Bodily Injury and Property Damage

Coverage B: Personal and Advertising Injury

Coverage C: Medical Payments

Coverage D: Tenant's Legal Liability

Insurer's liability under the policy is restricted to Any one accident (AOA) limit and annual aggregate i.e. Any one year (AOY) limit selected by the insured.

Policy forms – Claims made basis / Occurrence Based

The USGIC's CGL policy is a **right and duty to defend** policy as against the reimbursement policies that are currently being offered in the Indian Market and is designed to satisfy discerning insureds that seek greater comfort level of sympathetic and efficient claims handling ability from their insurers.

Another advantage that the CGL policy has over the current policies of the genre available in the Indian Market is that normally the policy is written with a worldwide jurisdiction, which is a boon for Indian Companies having liability exposures abroad.

### Eligible for Insurance: Who can take the policy

Small businesses

Contractor

Manufacturers

Distributors

Wholesalers and retailers

- Indian companies that have global operations and are thus exposed to legal claims worldwide.
- Foreign companies who have opted for the CGL policy in other jurisdictions and would prefer the same for their Indian operations.
- Exporting companies who would prefer Claim's handling abilities in all major jurisdictions

### Eligible Discounts

Insured will be eligible for maximum discounts on premium. Criteria for such discount may include but not limited to the following:

Rating Factors

1. Past litigations
2. Business experience
3. Work permit system adopted by the entity
4. Site Patrolling / Security Services
5. Proposed Fire protection System
6. In-House Repair /Maintenance Facility
7. Management attitude towards risk management
8. Type of Construction
9. Turnover

## What is covered under the Policy?

The policy is split up into 3 coverages as follows:

### **Coverage A: BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

This covers the damages because of Bodily Injury and Property Damage claims that may be made on the insured.

#### **1. Insuring Agreement**

- a. We will pay those sums that the You become legally liable to pay as Damages because of Bodily Injury or Property Damage to which this insurance applies. We will have the right and duty to defend You against any suit seeking those Damages. However, We will have no duty to defend You against any suit seeking Damages for Bodily Injury or Property Damage to which this insurance does not apply. We may, at Our discretion, investigate any Event and settle any claim or suit that may result. But:
- (1) The amount We will pay for Damages is limited as described in Section - Limits Of Insurance in the Schedule; and
  - (2) Our right and duty to defend end when We have used up the applicable limit of insurance in the payment of judgments or settlements under Covers A or B or Medical expenses under Cover C.
  - (3) Our duty to defend applies only in those countries within the description of the Covered territory where the laws of the territory permit Us to defend. In those countries in the Covered territory where the laws of the territory do not permit Us to defend, We will reimburse You for sums that the You become legally liable to pay as Damages because of Bodily Injury or Property Damage to which this insurance applies, subject to Our prior authorization in writing.

No other liability to pay sums or perform acts or services is Covered unless explicitly provided for under Supplementary Payments - Covers A and B.

- b. This insurance applies to Bodily Injury and Property Damage only if:
- (1) The Bodily Injury or Property Damage is caused by an Event that takes place in the Covered territory;
  - (2) The Bodily Injury or Property Damage did not occur before the Retroactive Date, if any, shown in the Policy Schedule or after the end of the Policy Period and/ or extended reporting period if mentioned specifically; and
  - (3) The Bodily Injury or Property Damage is reported during the Period of Insurance;
- c. All claims for damages because of Bodily Injury to the same person, including damages claimed by any person or organization for care, loss of services, or death resulting at any time from the Bodily Injury, will be deemed to have been made at the time the first of those claims is made against any insured. All claims for damages because of Property Damage causing loss to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

## Exclusions

This insurance does not apply to:

a. **Expected or Intended Injury**

Bodily Injury or Property Damage expected or intended from the standpoint of the Insured. This exclusion does not apply to Bodily Injury resulting from the use of reasonable force to protect persons or Property.

b. **Contractual Liability**

Bodily Injury or Property Damage which the You are liable to pay as Damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for Damages that:

- (1) You would have in the absence of the contract or agreement; or
- (2) You assumed in a contract or agreement that is an insured contract, provided the Bodily Injury or Property Damage occurs subsequent to the execution of the contract or agreement. Solely for the

purposes of liability assumed in an insured contract, reasonable legal fees and necessary litigation expenses incurred by or for a party other than an Insured are deemed to be Damages because of Bodily Injury or Property Damage, provided:

(a) Liability to such party for, or for the cost of, that party's defence has also been assumed in the same insured contract; and

(b) Such legal fees and litigation expenses are for defence of that party against a civil or alternative dispute resolution proceeding in which Damages to which this insurance applies are claimed.

**c. Workers' Compensation and similar laws**

Any liability on You under a Workers' Compensation, Disability benefits or Unemployment Compensation law or any similar law .

**d. Employer's Liability**

Bodily Injury to:

(1) Your employee arising out of and in the course of:

(a) Employment with You ; or

(b) Performing duties related to the conduct of Your business; or

(2) The spouse, child, parent, brother or sister of that employee as a consequence of Paragraph (1) above.

This exclusion applies:

(1) Whether You may be liable as an employer or in any other capacity; and

(2) To any liability to share Damages with or repay someone else who must pay Damages because of the Injury.

This exclusion does not apply to liability assumed by the Insured under an Insured contract.

## e. Pollution

(1) Bodily Injury or Property Damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any Insured. However, this sub-paragraph does not apply to:

(i) Bodily Injury if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

(ii) Bodily Injury or Property Damage for which You may be held liable, if You are a contractor and the owner or lessee of such premises, site or location has been added to Your Policy as an additional Insured with respect to Your ongoing operations performed for that additional Insured at that premises, site or location and such premises, site or location is not or never was owned or occupied by, or rented or loaned to, any Insured, other than that additional Insured; or

(iii) Bodily Injury or Property Damage arising out of heat, smoke or fumes from a hostile fire;

(b) At or from any premises, site or location which is or was at any time used by or for You or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for You or any person or organization for whom You may be legally responsible; or

(d) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations if the pollutants are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) Bodily Injury or Property Damage arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical

functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the Bodily Injury or Property Damage arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by You, contractor or subcontractor;

(ii) Bodily Injury or Property Damage sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by You or on Your behalf by a contractor or subcontractor; or

(iii) Bodily Injury or Property Damage arising out of heat, smoke or fumes from a hostile fire.

(e) At or from any premises, site or location on which You or any contractors or subcontractors working directly or indirectly on Your behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that You or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants; or

(b) Claim or suit by or on behalf of a governmental authority for Damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants.

However, this paragraph does not apply to liability for Damages because of Property Damage that You would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or suit by or on behalf of a governmental authority.

**f. Aircraft, Auto or Watercraft**

Bodily Injury or Property Damage arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft owned or operated by or rented or loaned to You. Use includes operation and loading or unloading.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises You own or rent;
- (2) A watercraft You do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or Property for a charge;
- (3) Parking an auto on, or on the ways next to, premises You own or rent, provided the auto is not owned by or rented or loaned to You
- (4) Liability assumed under any Insured contract for the ownership, maintenance or use of aircraft or watercraft; or
- (5) Bodily Injury or Property Damage arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of mobile equipment.

**g. Mobile equipment**

Bodily Injury or Property Damage arising out of:

- (1) The transportation of mobile equipment by an auto owned or operated by or rented or loaned to You; or
- (2) The use of mobile equipment in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.



**h. War**

Bodily Injury or Property Damage due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, invasion, act of foreign enemy, civil commotion, factional civil commotion, terrorism, military or usurped power, rebellion or revolution.

**i. Damage To Property**

Property Damage to:

- (1) Property You own, rent, or occupy;
- (2) Premises You sell, give away or abandon, if the Property Damage arises out of any part of those premises;
- (3) Property loaned to You;
- (4) Personal Property in Your care, custody or control ;
- (5) That particular part of real Property on which You or any contractors or subcontractors working directly or indirectly on Your behalf are performing operations, if the Property Damage arises out of those operations; or
- (6) That particular part of any Property that must be restored, repaired or replaced because Your work was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to Property Damage (other than Damage by fire) to premises, including the contents of such premises, rented to You for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage to Premises Rented to You as described in Section III - Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are Your work and were never occupied, rented or held for rental by You.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to Property Damage included in the products-completed operations hazard.

**j. Damage To Your product**

Property Damage to Your product arising out of it or any part of it.

**k. Damage To Your work**

Property Damage to Your work arising out of it or any part of it and included in the products-completed operations hazard.

This exclusion does not apply if the Damaged work or the work out of which the Damage arises was performed on Your behalf by a subcontractor.

**l. Damage to Impaired Property Or Property Not Physically Injured**

Property Damage to impaired Property or Property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in Your product or Your work; or
- (2) A delay or failure by You or anyone acting on Your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other Property arising out of sudden and accidental physical Injury to Your product or Your work after it has been put to its intended use.

**m. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by You or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) Your product;
- (2) Your work; or
- (3) impaired Property;

if such product, work, or Property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

#### **n. Asbestos**

Property Damage or Bodily Injury, arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos products, asbestos fibers or asbestos dust, or Your liability to indemnify any party because of Damages arising out of such Property Damage or Bodily Injury as a result of manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos products, asbestos fibers or asbestos dust.

#### **o. Nuclear**

This Policy does not cover liability for claims arising out of, directly or indirectly caused by or contributed to by

- (a) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

#### **p. Cyber Liability**

This insurance does not apply to:

1. Any access to or disclosure of any person's or organization's confidential or personal information, including any "personally identifiable information", trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or
2. The loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate any "computer system" or "electronic data".

For purposes of this exclusion:

"Computer system" means any electronic hardware or software, or components thereof, that are used to store, process, access, transmit or receive information.

"Electronic data" means any data stored on a computer system.

“Personally identifiable information” (PII) means any data that can be used to contact or identify a specific individual.

Exclusions c. through m. do not apply to Damage by fire to premises while rented to You or temporarily occupied by You with permission of the owner. A separate limit of insurance applies to this Cover as described in Section III - Limits Of Insurance.

## **Coverage B: PERSONAL AND ADVERTISING INJURY LIABILITY**

Under this section, the insurance company pays those sums that the Insured becomes legally obligated to pay because of Personal and Advertising Injury liability.

### **1. Insuring Agreement**

a. We will pay those sums that You become legally liable to pay as Damages because of personal or advertising Injury to which this insurance applies. We will have the right and duty to defend You against any suit seeking those Damages. However, We will have no duty to defend You against any suit seeking Damages for personal and advertising Injury to which this insurance does not apply. We may, at Our discretion, investigate any offence and settle any claim or suit that may result. But:

- (1) The amount We will pay for Damages is limited as described in Section- Limit Of Liability the Schedule; and
- (2) Our right and duty to defend will end when We have used up the applicable limit of insurance in the payment of judgments or settlements under Covers A or B or medical expenses under Cover C.
- (3) Our duty to defend applies only in those countries in the Covered territory where the laws of the territory permit Us to defend. In those countries in the Covered territory where the laws of the territory do not permit Us to defend, We will reimburse You for sums that You become legally liable to pay as Damages because of personal or advertising Injury to which this insurance applies, subject to Our prior authorization in writing.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Covers A and B.

b. This insurance applies to personal and advertising Injury caused by an offense arising out of Your business, but only if the offense was committed in the Covered territory, reported during the Period of Insurance and offense did not occur before the Retroactive Date, if any, shown in the Policy Schedule or after the end of the Policy Period and/ or extended reporting period if mentioned specifically.

c. All claims for damages because of Personal Injury or Advertising Injury to the same person or organization as a result of an offense will be deemed to have been made at the time the first of those claims is made against any insured.

## 2. Exclusions

### a. Personal and advertising Injury:

- (1) Caused by or at Your direction with the knowledge that the act would violate the rights of another and would inflict personal and advertising Injury;
- (2) Arising out of oral or written publication of material, if done by or at Your direction with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the Retroactive Date, if any, shown in the Policy Schedule.
- (4) Arising out of a criminal act committed by or at the direction given by You;
- (5) For which You have assumed liability in a contract or agreement. This exclusion does not apply to liability for Damages that You would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in Your advertisement;
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in Your advertisement;
- (8) Arising out of the wrong description of the price of goods, products or services stated in Your advertisement;
- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time;
- (10) (a) To a person arising out of any:
  - (i) Refusal to employ that person;
  - (ii) Termination of that person's employment; or

- (iii) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (b) The spouse, child, parent, brother or sister of that person as a consequence of Bodily Injury to that person at whom any of the employment related practices describe in paragraphs (i), (ii) or (iii) above is directed.

This exclusion (10) applies whether You may be liable as an employer or in any other capacity; and to any liability to share Damages with or repay someone else who must pay Damages because of the Injury.

**b. Any loss, cost or expense arising out of any:**

- (1) Request, demand or order that You or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants; or
- (2) Claim or suit by or on behalf of a governmental authority for Damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants.

**COVERAGE C: MEDICAL PAYMENTS**

It extends to Medical Payments wherein the insurance company agrees to pay medical expenses up to a particular limit for bodily injury caused by an accident on the premises owned or rented by the insured or because of his operations. These payments are made regardless of fault.

**1. Insuring Agreement**

- a. We will pay medical expenses as described below for Bodily Injury caused by an accident:
  - (1) On premises You own or rent;
  - (2) On ways next to premises You own or rent; or
  - (3) Because of Your operations;

provided that:

- (1) The accident takes place in the Covered territory and is reported during the Period of Insurance;
- (2) The expenses are incurred and reported to Us within thirty days of the date of the accident; and
- (3) The injured person submits to examination, at Our expense, by physicians of Our choice as often as We reasonably require

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

## 2. Exclusions

We will not pay expenses for Bodily Injury:

- a. To any Insured.
- b. To a person hired to do work for You or on Your behalf or any of Your tenants .
- c. To a person injured on that part of premises You own or rent that the person normally occupies.
- d. To a person, whether or not Your employee , if benefits for the Bodily Injury are payable or must be provided under a Workers' Compensation or Disability Benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the products-completed operations hazard.
- g. Excluded under Cover A.

- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, invasion, act of foreign enemy, civil commotion, factional civil commotion, terrorism, military or usurped power, rebellion or revolution.

## **SUPPLEMENTARY PAYMENTS -COVERS A AND B**

1. We will pay, with respect to any claim We investigate or settle or any suit against You , We defend:
  - a. All expenses We incur.
  - b. Up to INR 17500 or equivalent thereof for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Cover applies. We will however not furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We will however not furnish these bonds.
  - d. All reasonable expenses incurred by the You at Our request to assist Us in the investigation or defence of the claim or suit, including actual loss of earnings up to INR 17500, a day because of time off from work.
  - e. All costs assessed or taxed against You in the suit.
  - f. Prejudgment interest awarded against You on that part of the judgment We pay. If We make an offer to pay the applicable limit of insurance, We will not pay any prejudgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before We have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.



2. If We defend You against a suit and an indemnitee of the Insured is also named as a party to the suit, We will defend that indemnitee if all of the following conditions are met:
- a. The suit against the indemnitee seeks Damages for which You have assumed the liability of the indemnitee in a contract or agreement that is an Insured contract;
  - b. This insurance applies to such liability assumed by You ;
  - c. The obligation to defend, or the cost of the defence of, that indemnitee, has also been assumed by You in the same Insured contract;
  - d. The allegations in the suit and the information We know about the event are such that no conflict appears to exist between Your interests and the interests of the indemnitee;
  - e. The indemnitee and You ask Us to conduct and control the defence of that indemnitee against such suit and agree that We can assign the same counsel to defend You and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Co-operate with Us in the investigation, settlement or defence of the suit;
      - (b) Immediately send Us copies of any demands, notices, summons or legal papers received in connection with the suit;
      - (c) Notify any other insurer whose Cover is available to the indemnitee; and
      - (d) Co-operate with us with respect to coordinating other applicable insurance available to the Indemnitee; and
    - (2) Provides Us with written authorization to:

(a) Obtain records and other information related to the suit; and

(b) Conduct and control the defence of the indemnitee in such suit.

So long as the above conditions are met, legal fees incurred by Us in the defence of that indemnitee, necessary litigation expenses incurred by Us and necessary litigation expenses incurred by the indemnitee at Our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b. (2) of Section I - Cover A - Bodily Injury and Property Damage Liability, such payments will not be deemed to be Damages for Bodily Injury and Property Damage and will not reduce the limits of insurance.

Our obligation to defend an Your indemnitee and to pay for legal fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

**Optional Extensions / Clauses:** Insured can choose any of the following optional covers:-

- Pollution risks
- Transportation risks outside insured's premises
- Coverage for Act of God perils
- Valuables under care, control and custody.
- Food and Beverages Extension
- Other facilities such as health clubs, beauty parlors, shops, swimming pools, indoor and outdoor sports
- Aqua sports facilities
- Sky diving, skiing and hang gliding
- Absolute Pollution Exclusion
- Clarification Agreement
- Contracts (Rights of Third Party) Act 2001 Exclusion Clause
- Cyber Risks Exclusion Clause
- Electronic Date Exclusion Clause
- Duty of Disclosure

- Terrorism Damage Exclusion Warranty
- Cover for Valuable Documents
- Alterations and Repairs
- Automatic Addition and Deletion of Insured Locations
- Breach of Conditions
- Breach of Warranties
- Car Park Facilities Endorsement
- Care / Custody / Control Extension Clause
- Cross Liability Clause
- Employee's Personal Effects
- Fire Brigade Water Damage Extension
- Loss Notification Clause
- Misdescription Clause
- Neon/Advertising Signs
- Agreed Bank Clause
- Non-Owned / Hired Vehicles Clause
- Products Exclusion Endorsement
- Social / Recreational Activities
- Sprinkler Leakage Clause
- Tenant's Liability Clause
- Waiver of Subrogation Clause
- Product recall expenses and product recall expense liability endorsement

## EXTENSION AND CLAUSES

The following clauses and/or endorsements shall be attached to the policies whenever applicable –

### Part 1: Exclusions and Clauses

#### 1. ABSOLUTE POLLUTION EXCLUSION

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall not indemnify the Insured in respect of any liability of whatsoever nature directly or indirectly caused by or contributed by or arising from 'Pollution'.

'Pollution' means pollution or contamination by solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapour, soot, fumes, acids, alkalis, radioactive and/or nuclear material, chemical or waste materials (including but not limited to any material to be recycled, reconditioned or reclaimed) or otherwise of the atmosphere, water, soil, land or other tangible property.

## **2. INDUSTRIAL SEEPAGE, POLLUTION AND CONTAMINATION**

This insurance does not cover any liability for:

- 1) Death or Bodily Injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph (1) shall not apply to liability for death or bodily injury or loss of physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening which takes place in its entirety at a specific time and place during the Policy period.
- 2) The reasonable cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening which takes place in its entirety at a specific time and place during the Policy period whether a claim has been made or not against the insured.
- 3) Fines, penalties, punitive or exemplary damage.

This clause shall not extend this Insurance to cover any liability which would not have been covered under this Insurance had this Clause not been attached, except in so far as detailed herein.

This endorsement is granted in consideration of additional premium of Rs.----- subject to the terms, exceptions, conditions and limitations of the within mentioned policy.

## **3. SILICOSIS EXCLUSION CLAUSE**

It is hereby understood and agreed that the insurer shall not be liable to make any payment for loss in connection with any claim directly or indirectly caused by or alleged to be caused by or contributed to, in whole or in part, by or arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibers, silica dust or silica in any form, or to any obligation of the Insured to indemnify any party because of Bodily Injury or Property Damage arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibers, silica dust or silica in any form.

## **4. CLARIFICATION AGREEMENT**

Property damage covered under this Agreement shall mean physical injury to or destruction of tangible property including the loss of use thereof at any time resulting there from..

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.

Consequently, the following are excluded from this Agreement:

1. Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure,

and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software which is the direct consequence of insured physical damage to the substance of property shall be covered.

2. Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

## **5. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001 EXCLUSION CLAUSE**

It is hereby declared and agreed that a person who is not a party to this Policy contract shall have no right under the Policy.

## **6. CYBER RISKS EXCLUSIONS CLAUSE (NMA2915)**

### 1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure, loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programme or otherwise, those propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horse' 'worms' and 'time or logic bombs'.

- b) However, in the event that a peril listed below results from any of the matters described in Paragraph a) above, this Policy, subject to all its terms, conditions and exclusions will cover physical damage occurring during the Policy period to property insured by the Policy directly caused by such listed peril.

Listed Perils  
Fire  
Explosion

### 2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by the Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generations. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

## **7. DUTY OF DISCLOSURE**

We would remind you that you must disclose to us fully and faithfully, the facts you know or ought to know, otherwise you may not receive any benefit from your policy.

## **8. ELECTRONIC DATE EXCLUSION CLAUSE**

The indemnity will not apply to any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from the failure or inability of any computer or other equipment or system for processing storing or retrieving data, whether the property of the Insured or not, occurring at any time to:-

1. correctly recognize any date as its true calendar date
2. capture save or retain, and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
3. capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date.

## **9. TERRORISM DAMAGE EXCLUSION WARRANTY**

Notwithstanding any provision to the contrary within this insurance it is agreed that this insurance excludes loss, damage cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and / or the threat thereof, of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization (s) or government(s), committed for political, religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of the public in fear.

The warranty also excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to action taken in respect of any act of terrorism.

If the Company alleges that by reason of this exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

## **10. BREACH OF CONDITIONS**

The conditions and warranties of this Policy shall apply individually to each of the risks insured and not collectively to them. Thus, a breach of any condition or warranty shall void the Section only in respect of all the risks to which that breach applied and does not affect the Section in respect of the other risk.

## **11. BREACH OF WARRANTIES**

Any breach of the within warranties without the knowledge and consent of the Insured shall not prejudice this Insurance provided notice, in writing, be given to the Company immediately upon such breach coming to their knowledge.

## **12. ERRORS AND OMISSIONS CLAUSE**

The Insured shall not be prejudiced by an unintentional and/or inadvertent omission error or incorrect valuation or description of this interest risk or property provided notice is given to the Company as soon as practicable upon discovery of such error or omission.

## **13. PROFESSIONAL LIABILITY EXCLUSION**

Notwithstanding anything stated to the contrary anywhere in the policy, it is agreed that:

This insurance does not apply to any liability arising out of any act, error, omission, malpractice or mistake of a professional nature committed by the Insured or any person for whom the Insured is legally responsible. It is understood this exclusion applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured.

However, this exclusion shall not apply to resultant Bodily Injury or Property Damage arising out of professional services performed by or on behalf of the Insured."

**All other terms and conditions remain unchanged.**

## **14. ABSOLUTE PROFESSIONAL LIABILITY EXCLUSION**

Notwithstanding anything stated to the contrary anywhere in the policy, it is agreed that:

This insurance does not apply to any liability arising out of any act, error, omission, malpractice or mistake of a professional nature committed by the Insured or any person for whom the Insured is legally responsible. It is understood this exclusion applies even if the claims against any Insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured.

**All other terms and conditions remain unchanged.**

## **15. TOUR OPERATORS ERROR AND OMISSION LIABILITY EXCLUSION**

Notwithstanding anything contained in this policy to the contrary, it is agreed that this policy shall not apply to any liability due to any negligent act, error, omission of the insured, or of any other person for whose acts, errors or omissions the insured is legally responsible, arising out of the performance of Tour or Travel Operator services by the insured.

**All other terms and conditions remain unchanged.**

## **16. CARE, CUSTODY AND CONTROL EXCLUSION**

It is hereby understood and agreed that the Insurer shall not be liable to make any payment for loss in connection with any claim made against the Insured arising out of, based upon or attributable to any property within the Care, Custody or Control of the Insured.

**All other terms and conditions remain unchanged.**

## **17. PRODUCTS EXCLUSION ENDORSEMENT**

Notwithstanding anything contained in the Policy to the contrary the indemnity expressed in this Policy shall not apply to or include any liability in respect of injury illness loss or damage caused by or in connection with or arising from any commodity article product or thing supplied repaired altered or treated by or to the order of the Insured.

## **18. MOLD AND FUNGUS EXCLUSION**

This insurance does not apply to **bodily injury, property damage, personal and advertising injury**, or any other loss, cost or expense, including but not limited to, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

- a. Any **fungus(i), molds(s)**, mildew or yeast, or
- b. Any **spore(s)** or toxins created or produced by or emanating from such **fungus(i), molds(s)**, mildew or yeast, or
- c. Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any **fungus(i), molds(s)**, mildew or yeast, or
- d. Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any **fungus(i), molds(s)**, mildew, yeast, or **spore(s)** or toxins emanating therefrom,

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that **bodily injury, property damage, personal and advertising injury**, loss, cost or expense.



For the purposes of this exclusion, the following definitions are added to the Policy:

**Fungus(i)** includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including **mold(s)**, rusts, mildews, smuts, and mushrooms.

**Mold(s)** includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and **fungi** that produce molds.

**Spore(s)** means any dormant or reproductive body produced by or arising or emanating out of any **fungus(i)**, **mold(s)**, mildew, plants, organisms or microorganisms.

**All other terms and conditions remain unchanged.**

#### **19. ELECTRO MAGNETIC FIELD/ ELECTRO MAGNETIC RADIATION EXCLUSION**

This insurance does not apply to any liability for "bodily injury", "property damage", "personal injury", "advertising injury" or any other loss, cost (including defense costs) or expense arising out of exposure to an Electromagnetic Field in any form, including but not limited to liability for the installation, operation, repair, sale, manufacture or distribution of any kind of equipment or products producing or in any way involving the effects of an Electromagnetic Field.

It is further understood and agreed that this policy does not cover any indirect or consequential losses arising from the above.

#### **Definition of Electromagnetic Field:**

For the purpose of this endorsement electromagnetic field means electric and magnetic fields generated by a varying electrical current through any medium including but not limited to wires whether or not intended for the purpose of conducting electricity.

**All other terms and conditions remain unchanged.**

#### **20. ABSOLUTE LEAD EXCLUSION**

This insurance does not apply to any **bodily injury, property damage, personal and advertising injury**, or any other loss, cost or expense arising out of the presence, ingestion, inhalation, or absorption of or exposure to lead in any form or products containing lead.

**All other terms and conditions remain unchanged.**

## **21. AVIATION LIABILITY EXCLUSION**

Notwithstanding anything to the contrary mentioned in the policy or in any of the endorsements, it is hereby declared that the policy will not cover any liability arising out of damage to aircrafts(including missiles or spacecraft, ground support or control equipment used therewith and electronic data employed in such aviation operations)

It is also agreed that no coverages under this policy apply to any damages

(A) arising out of "Aircraft Products and Completed Operations" or / any reliance upon any representation or warranty made with respect thereto, nor to any damages arising out of the grounding of any aircraft.

"Aircraft Product and Completed Operations" - It means:

- 1) Aircraft (including missiles or spacecraft and ground support or control equipment used therewith and electronic data employed in such aviation operations) and any other goods or products manufactured, sold, handled or distributed by the Insured or any services provided or recommended by the Insured or by others trading under insured's name for use in the manufacture, repair, operation, maintenance or use of any aircraft, and
- 2) Any articles, furnished by the Insured and installed in aircraft or used in connection with aircraft or for spare parts for aircraft, including but not limited to ground handling tools and equipment, training aids, instructions, manuals, blueprints, engineering or other data, engineering or other advice, and labor relating to such aircraft or articles.

"Grounding" means the withdrawal of one or more aircraft for the flight operations or the imposition of speed, passenger or load restrictions on such aircraft by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such aircraft or any part thereof sold, handled or distributed by the Insured or manufactured, assembled or processed by any other person or organization according to specifications, plans, suggestions, orders, or drawings of the Insured or with tools, machinery or other equipment furnished to such persons or organizations by the Insured, whether such aircraft so withdrawn are owned or operated by the same or different persons, organizations or corporations.

A grounding shall be deemed to commence on the date of an occurrence which discloses such condition, or on the date an aircraft is first withdrawn from service on account of such condition, whichever occurs first.

(B) arising out of ownership, maintenance, use of aircrafts , or any operations necessary or incidental to, any airport or aircraft landing area.

**All other terms and conditions remain unchanged.**

## **22. PURE FINANCIAL LOSS EXCLUSION**

Notwithstanding anything contained in this policy to the contrary, it is declared that this policy shall not apply to any liability arising out of financial monetary loss that is not a direct result of physical damage to property of a third party that was damaged or bodily injury of third party

**All other terms and conditions remain unchanged.**

### **23. SEXUAL ABUSE OR MOLESTATION EXCLUSION**

Notwithstanding anything to the contrary mentioned in the policy or in any of the endorsements hereon, it is hereby declared that this insurance does not apply to bodily injury and loss of or damage to property arising out of:

- (a) The actual, threatened or alleged sexual abuse, sexual molestation, sexual assault, sexual victimization, physical abuse, physical assault, any resulting mental or emotional injury or any coercion to engage in sexual activities on the part of any employee, assistant, volunteer or member of any facility owned, operated or maintained by the Policyholder; or
- (b) The negligent, employment, investigation, supervision, reporting to the proper authorities or failure to so report or retention of any employees, assistant, volunteer or member of any facility owned, operated or maintained by the Named Insured, whose conduct would be excluded by paragraph 1 above.

**All other terms and conditions remain unchanged.**

### **24. CORPORAL PUNISHMENT EXCLUSION**

Notwithstanding anything to the contrary mentioned in the policy or in any of the endorsements hereon, it is declared that this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" to Insured's student(s), arising out of any corporal punishment administered by or at the direction of any insured.

**All other terms and conditions remain unchanged.**

### **25. MEDICAL MALPRACTICE EXCLUSION**

It is hereby understood and agreed that the Insurer shall not be liable to make any payment for loss in connection with any claim made against the Insured alleging, arising out of, based upon or attributable to medical or professional malpractice including, but not limited to the rendering of or failure to render medical or professional service or treatment by the Insured.

**All other terms and conditions remain unchanged.**

### **26. FAILURE TO SUPPLY EXCLUSION**

Notwithstanding anything to the contrary mentioned in the policy, it is agreed that no coverage under this policy shall apply to any damages arising out of the complete or partial failure to supply electricity, gas or water.

**All other terms and conditions remain unchanged.**

### **27. LOSS NOTIFICATION CLAUSE**

Notwithstanding anything contained herein to the contrary it is agreed that this insurance will not be prejudiced by any inadvertent delays errors or omissions in notifying the Company of any circumstances or events giving rise or likely to give rise to a claim under this Policy.

## **28. MISDESCRIPTION CLAUSE**

This Policy shall not be prejudiced by any alteration or misdescription of occupancy. Notice to be given to the Company immediately the Insured become aware of the same and to pay additional premium, if required from the date of the inception of the increased hazard.

## **29. AGREED BANK CLAUSE**

The Company undertakes to obtain the Bank's or Finance Company's consent prior to their cancellation of the Policy if instructions have been received for the cancellation of the Policy and also to advise the Bank's or Finance Company's immediately of any other material changes which are proposed to be made in the terms of the Insurance.

## **30. NON-INVALIDATION CLAUSE**

It is hereby agreed that this insurance shall not be invalidated by:-

1. any change of occupancy or increase of risk taking place in the property insured without the Insured's knowledge provided that they shall immediately on the same coming to their knowledge advise the Company and pay any additional premium that may be required from the date of such increase of risk.
2. workmen on the premises for the purpose of effecting repairs minor alterations or general maintenance purposes and the like.

## **Part 2: Extensions**

### **1. SPECIFIC MATTER ENDORSEMENT**

It is hereby agreed and declared that

**All other terms and conditions remain unchanged.**

### **2. COMMERCIAL VISITS WORLDWIDE EXTENSION CLAUSE**

It is hereby declared and agreed that this Policy extends to indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as compensation for accidental bodily injury to any person or damage to property caused by the fault or negligence of the Insured's Executive and/or Directors whilst engaged in the Insured's business anywhere in the World excluding USA and Canada.

Provided always that the liability of the Company under this extension shall not exceed the Limits of Indemnity granted under this Policy.

### **3. CONTINGENT LIABILITY COVERAGE FOR CONTRACTORS/SUB-CONTRACTORS**

It is hereby understood and agreed that this Policy extends to cover the Insured's legal liability in respect of acts of employees of their Contractors and/or Sub-Contractors arising out of work or operations for which the Insured may be responsible.

Provided always that the Indemnity given is on the condition that :-

1. It is contingent upon the liability incurred not being covered or indemnified by an Insurance of the Contractors and/or Sub-Contractors.

2. If any claim submitted is covered by the Contractors' or Sub-Contractors' more specific insurance then this Policy shall not insure the same except only as regards any excess beyond the Limit of Indemnity covered by such specific insurance.

#### **4. CROSS LIABILITY CLAUSE**

For the purpose of this Policy each person or party indemnified is separately indemnified in respect of claims made against any of them by any other person or party (other than the named Insured) subject to Company's total liability not exceeding the limits of indemnity stated in the Schedule of the Policy.

#### **5. EMPLOYEE TRAINING**

It is hereby declared and agreed that this Policy is extended to cover the liability of the Insured's employees whilst undergoing training within the territorial limit stated in this Policy.

#### **6. EMPLOYEES' PERSONAL EFFECTS**

It is hereby declared and agreed that this Policy extends to cover legal liability of the Insured in respect of damage to the Personal Effects of the Insured's Employees occurring at the place or places at which this Policy applies.

The liability of Company shall not exceed:

..... any one employee and  
..... in the aggregate any one accident.

The Company shall not be liable for any motor vehicles, precious metals, precious stones or articles made therefrom or money.

#### **7. FIRE BRIGADE WATER DAMAGE EXTENSION**

The Company will indemnify the Insured in respect of loss or damage to third party property caused by or arising out of the use of water or chemicals by the fire brigade to extinguish a fire on the Insured's premises.

#### **8. FOOD AND BEVERAGE EXTENSION**

Notwithstanding anything contained herein to the contrary of this Policy, it is hereby declared and agreed that this Policy is extended to include liability in respect of accidental injury directly caused by or arising from anything harmful or defective in food or drink sold or supplied by the Insured or from poisoning of any kind caused by foreign or deleterious matter in food or drink sold or supplied by the Insured in the Business at the Insured's Premises named in the Schedule

Provided that:

1. For the purpose of this extension the word "injury" wherever used in this Extension shall be deemed to include illness.

2. The liability of the Company shall not in any case exceed the Limit of Indemnity specified in this Policy.
3. The Insured shall at all times take every possible precaution to prevent the sale of articles of food or drinks which are not in good condition and to ensure that the same are free from contamination and fit for human consumption.

## **9. LOADING AND UNLOADING CLAUSE**

It is hereby declared and agreed that this Policy is extended to cover the legal liability of the Insured in respect of any bodily injury or loss of or damage to property caused or arising from beyond the limits of any carriage-way or thoroughfare in connection with :-

1. The bringing of the load to such vehicle for loading thereon
2. The taking away of the load from such vehicle after unloading therefrom by any person other than the driver or attendant of such vehicle.

Provided always that the liability of the Company under this Policy and Endorsement in respect of any bodily injury or loss of or damage to Property shall not in any way exceed the Limit of Indemnity specified in this Policy.

## **10. NEON/ADVERTISING SIGNS**

It is hereby declared and agreed that the insurance by this Policy is extended to cover the legal liability of the Insured arising out of accidents caused by or through the Neon/ Advertising Signs installations the property of the Insured situated in India.

Warranted that the Insured shall comply with all statutory enactments bye-laws and regulations and shall at all times ensure that the Neon/ Advertising Signs installations are kept in a proper state of repair and if any defect be discovered the Insured shall forthwith cause such defect to be made good and shall in the meantime cause such additional precautions to be taken for the prevention of accident as the circumstances may require.

Provided always that the liability of the Company under this extension in respect of any bodily injury or loss of or damage to property shall not in any way exceed the Limit of Liability specified in this Policy.

## **11. NON-OWNED/HIRED VEHICLES CLAUSE**

The Company will indemnify the Insured in respect of legal liability and costs and expenses in respect of bodily injury or damage as defined in the Policy arising out of the use of any motor vehicle owned or non-owned or hired by the Insured whilst being used for the sole purpose of conducting the business of Insured as specified in the Policy Schedule.

Provided always that the Company shall not be liable for:-

1. Loss of or damage to such vehicle.
2. any accident giving rise to a claim under this Policy if at the time of the occurrence of such accident there is any other existing insurance covering the same liability.

Subject otherwise to the Coverage, Conditions and Exclusions of this Policy.

## **12. SOCIAL/RECREATIONAL ACTIVITIES**

It is hereby declared and agreed that this Policy is extended to indemnify the Insured in respect of the Insured's legal liability for death or bodily injury loss of or damage to property as within defined in this Policy caused by or arising out of and in connection with any social recreational or welfare activities organized supervised and managed by the Insured for its invited participants including employees their families and friends anywhere in Republic of India.

The word "Insured" whenever appearing includes as an Insured any person who is a member of the organizing or management committee for such social recreational or welfare activities but only while acting within the scope of their duties as such.

It is further declared and agreed that the indemnity granted under this Policy is also extended to apply to occurrences during the Policy period caused by arising out of and in connection with drinks, beverages or food served by the Insured during such social, recreational or welfare activities.

In the event of a claim the Company will not raise the defence that such participants and employees are not third parties.

### **13. SPRINKLER LEAKAGE CLAUSE**

This indemnity provided by this Policy extends to include the Insured's legal liability for loss or damage caused by the accidental discharge of the sprinkler installation.

### **14. TENANT'S LIABILITY CLAUSE**

It is hereby declared and agreed that the Company will indemnify the Insured against all sums which the Insured shall become legally liable to pay as damage in respect of:-

1. accidental bodily injury to any person
2. accidental damage to property

Happening during the Period of Insurance and arising from the occupancy of Premises leased or rented by the Insured.

Provided always that this extension shall not apply to liability assumed by the Insured under a tenancy or other agreement and would not have attached in the absence of such agreement.

The Company's Liability under this extension shall not exceed Limit of Indemnity .....

### **15. VEHICLE LOAD CLAUSE**

In the event of any of the Insured's vehicles trailers/containers being left loaded overnight whilst in and/or on the Insured's premises the Company will indemnify the Insured in respect of liability for injury or damage to property arising out of or in connection with such load.

### **16. VIBRATION/REMOVAL OR WEAKENING OF SUPPORT ENDORSEMENT**

Notwithstanding anything contained to the contrary, it is noted and agreed that the indemnity granted under the Policy is extended to include liability in respect of damage to Third Party property, land or building caused by vibration or by the removal or weakening of support.

Provided always that

1. Immediately upon discovery of damage to third party property caused by vibration or by the removal or weakening of support due or alleged to be due to any operations of the Insured or any person acting on his behalf the Insured shall suspend operations, carry out repairs and install additional supports to damage property. If the Insured shall fail to comply with this Special Provision the Company shall be under no liability for any claims in respect of the damage property.
  
2. The Company shall not be liable for
  - (a) Claims in respect of damage to building under demolition or declared by the Public Authority to be dangerous.
  - (b) Any expenses incurred in taking safety measures to prevent damage to third party property.
  - (c) Claims in respect of loss or damage to buildings or other structures caused by cracking or otherwise unless the stability of the building or structure or the safety of its users is impaired.
  - (d) Loss or damage to property which can reasonably be foreseen to be inevitable having regard to the nature of the work to be executed or the manner of its execution.
  - (e) the first ..... or ...% of the loss amount whichever is the greater in respect of each and every claim for loss or damage to Third Party Property due to vibration removal or weakening of support.
  
3. The liability of Company under this extension in respect of all or any occurrence shall not exceed ..... in the aggregate

### **17. WAIVER OF SUBROGATION CLAUSE**

In the event of any payment under this Policy, the Company waives its rights of recovery against the Principals viz., \_\_\_\_\_ and \_\_\_\_\_ where such waiver has been included as part of a contractual undertaking by the Named insured, but this waiver shall apply only in respect to the specific contract entered into prior to the date of loss, existing between the Named Insured and such Principal, and shall not be construed to be a waiver in respect to other operations of such Principal in which the Named Insured has no contractual interest.

**All other terms and conditions remain unchanged.**

### **18. BLANKET WAIVER OF SUBROGATION**

In the event of any payment under this Policy, the Company waives its rights of recovery against the person or organisation where such waiver has been included as part of a contractual undertaking by the Named insured, but this waiver shall apply only in respect to the specific contract entered into prior to the date of loss, existing between the Named Insured and such person or organisation, and shall not be construed to be a waiver in respect to other operations of such person or organisation in which the Named Insured has no contractual interest.

**All other terms and conditions remain unchanged.**

### **19. ADDITIONAL INSURED ENDORSEMENT**

Additional Insured



“It is hereby understood and agreed that Additional Insureds are covered under this policy as required by written contract, but only with respect to liabilities arising out of the operations performed by the Named Insured, but excluding any negligent acts committed by such Additional Insured.”

The Insurance listed below grant coverage to:

Named Insured: <Insert Name>

Address: <Insert Address>

**This certificate is issued with the following Additional Insured**

Company: <Insert Name>

Location: <Insert Address>

**All other terms and conditions remain unchanged.**

## **20. ENDORSEMENT TO COVER LIABILITY ARISING OUT OF TRANSPORTATION**

NOTWITHSTANDING anything herein contained to the contrary and in consideration of an additional premium it is hereby agreed and declared that the insurance under this policy shall extend to include legal liability of the Insured for death or bodily injury or loss of or damage to or loss of use of property arising out of accident directly caused by materials / dangerous or hazardous substances as part of Insured’s Business as specified in the Policy Schedule, whilst being transported by rail / road / pipeline and claims made during the policy period, subject to limit of indemnity mentioned below, which shall form part of the overall limit of indemnity as mentioned in the schedule of the policy:

Any One Accident:

Aggregate during the policy period:

The transportation turnover in consideration is . It is expressly agreed and understood that the cover granted under the endorsement shall not include pollution risk, howsoever caused unless specifically covered by attaching an appropriate clause.

Provided always that the statutory provisions as may be in force from time to time for carriage of dangerous / hazardous substances are complied with.

**All other terms and conditions remain unchanged.**

## **21. CARRIAGE OF EFFLUENTS (OUTSIDE THE PREMISES) EXTENSION**

Notwithstanding anything herein contained to the contrary and in consideration of an additional premium of Rs. \_\_\_\_\_ it is hereby agreed and declared that the insurance under this policy shall extend to include

legal liability of the Insured for death or bodily injury or loss of or damage to or loss of use of property arising out of accident directly caused by treated effluents whilst being carried by pipe lines outside the premises insured to the discharge point as declared to the Company and claims made during the policy period.

It is expressly agreed and understood that the cover granted under the endorsement shall not include pollution risk, howsoever caused, unless specifically covered by attaching an appropriate clause.

Provided always that the statutory provisions as may be in force from time to time for treatment and discharge of effluents are complied with.

Also provided always that all other terms, conditions provisions and exceptions of the policy shall apply to this extension as if they have been incorporated herein.

## **22. Technical collaborators inclusion endorsement**

NOTWITHSTANDING anything herein contained to contrary and in the consideration of an additional premium of Rs. -----It is agreed that this policy is extended to include the legal liability of \_\_\_\_\_ (hereunder referred to as the Collaborator) with respect to the Technical Collaboration Agreement between the named Insured and the Collaborator. The declarations, insuring agreements, all definitions, exclusions, terms, conditions and limit of indemnity of this policy otherwise remain unchanged.

No claim shall be payable under this policy unless the cause of action arises in India and the liability to pay claim is established against the Insured in an Indian Court. It is further agreed and understood that only Indian Law shall be applicable to actions brought in India.

## **23. DEFENSE COSTS INCLUSIVE ENDORSEMENT**

It is hereby understood and agreed that notwithstanding anything stated to the contrary anywhere in the policy, all expenses the Insurer incurs, or all expenses incurred by the Insured at the Insurer's request to assist the Insurer in the investigation or defense of the claim shall serve to reduce the limits of indemnity of this policy as stated in the Schedule.

**All other terms and conditions remain unchanged.**

## **24. SWIMMING POOL COVERAGE**

NOTWITHSTANDING anything herein contained to the contrary in the policy and in consideration of an additional premium it is hereby agreed and declared that the insurance under this policy shall extend to include legal liability of the insured for death or bodily injury or loss of or damage to or loss of use of property arising out of accidents (including accidents arising out of contamination of water) in connection with the use of the Swimming Pool in the insured premises subject to the compliance of the following conditions:

- i) Swimming Pools in hygienic conditions with regular cleaning / maintenance
- ii) Sanitary arrangements are proper

iii) Life guards / Attendants are on duty when the pools are in use

subject to General Aggregate limit of liability mentioned in the Schedule of the policy.

Also provided always that all other terms, conditions, provisions and exceptions of the policy shall apply to this extension as if they have been incorporated herein

**All other terms and conditions remain unchanged.**

## **25. OTHER FACILITIES COVERAGE**

NOTWITHSTANDING anything herein contained to the contrary and in consideration of an additional premium, it is hereby agreed and declared that the insurance under this policy shall extend to include legal liability of the Insured for death or bodily injury or loss of or damage to or loss of use of property, arising out of accidents, caused by the use of facilities (mentioned below), subject to the conditions, that:

- i) The premises / places are kept in state of good repair / maintenance
- ii) Properly trained personnel take care of operation of such facilities
- iii) The materials used are proper and free of defects

This extension is sub-limited to INR.....Any One Accident and INR.....in the Aggregate to the overall limit of indemnity, mentioned in the schedule of the policy provided always that all other terms, conditions, provisos, and exceptions of the policy shall apply to this extension as if they have been incorporated herein.

Name of the facilities as listed under:

- 1. -----
- 2. -----
- 3. -----

**All other terms and conditions remain unchanged.**

## **26. ACTS OF GOD PERILS COVERAGE**

It is hereby understood and agreed that the policy will extend cover to liability arising out of Act of God Perils, namely Storm, Typhoon, Flood, Inundation, and Earthquake only.

**All other terms and conditions remain unchanged.**

## **27. 72 HOURS SUDDEN & ACCIDENTAL POLLUTION COVERAGE AS PER ENDORSEMENT**

This insurance does not apply to Bodily Injury or Property Damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acid, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or

body of water, but this exclusion does not apply if such discharge, dispersal, release or escape meets all five of the following conditions:

1. the discharge, dispersal, release or escape must be neither expected nor intended by the Insured, and
2. the beginning of the discharge, dispersal, release or escape must take place during the policy period, and
3. the discharge, dispersal, release or escape must be physically evident to the Insured or other parties within 72 hours of the beginning of the discharge, dispersal, release or escape, and
4. the initial Bodily Injury or Property Damage caused by the discharge, dispersal, release or escape must be ensue within 72 hours of the beginning of the discharge, dispersal, release or escape.
5. Notwithstanding anything to the contrary in condition 4, Insured's duties in the event of occurrence, claim or lawsuit, or any other policy conditions, all claims made against the Insured under this coverage must be reported to the company as soon as practicable but not later than 30 days after termination of the policy.

The term release includes, but is not limited to any of the following: spilling, leaking, pumping, pouring, emitting, emptying, injection, dumping or disposing.

If the Insured and the company should disagree with regard to when a discharge, dispersal, release or escape begins or becomes evident, the burden of proving that all 5 enumerated conditions are met rests with the Insured, at the Insured's own expense. Until such proof is accepted by the Company, the Company may, but not obligated to, defend any claim.

This clause shall not extend this Insurance to cover any liability which would not have been covered under this Insurance had this clause not been attached, except in so far as detailed herein.

This endorsement is granted in consideration of additional premium subject otherwise to the terms, exceptions, conditions and limitations of the within mentioned policy.

Territory:  
Jurisdiction:

**All other terms and conditions remain unchanged.**

## **28. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE**

The definition of bodily injury is amended to include Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

- (A) medical, surgical, dental, X-ray or nursing service or treatment or the furnishing of food or beverage in connection therewith, or
- (B) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to:

- (1) expense incurred by the insured for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the "insured's Duties in the Event of Occurrence, Claim or Lawsuit" Condition are amended accordingly;

(2) any insured engaged in the business or occupation of providing any of the services described under (A) and (B) above;

(3) liability of any indemnitee or, employee or independent contractor if such indemnitee or employee or independent contractor is engaged in the business or occupation of providing any of the services described under (A) and (B) above.

**All other terms and conditions remain unchanged.**

## **29. UNDERGROUND RESOURCE ENDORSEMENT**

Notwithstanding the conditions, provisions and other endorsements of the Policy, it is understood and agreed that the following special conditions shall apply –

The Insurers shall not be liable under the Policy to indemnify loss or damage to existing underground cables/equipments and/or pipes or other underground facilities of any kind unless prior to the commencement of works -

the Insured had requested and obtained from the public authorities or the owners of such an underground system the exact position of all cables or pipes or other underground facilities.

- the Insured had traced their existence and indicated location.

The indemnity shall in any case be restricted to the repair costs of such cables or pipes. Any consequential damage shall be excluded from the policy cover.

## **30. Primary and Non Contributory Insurance**

It is expressly understood and agreed that the insurance provided by this Policy is primary for the Insured(s). If at any time any claim arises under the Policy, should there be any other insurance covering the same loss or damage such other insurance shall be only an excess coverage and non-contributing herewith notwithstanding the rights of subrogation against the other Insurers.

## **31. COVER FOR VALUABLE DOCUMENTS**

NOTWITHSTANDING anything herein contained to the contrary it is hereby agreed and declared that the Insurance under this policy shall extend to include legal liability of the Insured for loss / damage to property of third parties, whilst they are in the Care, Custody or Control of the Insured in the risk locations referred to in the Schedule upto INR..... Any One Accident and in the Aggregate, which shall form part of the overall Limit of Indemnity mentioned in the Schedule of the policy.

It is expressly agreed and understood that the cover granted under this endorsement shall not apply to legal liability arising out of loss or damage to valuables of third parties, unless they are kept in the strong room / cloak room maintained by the Insured for safe keeping and the Insured maintains proper records, showing the items deposited therein by each third party.

**All other terms and conditions remain unchanged.**

### **32. ALTERATIONS AND REPAIRS**

It is hereby declared and agreed that Policy covers legal liability for bodily injury and/or property damage arising out of based upon or attributable to minor civil works, repairs and refurbishing activities within the Risk Locations carried out by the named insured subject to:

- No cover for liability arising out of, based upon or attributable to property damage to Surrounding Property belonging to the Insured and/or the Principal and/or their Contractors and/or their Sub-Contractors.
- No Cover for property being worked upon by the Insured and/or their contractors and/or their Sub-contractors.

All other terms and conditions shall remain unchanged.

### **33. AUTOMATIC ADDITION AND DELETION OF INSURED LOCATIONS**

It is hereby declared and agreed that this Policy shall extend to cover automatic additions and deletion of insured locations.

Provided always, the Insured undertakes to furnish:-

- 1) An updated list of insured locations as at commencement or renewal date
- 2) An updated list of insured locations at expiry date for premium adjustments

It is hereby further noted and agreed that:-

- A) Any new locations during the policy period or any location not included in 1 above will be covered
- B) No declaration to be made by Insured during the Policy Period on any addition and/or deletion of insured locations subject to Premium adjustment formula as follows:-

No of insured locations (At expiry date)	- No of insured locations (At commencement date)	X Annual Premium
-----		

### **34. CAR PARK FACILITIES ENDORSEMENT**

It is hereby declared and agreed that this Policy is extended to cover the legal liability of the Insured in respect of loss of or damage to vehicles under the control of the Insured or the Insured's Parking Attendants whilst in the Car Park of the Insured.

Provided always that :-

1. The Company shall not be liable for any such loss or damage insofar as such loss or damage is covered by any other insurance.

2. The liability of the Company under this Endorsement in respect of any such loss or damage and under the Policy in respect of any bodily injury or damage to property shall not in any case exceed the Limit of Indemnity specified in this Policy. Disclaimer notices shall be permanently displayed in prominent positions at each entrance to the parking area.

**35. CARE / CUSTODY / CONTROL EXTENSION CLAUSE**

Notwithstanding anything herein contained to the contrary, it is hereby agreed and declared that the Insurance under this policy shall extend to include legal liability of the Insured for loss / damage to property of third parties, whilst they are in the Care, Custody and Control of the Insured subject to a sub-limit of INR..... Any One Accident and INR..... in the Aggregate, which shall form part of the overall Limit of Indemnity, mentioned in the schedule of the policy.

It is expressly agreed and understood that the cover granted under this endorsement shall not apply to legal liability arising out of loss or damage to property or third parties unless kept by the Insured in safe keeping and the Insured maintains proper records, showing the items taken into safe custody therein from each third party.

The indemnity shall in any case be restricted to the repair cost of such property; any consequential damage shall be excluded from the cover.

IN NO CASE, SHALL THE POLICY COVER LOSS OF MONIES, SECURITIES, DOCUMENTS (INCLUDING CREDIT CARDS) AND PLANS.

**All other terms and conditions remain unchanged.**

**36. DEFENSE COSTS IN ADDITION TO LIMITS**

It is hereby understood and agreed that notwithstanding anything stated to the contrary anywhere in the policy, all expenses the Insurer incurs or all expenses incurred by the Insured at the Insurer's request to assist the Insurer in the investigation or defense of the claim or 'suit' shall not reduce the limits of liability of this policy as stated in the Schedule up to INR..... Any One Occurrence and in the Aggregate

**All other terms and conditions remain unchanged.**

**37. EMPLOYER'S LIABILITY ENDORSEMENT**

**RISK DETAILS:**

<b>No of Employees Covered</b>	
<b>Annual Payroll</b>	
<b>Territory</b>	
<b>Jurisdiction</b>	
<b>Sub-Limit of Liability (Sub-Limit of the General Aggregate Limit mentioned in the</b>	

<b>Schedule)</b>	
<b>Premium:</b>	
<b>Deductible:</b>	

**Coverage:**

In consideration of the premium charged, it is hereby declared and agreed that the insurance by this policy is extended to cover Employer's Liability to indemnify the Insured for all sums which the Insured shall become legally obligated for claims originally brought in the territory & jurisdiction, as per the schedule, by employees of the Insured for accidents relating to the work performed in connection with the business described in the Schedule.

**Exclusions:**

This Endorsement does not apply:

- (a) To operations conducted at or from any work place not described in the schedule if the Insured has, under the workmen's compensation law, other insurance for such operations;
- (b) Unless required by law or described in the schedule, to domestic employment or to farm or agricultural employment;
- (c) To liability assumed by the insured under any contract or agreement, but this exclusion does not apply to a warranty that work performed by or on behalf of the insured will be done in a workmanlike manner;
- (d) i) To punitive or exemplary damages on account of bodily injury to or death of any employee employed in violation of law, or  
 ii) With respect to any employee employed in violation of law with the knowledge or acquiescence of the insured or any executive officer thereof;
- (e) To bodily injury by disease unless prior to six months after the end of the policy period written claim is made or suit is brought against the insured for damages because of such injury or death resulting there from;
- (f) To any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation or occupational disease law, any unemployment compensation or disability benefits law, or under any similar law.

**Limits of Liability**

The company's liability shall not exceed INR ----- Any One Accident and in the Aggregate, for all damages because of bodily injury by disease including death at any time resulting therefrom, sustained by one or more employees of the insured in operations designated in the schedule or in operations necessary or incidental thereto. This limit is a shared limit with the General Liability Coverage, mentioned in the schedule.

The inclusion herein of more than one insured shall not operate to increase the limits of the Company's liability.



### **Applicability of Policy:**

This policy applies only to injury (1) by accident occurring during the policy period, or (2) by disease caused or aggravated by exposure of which the last day of the last exposure, in the employment of the insured, to conditions causing the disease, occurs during the policy period.

### **Premium**

When used as a premium basis, "remuneration" means the total remuneration, paid or fallen due for payment including overtime, value of board per and / or lodging, housing accommodation, bonuses and all other perquisites or privileges or benefits in kind or money paid to all executive officers and other employees of the insured engaged in operations covered by this policy.

The insured shall maintain records of the information necessary for premium computation as stated in the declarations and shall send copies of such records to the Company at the end of the policy period, and at such times during the policy period as the Company may direct.

The first premium and all renewal premiums that may be accepted are to be regulated by the amount of remuneration and other earnings paid by the Insured to employees during each Period of Insurance. The name of every employee together with the amount of wages salary and other earnings shall be properly recorded and the Insured shall at all times allow the Company to inspect such records and shall supply the Company with a correct account of all such wages salaries and other earnings paid during any period of Insurance within one month from expiry date of such Period of Insurance. If the amount so paid shall differ from the amount on which premium has been paid, the difference in premium shall be met by a further proportionate payment to the Company or by a refund by the Company, as the case may be.

### **Action against Company**

No action shall lie against the company unless, as a condition precedent thereto, the insured shall have fully complied with all the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgement against the insured after actual trial or by written agreement of the insured, the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgement or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the company as a co-defendant in any action against the insured to determine the insured's liability.

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the company of any of its obligations hereunder.

### **Other Insurance**

If the Insured has other insurance against a loss covered by this policy, the company shall not be liable to the Insured hereunder for a greater proportion of such loss than the amount which would have been payable under this policy, had no such other insurance existed, bears to the sum of the said amount and the amounts which would have been payable under each other policy applicable to such loss, had each such policy been the only policy so applicable.

## **Subrogation**

In the event of any payment under this policy, the company shall be subrogated to all rights of recovery therefor of the insured and any person entitled to the benefits of this policy against any person or organization, and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

Nothing herein contained shall be held to vary, alter, waive or change any of the insuring agreements, exclusions, conditions or declarations of the policy, except as herein above set forth.

## **ERISA EXCLUSION**

Notwithstanding anything to the contrary mentioned in the policy or in any of the endorsements hereon, it is agreed that coverage afforded under this policy shall not apply as respects to any obligations incurred or imposed upon an insured (or which is imputed to an insured) under the "Employee Retirement Income Security Act of 1974" Public Law 93-406 and any law amendatory thereof.

## **EMPLOYMENT PRACTICES EXCLUSION**

Notwithstanding anything to the contrary mentioned in the policy or in any of the endorsements hereon, it is hereby understood and agreed that this *policy* does not cover Employment Practices Liability.

## **DIRECTORS' AND OFFICERS' LIABILITY EXCLUSION**

Notwithstanding anything to the contrary mentioned in the policy or in any of the endorsements hereon, it is agreed that coverage afforded by this policy shall not apply to any director and / or officer of the Named Insured by reason of any wrongful act committed in their capacity as director and / or officer of the Named Insured.

It is further agreed that the term "wrongful act" shall be defined as, but not limited to, any breach of duty, neglect, error, misstatement, misleading statement, omission or other act actually done or attempted by any director and/or officer claimed against them solely by reason of their capacity as such.

## **WORKMEN'S COMPENSATION EXCLUSION**

In consideration of the premium charged, it is understood and agreed that coverage under this policy does not apply to any obligation for which the Insured or any carrier as his insurer may be held liable under any Workers' Compensation, Occupational Disease, Unemployment Compensation or Disability Benefits or similar law

It is also further understood and agreed that in the course of any obligation of the Insured to indemnify another because of liability arising out of such injury is excluded from coverage under this policy

**All other terms and conditions remain unchanged.**

### **38. DESIGNATED PRODUCT ENDORSEMENT**

Notwithstanding anything contained in this policy to the contrary, the coverage under this policy shall only be limited to the products of the Insured, mentioned below:

❖ <Insert Product>

**All other terms and conditions remain unchanged.**

### **39. DESIGNATED PREMISES ENDORSEMENT**

It is agreed that with respect to Coverages A and B, subject to all Policy terms, conditions and exclusions, this insurance applies only to bodily injury, property damage, personal and advertising injury and medical expenses arising out of the ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises mentioned below:

• < Insert Addresses>

**All other terms and conditions remain unchanged.**

### **40. VENDOR'S CLAUSE**

Notwithstanding anything to the contrary mentioned in the policy, it is hereby agreed that:

The 'persons insured' provision is amended to include any person or organization designated below (herein referred to as 'vendor') as an insured but only with respect to the distribution or sale in the regular course of the vendor's business of the Named Insured's products designated, below subject to the following additional provisions:

1. The insurance with respect to the vendor does not apply to -
  - A. Any express warranty or any distribution or sale for a purpose unauthorized by the Named Insured.
  - B. Bodily injury or property damage arising out of:
    - (I) Any act of the vendor which changes the condition of the products
    - (II) Any failure to maintain the product in merchantable condition

- (III) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
- (IV) Products which after distribution or sale by the Named Insured have been labelled or relabelled or used as a container, part or ingredient of any other thing or substance by or for the vendor
- (V) Any fittings and/or manual work additions and alterations of whatsoever nature carried out to the product by the vendor.

C. Bodily injury or property damage occurring within the vendor's premises.

- 2. The insurance does not apply to any person or organization, as insured from whom the Named Insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

**Vendor:** .

**All other terms and conditions remain unchanged.**

#### **41. UNNAMED VENDOR'S CLAUSE**

Notwithstanding anything to the contrary mentioned in the policy, it is hereby agreed that:

The 'persons insured' provision is amended to include any person or organization designated below (herein referred to as 'vendor') as an insured but only with respect to the distribution or sale in the regular course of the vendor's business of the Named Insured's products designated, below subject to the following additional provisions:

- 1. The insurance with respect to the vendor does not apply to -
  - D. Any express warranty or any distribution or sale for a purpose unauthorized by the Named Insured.
  - E. Bodily injury or property damage arising out of:
    - (VI) Any act of the vendor which changes the condition of the products
    - (VII) Any failure to maintain the product in merchantable condition

- (VIII) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products, or
- (IX) Products which after distribution or sale by the Named Insured have been labelled or relabelled or used as a container, part or ingredient of any other thing or substance by or for the vendor
- (X) Any fittings and/or manual work additions and alterations of whatsoever nature carried out to the product by the vendor.

F. Bodily injury or property damage occurring within the vendor's premises.

3. The insurance does not apply to any person or organization, as insured from whom the Named Insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

**All other terms and conditions remain unchanged.**

#### **42. SURROUNDING PROPERTY COVERAGE AS PER ENDORSEMENT**

In addition to the terms, conditions and exclusion within mentioned policy it is hereby agreed and declared that the:

The Insurers shall not be liable under the Policy to indemnify loss or damage to surrounding properties belonging to the Principals and/or their Contractors and/or their sub-contractors unless prior to the commencement of works.

- the Insured had requested and obtained from the Principals / Contractors and Sub contractors or the owners of such property the exact position of all surrounding property, b
- the Insured had established their existence and location, and
- the Insured had taken all necessary measures to prevent damage to such property

The indemnity shall in any case be restricted to the repair costs of such surrounding property. Any consequential damages shall be excluded from the cover available under this endorsement.

Above cover shall act in excess of Any of the other insurance cover available to you, including but not limited to CAR/EAR policy available with you.

#### **43. DIC/DIL Endorsement**

It is hereby agreed and declared the following conditions stand included in the policy.

We and the Named Insured have negotiated this policy to provide for certain additional local underlyer policies (local policies) (As stated in Annexure 'D') to be issued in specified jurisdictions around the world by insurance companies affiliated with USGIC. We and the Named Insured wish the underlyer policies to operate independently from this policy and each underlyer policy issued by affiliated insurers with USGIC will be subject to its own terms, conditions and exclusions. Notwithstanding the foregoing, ours and the Named

Insured's overriding intent, however, is that the ultimate amount of loss paid by us or insurance companies affiliated with USGIC, collectively, will only be the amount that would have been paid pursuant to this policy's limit of liability specified in item LIMITS OF INSURANCE of the Schedule.

Accordingly, We and the Named Insured agree as follows:

**Limit of Liability:** The limit of liability for loss under this policy shall be reduced by all losses incurred under any underlying policy.

**Difference in Limits (DIL):** In the event a underlying policy's limit of liability is exhausted, then any loss amount remaining to be paid under the applicable underlying policy shall be paid under this policy if the original loss is covered hereunder (and provided the aggregate limit of liability as specified in item " LIMITS OF INSURANCE" of the Schedule has not been exhausted).

**Difference in Conditions (DIC):** The terms and conditions of this policy will only apply to a claim brought under an underlying policy in the event that the terms and conditions set out herein are more favorable than those set forth in the applicable underlying policy.

**Reimbursement:** If any amounts paid to or on behalf of any of the insureds under the policies issued by Us or by affiliated insurers with USGIC cause the aggregate amount paid on policies to exceed the limit of liability of this policy for a single policy period, then for all such amounts in excess of limit of liability, the Named Insured shall reimburse Us upon written notice for reimbursement.

**Maintenance of Underlying Insurance:**

It is a condition precedent to Our liability under the policy that you agree

1. To keep the policies listed in the schedule of underlying insurance-Annexure X in full force and effect.
2. That any renewals or replacements of the policies listed in the schedule of underlying insurance will not be more restrictive in coverage.
3. That the limits of insurance of the policies listed in the schedule of underlying Insurance shall not change except for any reduction or exhaustion of aggregate limits by payment of claims for Events covered by this policy; and
4. That the terms, conditions, and endorsements of the policies listed in the schedule of underlying insurance will not materially change during the period of this policy.

If you fail to comply with these requirements, We will only be liable to the same extent that We would have been had You fully complied with these requirements.

**Annexure X:**

Country	Underlying policy (local policy)- limit of liability


**All other terms, exclusions and conditions of this policy remain unaltered.**

**44. BROAD FORM NAMED INSURED**

This endorsement modifies insurance provided under the following:

**Policy Declarations**, Named Insured, is revised to include:

"Named Insured" means the person or organization first named as the Named Insured on the Declarations Page of this policy (the "First Named Insured"). Named Insured also includes (1) any other person or organization named as a Named Insured on the Declarations Page; and (2) any subsidiary, associated, affiliated, allied or acquired company or corporation (including subsidiaries thereof) of which any insured named as the Named Insured on the Declarations Page has more than 50% ownership interest in or exercises management or financial control over.

**All other terms and conditions remain unchanged.**

**45. SUNRISE ENDORSEMENT**

This contract will provide coverage only for those Events happening on or between the dates \_\_\_\_\_ and \_\_\_\_\_ which would otherwise be covered by the terms and conditions of this contract and which had not been reported to the Insured or to any of the Insured's Insurance Carriers on or between the dates, and (including any Extended Reporting Periods granted thereunder by said Carriers).

This endorsement is contingent on the facts that proper payment of premium is made, and that the Insured has given no fraudulent statements or writings to the Insurer.

Solely as respects the coverage afforded by this contract, the coverages and limits (as indicated in the schedule of the policy) apply. It is understood that these limits are unimpaired.

**All other terms and conditions in the above policy remain unaltered.**

**46. SUNSET CLAUSE**

Regardless of any other terms and conditions of this contract, this policy will only cover those losses which have been reported as occurrences to the insurance company on or before <insert date>

**All other terms and conditions remain unchanged.**

#### **47. Non-Cancellation Clause**

It is agreed and declared that, Section 4.10 Cancellation is deleted in its entirety and replaced as follows:

##### 4.10 Cancellation

This Policy may be cancelled as follows:

- (i) by the Insured immediately upon **USGICL's** receipt of a written notice. In such case, **USGICL** shall refund any unearned premium calculated at short-period rate of the annual premium except in the event of an Event having been discovered prior to the date of cancellation whereby no refund in premium shall be due;
- (ii) USGICL agrees to waive any rights it may have to cancel this Policy, except on the grounds of non-payment of premium and misrepresentation of the material facts by the Insured.

Subject otherwise to the Coverage, Conditions and Exclusions of this Policy.

#### **47. Liquor Liability Extension**

Notwithstanding anything to the contrary mentioned in the policy, it is hereby agreed that insurance under this policy shall extend to include third party legal liability of the insured for Bodily Injury or Property Damage resulting from sale, gift, distribution, consumption or use of alcoholic beverages.

Subject otherwise to the Coverage, Conditions and Exclusions of this Policy.

#### **48. PRODUCT RECALL EXPENSE AND PRODUCT RECALL EXPENSE LIABILITY ENDORSEMENT**

Notwithstanding anything herein contained to the contrary, it is hereby declared and agreed that this Policy is extended to cover product recall expenses and product recall expenses liability in consideration of the premium paid, and subject to the Endorsement's Schedule, terms, conditions and exclusions, you and we agree as follows:

##### **ENDORSEMENT SCHEDULE**

- Item A. Recall Limits of Insurance:  
Aggregate:  
Each "Covered Incident":
- Item B. "Deductible":
- Item C. Recall Retroactive
- Item D. Sections Covered  
Coverage A: YES  
Coverage B: YES

#### **I. INSURING AGREEMENT**

##### **Coverage A - "Product Recall Expense"**



We will pay, subject to the Recall "Deductible", the covered "Product Recall Expense" you incur arising out of a "Covered Incident" if the initial written notice to us of the "Covered Incident" takes place during the Policy Period, and the "Covered Incident" takes place in the "Coverage Territory". The amount we will pay is limited as described in Product Recall LIMITS OF INSURANCE.

### **Coverage B - Product Recall Expense Liability**

1. We will pay, subject to "Deductible", the covered "Product Recall Expense" that you become legally obligated to pay arising out of a "Covered Incident" to which this insurance applies. We will have the right to defend any "suit" seeking those expenses. We will have no duty to defend you against any "suit" seeking damages which does not arise out of a "Covered Incident". We may at our discretion investigate any "Covered Incident" and settle any claim or "suit" that may result. But:
  - a. The amount we will pay is limited as described in Product Recall LIMITS OF NSURANCE; and
  - b. Our right to defend ends when we have used up the applicable limit of insurance in the payment of defence costs, judgments or settlements under this coverage.
2. Furthermore this insurance applies to "Product Recall Expense" arising out of a "Covered Incident" if the initial written notice to us of the "Covered Incident" takes place during the endorsement Period, and the "Covered Incident" takes place in the "Coverage Territory".

## **II. DEDUCTIBLE**

You will be responsible for the "Deductible" amount shown in Item B. of the Endorsement Schedule.

We will only pay for loss for any one "Covered Incident" if the amount of "Product Recall Expense", or the sum of all damages and defence costs for Product Recall Expense Liability, as the case may be, exceeds the "Deductible" and then only up to the applicable LIMITS OF INSURANCE.

If a loss for any one "Covered Incident" occurs which is insured under more than one Coverage Section, only one "Deductible" shall apply, which shall be the highest applicable "Deductible".

## **III. LIMITS OF INSURANCE**

1. The Recall LIMITS OF INSURANCE shown in the Endorsement Schedule, and the rules below, fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. persons or organizations making claims or bringing suits;
  - c. "Covered Incident's; or
  - d. "Your Product's
2. The most we will pay for the sum of all "Product Recall Expense" and for the sum of all damages and defence costs for Product Recall Expense Liability is the applicable Aggregate LIMIT OF INSURANCE shown in Item A. of the Endorsement Schedule, less the sum of all applicable "Deductibles" irrespective of the number of "Covered Incidents" during the Endorsement Period.
3. Subject to 2. above, the most we will pay as a result of any one "Covered Incident" is the applicable Each "Covered Incident" Limit shown in Item A. of the Endorsement Schedule, less any applicable "Deductible".
4. All "Product Recall Expense" and Product Recall Expense Liability resulting from the same omission, introduction or error will be considered as arising out of one "Covered Incident".
5. The Recall LIMITS OF INSURANCE of this endorsement apply separately to each consecutive annual period unless the Endorsement Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limits of insurance.

#### IV. DEFINITIONS

- A. "Covered Incident" in respect of section A & B means the recall, removal, recovery of possession or control, or disposal of "Your Product"(s) from a distributor, purchaser, or user of "Your Product"(s) because the use or consumption of "Your Product"(s) has resulted in "Bodily Injury" or "Property Damage", or poses actual and imminent danger of resulting in "Bodily Injury" or "Property Damage"
- B. "Deductible" means the amount shown in Item B. of the Endorsement Schedule.
- C. "Product Recall Expense" means the reasonable and necessary costs incurred during the 12 month period commencing on the first day such costs are incurred by reason of a "Covered Incident", if such costs are incurred exclusively for the recall, removal, recovery of possession or control, or disposal of "Your Product"(s). These costs are limited to the following:
1. Communications to notify others of a "Covered Incident", including but not limited to, radio and television announcements and printed advertisements;
  2. The cost of shipping "Your Product"(s) from any purchaser, distributor or user to the place or places you designate;
  3. The actual cost of disposal of the products, but only to the extent that specific methods of disposal other than those usually employed for trash discarding or disposal, are required to avoid Bodily Injury" or "Property Damage" as a result of such disposal;
  4. The extra expense to rent additional warehouse or storage space.
  5. The cost to hire additional persons other than your regular employees to assist in the process of communication, shipping and other ancillary responsibilities arising out of a "Covered Incident";
    - a. Remuneration paid to your regular employees, other than salaried employees, at basic rates of salary or wage for necessary straight time or overtime;
    - b. Expense incurred by employees, including transportation and accommodations, for 1, 2 and 3 above.

#### V. EXCLUSIONS

1. We will not pay for the cost or expense to repair, recondition, decontaminate or otherwise treat the recalled products so as to render them marketable.
2. Arising out of the failure of "Your Product"(s) to accomplish their intended purpose
3. Arising out of a decrease in product sales realized subsequent to the announcement of the "Covered Incident" and due to loss of customer faith or approval, as well as any costs incurred to attempt an increase in product sales or to regain customer approval;
4. You incur because "Your Product"(s) is similar to, or "Your Product"(s) has the same trade or brand name but is of a different batch than, the product which has been, or is being, recalled;
5. Arising out of an intentional act or omission that you knew or should have known could reasonably lead to a "Covered Incident";
6. Arising out of the natural deterioration, decomposition or transformation of chemical structure except as a result of error or omission in the manufacture of the products;
7. Arising from your dishonest, wilful, wanton, fraudulent, criminal or malicious act, error or omission;
8. Arising out of any breach of the warranties of fitness, quality, efficacy or efficiency.
9. Which you are obligated to pay by reason of an assumption of liability in a contract or agreement that you would not have in the absence of the contract or agreement.
10. Arising out of any pre-existing condition or situation that you knew or should have known of prior to the initial attachment of coverage under this endorsement, which could cause a "Covered Incident".

11. Based on the sale of "Your Product"(s) after you knew or should have known that "Your Product"(s) had been banned or declared unsafe by any United States governmental authority.
12. Arising solely as a result of intervention by any governmental or public authority.
13. Arising from the supply of "Your Product"(s) prior to the Retroactive Date shown in the Schedule.
14. Arising out of deliberate or alleged contamination, tamper or adulteration.
15. Arising prior to the unqualified acceptance of "Your Product"(s) by or on behalf of your customers.
16. Arising directly or indirectly out of:
  - Any actual or alleged failure, malfunction or inadequacy of:
    1. Any of the following, whether belonging to any Insured or to others:
      - a. Computer hardware, including microprocessors;
      - b. Computer application software;
      - c. Computer operating systems and related software;
      - d. Computer networks;
      - e. Microprocessors (computer chips) not part of any computer system; or
      - f. Any other computerized or electronic equipment or components; or
    2. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed above, due to the inability to correctly recognize, process, distinguish, interpret or accept any date change.
17. Arising directly or indirectly out of or in any way involving any act of terrorism. Any act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, or use of physical, chemical, biological, or other violence against persons or property by an individual or group whose announced or apparent objective is to further purported political, social, and/or religious beliefs, and which is intended to:
  - (1) put the public at large or a section of the public in fear, or
  - (2) coerce or intimidate a government or individuals to modify their behaviour or policies.

This also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

Where we allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this endorsement the burden of proving the contrary shall be upon you.
18. Arising out of any testing for, monitoring of, cleaning up, removing, containing, treating, detoxifying, or neutralizing or in any way responding to or assessing the effects of "Pollutants".
19. Arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos products, asbestos fibres or asbestos dust, or to any obligation of the Insured to indemnify any party because of damages arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos products, asbestos fibres or asbestos dust.
20. Arising out of the presence, ingestion, inhalation or absorption of or exposure to lead in any form or products containing lead or leaded materials.
21. For fines or penalties, punitive or exemplary damages, or the multiplied portion of multiplied damages.
22. Arising out of any financial, economic or consequential loss which you are legally obligated to pay or is incurred by any third party even if this arises out of a "Covered Incident".
23. Arising out of any product which is intended for incorporation into the structure, machinery or controls of any aircraft.

24. For any "Bodily Injury".
25. Arising out of a "Covered Incident" occurring prior to the inception of this Endorsement
26. Arising out of any "Covered Incident" which you were aware of prior to inception of this Endorsement

All other terms and conditions remain unchanged.

#### **49. Limited Impaired Property Damages (XX% of the Limits)**

We will cover, whether direct or indirect, any damages arising out of the insured's liability incurred by destroying other Property which consist of Products or the result of work provided as components, materials, parts, cases or package and is deemed to be combined to Products or the result of work in structure or function.

If our company covers damages provided in the aforementioned, Limit of liability which our company covers is XX% of the amount written in the Policy.

#### **Limited coverage for Defective Manufactured Goods and Processed Goods (XX% of the Limits)**

In case where insured products are manufacturing machine or control device of manufacturing goods ("Manufacturing Machine"), we cover any damages, whether directly or indirectly, arising out of the insured's liability incurred by damages of destruction of Property manufactured or processed by Manufacturing Machine.

If our company covers damages provided in the aforementioned, Limit of liability which our company covers is XX% of the amount written in the Policy.

#### **Definition of Per Accident ("Batch Clause")**

"Per Accident" provided in this Insurance Policy means a series of accident incurred by one same cause, notwithstanding time, place of such accident or numbers of casualties and the insured.

#### **Prevention of Occurrence of Accidents and Recall Costs exclusion**

If the insured knows that an accident has occurred or possibly occurs, the insured shall perform Recall for Products or the object of works in the same to prevent occurrence of an accident or expansion of damages.

We will not cover any damages incurred by failure to perform Recall if the insured does not perform Recall without due reason. We also will not cover any costs required for Recall for Products, the object of works or Property consisting of the Products, the object of works, whether or not paid by the insured.

#### **50. Batch Clause**

For the purpose of this policy, where two or more Insured Events happen within twelve months after the First Discovery of such Insured Event and are attributable to the same event, cause, incident or occurrence, all Costs attributable to such Insured Event shall be deemed to have been incurred at the time of the First Discovery, irrespective of when the subsequent Insured Events have actually happened.

#### **51. Punitive Damages Exclusion**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

## **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

This Policy does not apply to fines, penalties, punitive damages, exemplary damages, treble damages, or any other damages resulting from the multiplication of compensatory damages.

### **52. Nuclear Energy Liability Exclusion**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

It is agreed that this policy does not apply to “bodily injury”, “property damage” and “personal and advertising injury”, directly or indirectly resulting from the hazardous properties of nuclear material: as used in this exclusion

- (1) “Hazardous properties” include radioactive, toxic or explosive properties,
- (2) “Nuclear material” means source material, special nuclear material or by-product material,
- (3) “Property damage” includes all forms of radioactive contamination of property.

### **53. Earthquake Exclusion**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART. PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

This policy does not apply to “bodily injury”, “property damage” and “personal and advertising injury”, directly or indirectly occasioned by, happening through or in consequence of earthquake, volcanic eruption or tidal wave resulting therefrom.

### **54. Asbestos Exclusion**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

This policy does not apply to “bodily injury”, “property damage” and “personal and advertising injury”, including any kind of consequential economic loss, resulting from the existence, handling, processing, manufacturing, sale, distribution, storage or use of asbestos products and/or asbestos which is contained in any product.

### **55. Data Recognition Exclusion**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

This insurance does not apply to any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable arising directly or indirectly out of:

- a. Any actual or alleged failure, malfunction or inadequacy of:
  - (1) Any of the following (hereinafter called as "Computers"), whether belonging to any insured or to others:
    - (a) Computer hardware, including microprocessors;
    - (b) Computer application software;
    - (c) Computer operating systems and related software;
    - (d) Computer networks;
    - (e) Microprocessors (computer chips) not part of any computer system; or
    - (f) Any other computerized or electronic equipment or components; or
  - (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph a.(1) of this endorsement due to the inability to correctly recognize, process, distinguish, interpret, calculate, convert, replace, analyze or accept data of year, month, week, date, day of the week, hour, minute, second or period.
- b. Any advice, consultation, suggestion, design, evaluation, inspection, installation, maintenance, repair, replacement, recall or supervision provided or done by the insured or for the insured to determine, rectify or test for, or intentional shutdown, stoppage or suspension of "Computers" (including any shutdown, stoppage or suspension of operations using "Computers") in order to prevent, any potential or actual problems described in Paragraph a. of this endorsement.

## **56. Products Recall Exclusion**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

#### **A. Product Recall Exclusion**

We shall not indemnify the insured for any expense, whether or not spent by the insured, for withdrawal, inspection, repair or replacement of the products (including the property containing any product as a part thereof) or any other expenses spent for other necessary measures taken to prevent any further loss.

#### **B. Duty of Prevent Further Loss**

1. When the insured becomes aware of any "bodily injury" or "property damage" occurring or suspected to occur out of the products or completed operations (hereinafter referred to as products), the insured shall promptly take, without delay, all reasonable steps such as withdrawal, inspection, repair or replacement of the products (including the property containing any product as a part thereof) or any other necessary measures to prevent any further loss or loss occurrence.
2. If the insured fails to take the steps mentioned in the preceding article without any justifiable reason, we shall not pay any loss due to "bodily injury" or "property damage" arising from the same cause, which occurs thereafter.

## **57. Employment-Related Practices Exclusion**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

#### **1. The following exclusion is added to Exclusions of **Section I – Coverage A – Bodily Injury And Property Damage Liability:****

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

#### **2. The following exclusion is added to Paragraph 2. Exclusions of **Section I – Coverage B – Personal And Advertising Injury Liability:****

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

### **58. Total Pollution Exclusion (CGL)**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART.**

Exclusion of **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages)** is replaced by the following:

This insurance does not apply to:

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

### **59. Total Pollution Exclusion (PL)**

This endorsement modifies insurance provided under the following:

#### **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

This insurance does not apply to:

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

"Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

### **60. Terrorism Exclusion**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

#### **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**A.** The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:



- a. That involve the following or preparation for the following:
- (1) Use or threat of force or violence; or
  - (2) Commission or threat of a dangerous act; or
  - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
- b. When one or both of the following applies:
- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
  - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or Policy.

**B.** The following exclusion is added:

### **EXCLUSION OF TERRORISM**

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage.

### **61. Aircraft Products Exclusion**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

This policy does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the "products-completed operations hazard" of the following "aircraft products".

"Aircraft products" means;

- (A) aircraft including missiles, airship or spacecraft and any ground support control equipment or ground handling tools and equipment used therewith,
- (B) aircraft component parts furnished for installation or installed in aircraft including spare or replacement parts,
- (C) training aids, instructions, manuals, blueprints, charts, engineering or other advice and services and labor relating to (A) and (B) above.

### **62. Exclusion – Designated Professional Services**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

## SCHEDULE

<b>Description Of Professional Services</b>
As per Attached Sheet

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" due to the rendering of or failure to render any professional service shown in the Schedule.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional service.

### **63. Business Risk Exclusion**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" resulting from the failure of "your product" or "your work" to perform the function or service the purpose intended by you, if such failure is due to a mistake or deficiency in any design, formula, plan or specifications prepared or developed by any Insured.

### **64. Amendment of Supplementary Payments Provision (Costs Within Limits)**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

We will pay, notwithstanding the provisions of Supplementary Payments of applicable Coverage Part of this policy, within and as a part of the applicable Limit of Insurance all expenses provided in the provisions of Supplementary Payments of this policy.

We shall in no case be obliged to pay any settlement, judgment or such expenses or to defend any suit after the applicable Limit of Insurance has been exhausted by payment of settlements, judgments or such expenses.

It is further agreed that if there is anything contained in the policy contrary to this endorsement it is to that extent null and void.

## **65. Amendment of Limits of Insurance (BI&PD) (CGL)**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SECTION III – LIMITS OF INSURANCE** is replaced by the following.

#### **SECTION III – LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit for "bodily injury" is the most we will pay for the sum of:
  - a. Medical expenses under Coverage **C**;
  - b. Damages because of "bodily injury" under Coverage **A**, except damages because of "bodily injury" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.

The General Aggregate Limit for "property damage" is the most we will pay for damages because of "property damage" under Coverage **A**, except damages because of "property damage" included in the "products-completed operations hazard".

3. The Products-Completed Operations Aggregate Limit for "bodily injury" is the most we will pay under Coverage **A** for damages because of "bodily injury" included in the "products-completed operations hazard", and the Products-Completed Operations Aggregate Limit for "property damage" is the most we will pay under Coverage **A** for damages because of "Property Damage" included in the "products-completed operations hazard".
4. Subject to Paragraph **2.** above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit for "bodily Injury" is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C**
 because of all "bodily injury" arising out of any one "occurrence", and the Each Occurrence Limit for "property damage" is the most we will pay for damages under Coverage **A** because of all "property damage" arising out of any one "occurrence".
6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## **66. Amendment of Limits of Insurance (BI&PD) (PL)**

This endorsement modifies insurance provided under the following:

### **PRODUCTS / COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**SECTION III – LIMITS OF INSURANCE** is replaced by the following.

#### **SECTION III – LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit for "bodily injury" is the most we will pay for damages because of "bodily injury" included in the "products-completed operations hazard", and the Aggregate Limit for "property damage" is the most we will pay for damages because of "property damage" included in the "products-completed operations hazard".
3. Subject to Paragraph 2. above, the Each Occurrence Limit for "bodily Injury" is the most we will pay for damages because of all "bodily injury" arising out of any one "occurrence", and the Each Occurrence Limit for "property damage" is the most we will pay for damages because of all "property damage" arising out of any one "occurrence"

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## **67. Deductible Clause**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

#### **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

- A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts shown in the Declarations as applicable to such coverages.
- B. The deductible amount shown in the Declarations applies to all damages because of:
  - (1) "Bodily injury";
  - (2) "Property damage"; or
  - (3) "Bodily injury" and "property damage" combinedas the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

- C.** The terms of this insurance, including those with respect to:
1. Our right and duty to defend the insured against any "suits" seeking those damages; and
  2. Your duties in the event of an "occurrence", claim, or "suit" apply irrespective of the application of the deductible amount.
- D.** We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

**68. Additional Insured (Vendors – Limited Form)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**SCHEDULE**

<b>Name Of Additional Insured Person(s) Or Organization(s) (Vendor)</b>
As per Attached Sheet

**A. Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) (referred to throughout this endorsement as vendor) shown in the Schedule, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the Declarations which are distributed or sold in the regular course of the vendor's business.

However:

1. The insurance afforded to such vendor only applies to the extent permitted by law; and
2. If coverage provided to the vendor is required by a contract or agreement, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.

**B.** With respect to the insurance afforded to these vendors, the following additional exclusions apply:

1. The insurance afforded the vendor does not apply to:
  - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - b. Any express warranty, or any distribution or sale for a purpose, unauthorized by you;
  - c. Any physical or chemical change in the product made intentionally by the vendor;
  - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
  - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
    - (1) The exceptions contained in Sub-paragraphs d. or f.; or
    - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
  - i. "Bodily Injury" or "property damage" occurring within the vendor's premises
2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**C. With respect to the insurance afforded to these vendors, the following is added to **Section III – Limits Of Insurance**:**

If coverage provided to the vendor is required by a contract or agreement, the most we will pay on behalf of the vendor is the amount of insurance:

- 1. Required by the contract or agreement; or
  - 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**69. Blanket Additional Insured (Vendors – Limited Form)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**A. Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) who are vendors of "your products" shown in the Declarations, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the Declarations which are distributed or sold in the regular course of the vendor's business.

However:

- 1. The insurance afforded to such vendor only applies to the extent permitted by law; and
- 2. If coverage provided to the vendor is required by a contract or agreement, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.

**B. With respect to the insurance afforded to these vendors, the following additional exclusions apply:**

- 1. The insurance afforded the vendor does not apply to:
  - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - b. Any express warranty, or any distribution or sale for a purpose, unauthorized by you;
  - c. Any physical or chemical change in the product made intentionally by the vendor;

- d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
  - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
    - (1) The exceptions contained in Sub-paragraphs d. or f.; or
    - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
  - i. "Bodily Injury" or "property damage" occurring within the vendor's premises
2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**C. With respect to the insurance afforded to these vendors, the following is added to **Section III – Limits Of Insurance**:**

If coverage provided to the vendor is required by a contract or agreement, the most we will pay on behalf of the vendor is the amount of insurance:

- 1. Required by the contract or agreement; or
  - 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**70. Premium Computation**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as provisional premium is a deposit premium only. Upon expiration of this policy, we will compute the earned premium for the policy period based on the premium base and premium rate shown in the Declarations, and send notice to the first Named Insured. If the provisional premium paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured. If the provisional premium paid for the policy period is less than the earned premium, you shall pay the shortfall to us. The due date for premium adjustment is the date shown as the due date on the bill.
- c. Earned premium shall not be less than the minimum premium shown in the Declarations. If you or we cancel this policy, the minimum premium shall be computed with our rules of cancellation.

- d. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**71. Flat Premium**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

- A. Premium Audit of **Section IV – Conditions** does not apply in this policy.  
 B. The premium for this policy is a flat charge and shall not be subject to any adjustment. (except Change and Cancellation of this policy.)

**72. Installment Premium**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**SCHEDULE**

Installment Premium	As per Attached Sheet
Due Dates	As per Attached Sheet

1. The First Named Insured must pay installment premium shown in the Schedule before the due dates shown in the Schedule.
2. We will not pay for any damages arising out of “occurrence” which occurred before the payment of the first installment premium, even if the policy period has started.
3. In the event of the First Named Insured failing to pay the second (or any of the subsequent) installment premium by the end of the following month of the corresponding due date, we will not pay for any damages arising out of “occurrence” which occurred after that due date. If we judge there are no intention and gross negligence of the insured, “the end of the following month of the corresponding due date” in the previous sentence is replaced to “25th of the month after next of the corresponding due date”.
4. Subject paragraph 3. above, In the event of the First Named Insured failing to pay the second (or any of the subsequent) installment premium by the due date, we shall be liable for any damages arising out of “occurrence” which occurred after that due date only if the First Named Insured pay all installment premiums which should be paid by the latest due date.
5. If this policy provides claims-made coverage, ” ”occurrence” which occurred” in this endorsement is replaced to “claims made”.



### **73. Amendment of “Property Damage” Definition Endorsement**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

The definition of “property damage” designated in the COVERAGE PART is replaced by the following.

“Property damage” means physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from, computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

### **74. Exclusion – Products-Completed Operations Hazard**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This insurance does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard".

### **75. Exclusion – Personal and Advertising Injury**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**COVERAGE B (Section I)** does not apply and none of the references to it in the Coverage Part apply.

### **78. Exclusion – Medical Payments**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

1. **Section I – Coverage C – Medical Payments** does not apply and none of the references to it in the Coverage Part apply: and

2. The following is added to **Section I – Supplementary Payments**:

h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

**79. Exclusion – Damage to Premises Rented to You**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

1. The last paragraph ("Exclusions c. through n. do not apply . . . ") of Paragraph 2., Exclusions under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is deleted.
2. The first exception ("Paragraphs (1), (3) and (4) of this exclusion do not apply . . . ") to Exclusion j., Damage To Property of Paragraph 2., Exclusions of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is deleted.
3. Paragraph 6. of **Section III – Limits Of Insurance** is deleted.
4. Any reference in the Declarations to "Damage To Premises Rented To You" is deleted.

**80. Limited Product Withdrawal Expense (BI&PD only)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**SCHEDULE**

Aggregate Limit	As per attached sheet
Deductible Amount Per Product Withdrawal	As per attached sheet
Participation Percentage Per Product Withdrawal	As per attached sheet
Cut-off Date	As per attached sheet

**THIS ENDORSEMENT ONLY PROVIDES REIMBURSEMENT TO YOU FOR EXPENSES INCURRED BECAUSE OF A COVERED "PRODUCT WITHDRAWAL".  
THIS ENDORSEMENT DOES NOT PROVIDE ANY LIABILITY COVERAGE OR COVERAGE FOR THE COST OR EXPENSE OF DEFENDING ANY CLAIM OR SUIT.**

**A. The following is added to Section I – Coverages:**

**Section I – Limited Product Withdrawal Expense Coverage**

**2. Insuring Agreement**

- a. We will reimburse you for "product withdrawal expenses" incurred by you because of a "product withdrawal" to which this insurance applies.  
The amount of such reimbursement is limited as described in Section III – Limits Of Insurance. No other obligation or liability to pay sums or perform acts or services is covered.
- b. This insurance applies to a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period because:
  - (1) You determine that the "product withdrawal" is necessary; or
  - (2) An authorized government entity has ordered you to conduct a "product withdrawal"
- c. We will reimburse "product withdrawal expenses" only if:

- (1)The expenses are incurred within one year of the date the "product withdrawal" was initiated;
  - (2)The expenses are reported to us within one year of the date the expenses were incurred; and
  - (3)The product that is the subject of the "product withdrawal" was produced after the Cut-off Date designated in the Schedule.
- d. The initiation of a "product withdrawal" will be deemed to have been made only at the earliest of the following times:
- (1)When you first announced, in any manner, to the general public, your vendors or to your employees (other than those employees directly involved in making the determination) your decision to conduct or participate in a "product withdrawal". This applies regardless of whether the determination to conduct a "product withdrawal" is made by you or is requested by a third party; or
  - (2)When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product withdrawal".
- e. "Product withdrawal expenses" incurred to withdraw "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".

### 3. Exclusions

This insurance does not apply to "product withdrawal expenses" arising out of:

- a. **Breach Of Warranty And Failure To Conform To Intended Purpose**  
Any "product withdrawal" initiated due to the failure of "your product" to accomplish its intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused "bodily injury" or physical damage to tangible property other than "your product".
- b. **Infringement Of Copyright, Patent, Trade Secret, Trade Dress Or Trademark**  
Any "product withdrawal" initiated due to copyright, patent, trade secret, trade dress or trademark infringements.
- c. **Deterioration, Decomposition Or Chemical Transformation**  
Any "product withdrawal" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:
  - (1)An error in manufacturing, design, or processing;
  - (2)Transportation of "your product"; or
- d. **Goodwill, Market Share, Revenue, Profit Or Redesign**  
The costs of regaining goodwill, market share, revenue or "profit" or the costs of redesigning "your product".
- e. **Expiration Of Shelf Life**  
Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".
- f. **Known Defect**  
A "product withdrawal", initiated because of a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Coverage Part was first issued to you or prior to the time "your product" leaves your control or possession.
- g. **Otherwise Excluded Products**  
A recall of any specific products for which "bodily injury" or "property damage" is excluded under Coverage A – Bodily Injury And Property Damage Liability by endorsement.
- h. **Governmental Ban**  
A recall when "your product" or a component contained within "your product" has been:
  - (1)Banned from the market by an authorized government entity prior to the policy period; or
  - (2)Distributed or sold by you subsequent to any governmental ban.
- i. **Defense Of Claim**  
The defense of a claim or "suit" against you for liability arising out of a "product withdrawal".
- j. **Third-party Damages, Fines And Penalties**  
Any compensatory damages, fines, penalties, punitive or exemplary or other noncompensatory damages imposed upon the insured.
- k. **Pollution-related Expenses**  
Any loss, cost or expense due to any:
  - (1)Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**B. For the purposes of this endorsement, Section III – Limits Of Insurance is replaced by the following:**

**Section III – Limits Of Insurance**

1. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. "Product withdrawals" initiated; or
  - c. Number of "your products" withdrawn.
2. The Aggregate Limit is the most we will reimburse you for the sum of all "product withdrawal expenses" incurred for all "product withdrawals" initiated during the policy period.

**3. Deductible And Participation Percentage Provisions**

**a. Deductible**

We will only pay for the amount of "product withdrawal expenses" which are in excess of the deductible amount, if any, shown in the Schedule of this endorsement. The deductible applies separately to each "product withdrawal". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable, to effect settlement of any claim or "suit". Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

**b. Participation Percentage**

If a Participation Percentage is indicated in the Schedule of this endorsement, the following provision applies:

You agree to participate in the payment of "product withdrawal expenses" which are in excess of the Deductible, to the extent of the Participation Percentage indicated in the Schedule. The Participation Percentage will apply separately to each "product withdrawal".

You also agree that the cost of your participation in each "product withdrawal" will be borne entirely by you when due and you will not obtain insurance to cover it.

The Limits of Insurance of Product Withdrawal Expense Coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**C. For the purposes of this endorsement, the Duties In The Event Of Occurrence, Claim Or Suit Condition under Section IV – Conditions is replaced by the following:**

**2. Duties In The Event Of A "Defect" Or A "Product Withdrawal"**

- a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened "defect" in "your product", or any governmental investigation, that may result in a "product withdrawal". To the extent possible, notice should include:
  - (1) How, when and where the "defect" was discovered;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature, location and circumstances of any injury or damage arising out of use or consumption of "your product".
- b. If a "product withdrawal" is initiated, you must:
  - (1) Immediately record the specifics of the "product withdrawal" and the date it was initiated; and
  - (2) Notify us as soon as practicable.

- You must see to it that we receive written notice of the "product withdrawal" as soon as practicable.
- c. You must promptly take all reasonable steps to mitigate the expenses associated with a "product withdrawal". Any "profit" that you receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for "product withdrawal expenses".
  - d. You and any other involved insured must:
    - (1) Immediately send us copies of pertinent correspondence received in connection with the "product withdrawal";
    - (2) Authorize us to obtain records and other information; and
    - (3) Cooperate with us in our investigation of the "product withdrawal".

**D. For the purposes of this endorsement, the following condition is added to Section IV – Conditions:**

**Concealment Or Fraud**

We will not provide coverage under Section I of this endorsement to you, or any other insured, who at any time:

1. Engaged in fraudulent conduct; or
2. Intentionally concealed or misrepresented a material fact concerning a "product withdrawal" or "product withdrawal expenses" incurred by you under Section I of this endorsement.

**E. The following provisions shall apply to this policy.**

1. We shall not indemnify the insured for any expense which is not spent by the insured, for withdrawal, inspection, repair or replacement of the products (including the property containing any product as a part thereof) or any other expenses spent for other necessary measures taken to prevent any further loss.
2. Duty of Prevent Further Loss
  - (1) When the insured becomes aware of any "bodily injury" or "property damage" occurring or suspected to occur out of the products or completed operations (hereinafter referred to as products), the insured shall promptly take, without delay, all reasonable steps such as withdrawal, inspection, repair or replacement of the products (including the property containing any product as a part thereof) or any other necessary measures to prevent any further loss or loss occurrence.
  - (2) If the insured fails to take the steps mentioned in the preceding article without any justifiable reason, we shall not pay any loss due to "bodily injury" or "property damage" arising from the same cause, which occurs thereafter.

**F. The following definitions are added to the Definitions section:**

1. "Defect" means a defect, deficiency or inadequacy that creates a dangerous condition.
2. "Product withdrawal" means the recall or withdrawal:
  - a. From the market; or
  - b. From use by any other person or organization; of "your products", or products which contain "your products", because of known or suspected "defects" in "your product" which has caused "bodily injury" or physical injury to tangible property other than "your product".
3. "Product withdrawal expenses" means those reasonable and necessary extra expenses, listed below, paid and directly related to a "product withdrawal":
  - a. Costs of notification;
  - b. Costs of stationery, envelopes, production of announcements and postage or facsimiles;
  - c. Costs of overtime paid to your regular non-salaried employees and costs incurred by your employees, including costs of transportation and accommodations;
  - d. Costs of computer time;
  - e. Costs of hiring independent contractors and other temporary employees;
  - f. Costs of transportation, shipping or packaging;
  - g. Costs of warehouse or storage space; or
  - h. Costs of proper disposal of "your products", or products that contain "your products", that cannot be reused, not exceeding your purchase price or your cost to produce the products.

4. "Profit" means the positive gain from business operation after subtracting for all expenses.

#### 81. Limited Finished Product Damage

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**Schedule**

Sublimit of Insurance for Finished Product Damage	As per attached sheet
--	-----------------------

A. The following definition is added and apply under this endorsement.

“Finished product damage” means “property damage” for any tangible property, other than the “impaired property” and “your product”, of which “your product” form a part, in case those products are used as element, material or parts.

B. The following is added to SECTION III- LIMITS OF INSURANCE

Subject to other Limits of Insurance shown in this SECTION, the “Sublimit of Insurance for Finished Product Damage” is the most we will pay for damages because of “finished product damage”

#### 82. Finished Product Damage Exclusion

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

This insurance does not apply to “property damage” for any tangible property, other than the “impaired property” and “your product”, of which “your product” form a part, in case those products are used as element, material or parts.

#### 83. Amendment of Damage to Property

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Damage To Property, Exclusion of **SECTION I COVERAGE A - Bodily Injury And Property Damage Liability** is replaced by the following;

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of

- such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
  - (3) Property loaned to you;
  - (4) Personal property in the care, custody or control of the insured;

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III – Limits Of Insurance**.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (4) of this exclusion does not apply to "property damage" to that particular part of personal property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations.

**84. Waiver of Transfer of Rights of Recovery Against Others to Us**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**SCHEDULE**

Name Of Person Or Organization:
As per Attached Sheet

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions**:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

### **85. Batch Clause**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

1. All injuries or damages arising from the same causes will be deemed as one occurrence regardless of whether they occur in different policy period.
2. If this policy provides claims-made coverage, our liability for such injuries or damages is limited to the applicable limit of the policy in which the first claim was made. If not, our liability for such injuries or damages is limited to the applicable limit of the policy which is applicable for the first injury or damage.

### **86. Jurisdiction Clause**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

Coverage disputes arising out of this insurance shall be subject to \_\_\_\_\_ law and forum.

### **87. Duty of Defense Endorsement**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART. PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

4. Defense provisions  
In the event of any "suit" or claim is brought or made against the Insured within Japan or the territories where we are prevented by law or otherwise from performing the obligation to defend set forth in the Coverage Part,
  - a. we will have the right, but no duty to defend the insured against any "suit" seeking damages for any injury or damages which this insurance applies; and
  - b. we shall not be obligated to pay on behalf of the Insured any damages, and we will substitutionally pay the Insured the amount of judgments or settlements.

5. Lien on Liability Claim  
In the event of any "suit" or claim is brought or made against the Insured within Japan, we shall apply following provision in priority to F. Transfer Of Your Rights And Duties Under This Policy of the **General Liability Common Policy Conditions**.

In case any person possessing a valid claim against the Insured (hereinafter referred to as "the Claimant") is entitled to exercise lien on the right of recovery of the Insured or its assignee under this insurance for such claim under the Insurance Act of Japan, we shall pay such claim only in either of the following



circumstances, provided that such claim is caused as the result of the Insured becoming liable for loss of or damage to the Claimant (hereinafter referred to as “the Liability Claim”):

- a. where we pay the Liability Claim to the Insured after the Insured have settled same to the Claimant, provided that such payment shall not exceed the sum settled by the Claimant.
- b. where we pay the Liability Claim direct to the Claimant pursuant to the instruction of the Insured before the Insured have settled same to the Claimant.
- c. where we pay the Liability Claim direct to the Claimant as the result of the Claimant exercising lien on the Insured’s right of recovery for same before the Insured have settled same to the Claimant.
- d. where we pay the Liability Claim to the Insured pursuant to the agreement of the Claimant for such payment before the Insured have settled same to the Claimant, provided that such payment shall not exceed the sum agreed by the Claimant.

**88. Designation of Premises**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This insurance applies only to “bodily injury”, “property damage”, “personal and advertising injury” and medical expenses arising out of the ownership, maintenance or use of the premises shown in the Declarations and operations necessary or incidental to those premises.

**89. Co-Insurance Clause**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

It is hereby understood and agreed that the following “Co-Insurers” are, each for itself and not one for the others, liable for their respective subscription as specified below.

Name of “Co-Insurers” and Respective Subscription
As per Attached Sheet

Notwithstanding the above, it is also understood and agreed that we, as the appointed leader, shall be responsible for the following transactions on behalf of the other “Co-Insurers”;

1. To receive application form, issue and deliver the policy
2. To receive or return insurance premium
3. To change the contents of the insurance contract and to cancel the policy
4. To receive and accept notice of facts required under the insurance contract
5. To receive and accept notice of transfer or assignment of Insured’s rights under the insurance contract
6. To issue and deliver addendum and/or endorsement to the policy
7. To survey and inspect Insured’s interest and/or other things related to the insurance contract
8. To receive notice of claim or documents of claims
9. To adjust and pay insurance claim and to secure right of insurers

10. Any other things to related to each of the foregoing

Any of the above items, if done by the leader, shall be deemed to have been done by all of the "Co-Insurers" and any action related to this policy, including notice of important facts, made to the leader by the parties concerned shall be deemed to have been made to all of the "Co-Insurers".

90. **Additional Insured (Vendors - Broad Form)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**SCHEDULE**

<b>Name Of Additional Insured Person(s) Or Organization(s) (Vendor)</b>
As per Attached Sheet

**A. Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) (referred to throughout this endorsement as vendor) shown in the Schedule, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the Declarations which are distributed or sold in the regular course of the vendor's business.

However:

1. The insurance afforded to such vendor only applies to the extent permitted by law; and
2. If coverage provided to the vendor is required by a contract or agreement, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.

**B.** With respect to the insurance afforded to these vendors, the following additional exclusions apply:

1. The insurance afforded the vendor does not apply to:
  - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - b. Any express warranty unauthorized by you;
  - c. Any physical or chemical change in the product made intentionally by the vendor;
  - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - e. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product; or
  - f. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.
2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**C. With respect to the insurance afforded to these vendors, the following is added to **Section III – Limits Of Insurance**:**

If coverage provided to the vendor is required by a contract or agreement, the most we will pay on behalf of the vendor is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**91. Per Person Limit**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**SCHEDULE**

Per Person Limit	USD xxx,xxx
------------------	-------------

The following provisions are added to **Section III – Limits of Insurance**:

Subject to other Limits of Insurance shown in this section, the Per Person Limit shown in the SCHEDULE above is the most we will pay for all damages because of “bodily injury” sustained by one person as the result of any one “occurrence”

**91. Bailee’s Liability Endorsement**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

Insured	
Premises/Business/ Operations	
Each Occurrence Limit	
Aggregate Limit	
Deductible	

Notwithstanding contrary of the original provision of this policy, this endorsement will provide the following coverage to the Named Insured listed in the SCHEDULE of this Endorsement.

## 1. Insuring Agreement

Notwithstanding the Exclusion j. Damage to Property of **Section I COVERAGE A – Bodily Injury and Property Damage Liability**, we will pay those sums which Insured becomes legally obligated to pay because of damage, destruction or theft of property in the care, custody or control of the Insured, Whilst

- a. the property is held in trust on the premises specified in the SCHEDULE or
- b. the property is held in trust outside the premises in connection with business or operations specified in the SCHEDULE.

## 2. Exclusions

This insurance does not apply to:

- a. theft, burglary or hold-up committed by or conducted by the Insured, his agents or employee;
- b. loss, destruction, disappearance or theft of the property owned, occupied or used by the Insured's employee;
- c. loss of or damage to the property itself caused by spontaneous combustion or explosion irrespective of its cause;
- d. loss or damage caused by natural wear and tear, sweat and heat, mold corruption, discoloration, rust and similar inherent vice, also rats and other vermin;
- e. loss or damages caused by rain, snow or similar natural phenomena penetrating roofs, doors, windows, ventilators, etc;
- f. loss or damage discovered 30 days after the property has been delivered to the bailer;
- g. loss or damage caused by failure of repairing or processing work performed by the Insured.

## 3. Limits of Liability and Deductible

### a. Aggregate Limit

The Aggregate Limit shown in the SCHEDULE is the most we will pay for all damages covered by this endorsement.

### b. Each Occurrence Limit

The Each Occurrence Limit shown in the SCHEDULE is the most we will pay for all damages covered by this endorsement arising out of any one "occurrence".

### c. Deductible

- (1) Our obligation under this endorsement to pay damages applies only to the amount of damages in excess of any deductible amounts shown in the SCHEDULE. The deductible amount shown in the SCHEDULE applies to all damages arising out of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".
- (2) The limits of insurance will not be reduced by the amount of this deductible.
- (3) We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

## 92. Limits of Liability Endorsement

It is hereby understood and agreed that the Limits of Liability of this policy shall be as follows.

Limits of Liability	
Combined Single Limit	US\$xxxx- each occurrence
	US\$xxxx- aggregate

Notwithstanding the above,

The following sub-limit shall be applied to the occurrence which occurred before **Month 00, 0000**

Limits of Liability	
Combined Single Limit	\xxxx- each occurrence
	\xxxx- aggregate

### 93. Amendment of Property Damage to The Named Insured's Products Endorsement

1. It is agreed that the provisions of the policy captioned "Exclusions(f) of "PRODUCTS AND COMPLETED OPERATIONS LIABILITY INSURANCE COVERAGE PART" shall be deleted and replaced by following.

"(f) to property damage to the Named Insured's products arising out of such products or any part of such products. But this exclusion does not apply to property damage to the Named Insured's products arising out of such products or any part of such products because of bodily injury or property damage to which this insurance applies and caused by a sudden accident."

But above provision only applies to bodily injury or property damage;

- (1) arising out of the Named Insured's products manufactured in 0000 or 0000 and
- (2) resulting from an occurrence which first commences on and after **Month, Day, Year.**

2. The limits of liability shown in this endorsement and the rules below fix the most the Company will pay regardless of the number of.

- (1) Insureds under this policy;
- (2) Persons or organizations who sustain bodily injury or property damage; or
- (3) Claims made or suits brought on account of bodily injury or property damage.

3. Subject to 1 and 2 above, the Company's Liability which applies to the property damage to the Named Insured's products is limited in the aggregate to the amount stated in the schedule below, and shall not exceed the "Limits of Liability" as set forth in the policy.

The "Limits of Liability" shall be composed of those sums included within the terms of "Ultimate Net Loss" as defined at "COST INCLUSIVE CLAUSE" and include above 1.

#### Schedule

Products Manufactured in:	Aggregate Limit
xxxx	US\$ xxxx
xxxx	US\$ xxxx

**94. Manufactured Products Liability Exclusion Endorsement**

It is agreed that:

1. This insurance does not apply to liability arising out of property damage to the “Manufactured Products”.
2. For the purpose of this endorsement, the following definitions are added;  
“Manufactured Products” means product(s) or good(s), regardless of the finished one or not, which are manufactured, assembled or processed by use of the Named Insured’s products.

**95. Limited Manufactured Products Liability Coverage Endorsement**

It is agreed that:

1. The Limits of Liability shown in SCHEDULE below is the most the Company will pay for property damage of the “Manufactured Products” regardless of the number of;
  - (1) Insured under this policy;
  - (2) Persons or organizations who sustain bodily injury or property damage; or
  - (3) Claims made or suits brought arising out of bodily injury or property damage.
2. The Company’s liability for the property damage of the “Manufactured Products” is limited to the reasonable repair or replacement cost of “Manufactured Products” up to its actual cash value.
3. Subject to 1 and 2 above, the Company’s liability which applies to the property damage is limited to the aggregate to the amount stated in the SCHEDULE below, and shall not exceed the aggregate “Limit of Liability” shown in Item4. Limits of Liability and Premiums of the DECLARATIONS as set forth in the policy.
4. For the purpose of this endorsement, the following definitions are added;  
“Manufactured Products” means product(s) or good(s), regardless of the finished one or not, which are manufactured, assembled or processed by use of the Named Insured’s products.

SCHEDULE

Limits of Liability	
each occurrence/aggregate	US\$ xxxx
Amount of Deductible	US\$ xxxx
Participation Percentage Per Manufactured Products	

All other terms and conditions are remaining unchanged.

**97. Personal and Advertising Injury Liability Coverage Endorsement**

This endorsement modifies insurance provided under the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE COVERAGE PART  
PRODUCTS AND COMPLETED OPERATIONS INSURANCE COVERAGE PART

## 1. Insuring Agreement

- a. The Company will pay those sums that the Insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. The Company will have the right and duty to defend the Insured against any suit seeking those damages. However, the Company will have no duty to defend the Insured against any suit seeking damages for "personal and advertising injury" to which this insurance does not apply. The Company may, at the Company's discretion, investigate any offense and settle any claim or suit that may result. But:
- (1) Regardless of the number of Insured under this policy, persons or organizations who sustain damage from "personal and advertising injury", or claims made or suits brought on account of "personal and advertising injury" the amount the Company will pay damages for "personal and advertising injury" is limited in the aggregate to the amount stated in the SCHEDULE below, and shall not exceed the "Limits of Liability" ;

### SCHEDULE

each Occurrence / Aggregate Limit	US\$ _____-
--------------------------------------	-------------

- (2) The Company's right and duty to defend end when the Company have used up the applicable Limits of Liability in the payment of judgments or settlements under COVERAGE A-BODILY INJURY LIABILITY or COVERAGE B-PROPERTY DAMAGE LIABILITY in COMMERCIAL GENERAL LIABILITY COVERAGE PART or PRODUCTS AND COMPLETED OPERATIONS COVERAGE PART.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS in GENERAL LIABILITY POLICY Standard Provisions.
- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business, but only if:
- (1) The offense was committed in the Policy Territory written in DECLARATIONS.
- (2) The offense was not committed before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
- (3) A claim for damages because of the "personal and advertising injury" is first made against any Insured, in accordance with Paragraph c. below, during the policy period.
- c. A claim made by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
- (1) When notice of such claim is received and recorded by any Insured or by the Company, whichever comes first; or
- (2) When the Company make settlement in accordance with Paragraph a. above.
- All claims for damages because of "personal and advertising injury" to the same person or organization as a result of an offense will be deemed to have been made at the time the first of those claims is made against any Insured.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the Insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

### b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity.

### c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the Retroactive Date, if any, shown in the Declarations.

**d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the Insured.

**e. Contractual Liability**

"Personal and advertising injury" for which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the Insured would have in the absence of the contract or agreement.

**f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in any Insured's "advertisement".

**g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in any Insured's "advertisement".

**h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in any Insured's "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in any Insured's "advertisement".

However, this exclusion does not apply to infringement, in any Insured's "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an Insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content or web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **b.(1),(2)** and **(3)** of "personal and advertising injury" under **3.Definition**.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the Insured hosts, owns, or over which the Insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in any Insured's e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".



**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Distribution Of Material In Violation Of Statutes**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**3. Definition**

For the purpose of this endorsement, the following definitions are added;

- a. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about any insured's goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - (1) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - (2) Regarding web-sites, only that part of a web-site that is about any Insured's goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- b. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - (1) False arrest, detention or imprisonment;
  - (2) Malicious prosecution;
  - (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - (4) Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - (5) Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - (6) The use of another's advertising idea in any Insured's "advertisement"; or
  - (7) Infringing upon another's copyright, trade dress or slogan in any Insured's "advertisement".
- c. "Limits of Liability" means the Company's limits of liability for each occurrence and aggregate of Bodily Injury or Combined Single Limit whichever applies to this Insurance shown in **Item 4. Limits of Liability and Premiums** in DECLARATIONS.

**99. Special Expense for Handling Claims Endorsement**

It is agreed that

1. The Company will pay the following expense which is needed to cope with the suits.
  - a) Costs to draw up the documents which is submitted to any courts or the other party,
  - b) Costs of overtime payment to Insured's employees and costs incurred by Insured's employees, including costs of transportation and accommodations; or
  - c) Costs of replication and investigation to determine the cause of the occurrence, including costs to draw up written statements of experts' opinion.
  
2. The Company will pay the expense loss incurred by the insured when the insured becomes aware of the loss occurring or suspected to occur to which this insurance applies.
  - a) Costs to preserve and record the scene of the occurrence,
  - b) Costs to investigate to determine the cause and situation of the occurrence,
  - c) Costs to clean up the scene of the occurrence,
  - d) Costs of overtime paid to Insured's employees and costs incurred by Insured's employees, including costs of transportation and accommodations; or
  - e) Costs of communications.
  
3. The limit of liability of this endorsement is limited to \_\_\_\_\_ in the aggregate.
  
4. Deductible Clause, if attached, shall not apply to the payment of this endorsement.

**100. Special Expense for Victims Endorsement**

It is agreed that;

1. The Company will pay the following expense incurred by the insured when the insured becomes aware of the threat of insured liability arising out of any bodily injury to which this insurance applies.
  - a) Ex-gratia payment for third party's bodily injury, or
  - b) Purchase expense sympathy gift for bodily injury.
  
2. The limit of liability of this endorsement is limited to the schedule below.

Schedule

per one person	xxxx-
Annual aggregate	xxxx-

3. If the insured pays the expense defined in paragraph 1. and is liable for the victim, the payment based on this endorsement is applied to the Company's liability based on \_\_\_\_\_
  
4. Deductible Clause, if attached, shall not apply to the payment of this endorsement.

### 101. DIC/ DIL Coverage Endorsement

It is agreed that;

1. This insurance, as is afforded by this policy, shall provide coverage for
  - 1) The Difference in Conditions, and
  - 2) The Difference in Limit,
 provided that appropriate Local Underlying Policy(Policies) described in the schedule below is (are) maintained.
2. "The Difference in Conditions" shall mean the difference in coverage between this policy and the Local Underlying Policy(Policies). The Company will indemnify the insured in the case that coverage provided by this policy is broader than coverage provided by the Local Underlying Policy(Policies).
3. "The Difference in Limit" shall mean the difference between the limit of indemnity under this policy and the limit of indemnity under the Local Underlying Policy(Policies). The Company will indemnify the insured to the extent that the limit of this policy exceed that of any Local Underlying Policy

#### Local Underling Policy Schedule

Named Insured	
Name of Carrier	
Policy Number	
Policy Period	
Limits of liability	
Territorial Limits	

### DIC Coverage Endorsement

It is agreed that;

1. This insurance, as is afforded by this policy, shall provide coverage for The Difference in Conditions provided that appropriate Local Underlying Policy(Policies) described in the schedule below is (are) maintained.
2. "The Difference in Conditions" shall mean the difference in coverage between this policy and the Local Underlying Policy(Policies). The Company will indemnify the insured in the case that coverage provided by this policy is broader than coverage provided by the Local Underlying Policy(Policies).

#### Local Underling Policy Schedule

Named Insured	
Name of Carrier	
Policy Number	
Policy Period	
Limits of liability	
Territorial Limits	

## DIL Coverage Endorsement

It is agreed that;

1. This insurance, as is afforded by this policy, shall provide coverage for The Difference in Limit provided that appropriate Local Underlying Policy(**Policies**) described in the schedule below is(**are**) maintained.
2. "The Difference in Limit" shall mean the difference between the limit of indemnity under this policy and the limit of indemnity under the Local Underlying Policy(**Policies**). The Company will indemnify the insured to the extent that the limit of this policy exceed that of any Local Underlying Policy

### Local Underling Policy Schedule

Named Insured	
Name of Carrier	
Policy Number	
Policy Period	
Limits of liability	
Territorial Limits	

## 102. PARTICULAR PART OF PROPERTY COVERAGE ENDORSEMENT

It is agreed that the exclusion (k) of Comprehensive General Liability Insurance Coverage Part is amended to read as follows;

(k) to property damage

- (1) to property owned or occupied by or rented to the Insured, or except with respect to the use of elevators, to property held by the Insured for sale or entrusted to the Insured for storage or safekeeping,
- (2) except with respect to liability under a written sidetrack agreement or the use of elevators to
  - (a) property while on premises owned by or rented to the Insured for the purpose of having operations performed on such property by or on behalf of the Insured,
  - (b) tools or equipment while being used by the Insured in performing his operations,
  - (c) property in the custody of the Insured which is to be installed, erected or used in construction by the Insured.

## 104. MANUFACTURERS' ERRORS & OMISSIONS ENDORSEMENT

### IMPORTANT NOTICE

Please note that this Endorsement provides the coverage detailed herein on a claims made basis while the base Policy provides coverage on an occurrence basis.

In order for the coverage of this endorsement to apply, each of the following must take place during the policy period:

- (a) the Insured commits a negligent act, error or omission that
- (b) results in a claim or "suit" being made against the Insured and
- (c) the Insured notifies us of such claim or "suit".

## **DEFINITIONS APPLICABLE TO THIS MANUFACTURERS' ERRORS & OMISSIONS ENROSEMENT COVERAGE**

For the purpose of this Endorsement Coverage the following additional Definitions apply.

- (a) "Suit" means a civil processing in which damages covered within this Endorsement are alleged. "Suit" includes an arbitration proceeding in which such damages are claimed and to which the Insured must submit with the Company's consent or any other alternative dispute resolution proceeding in which the Insured submits with our consent.
- (b) "Financial Loss" means a pecuniary loss or expense sustained by a third party that is economic in nature and not consequent upon bodily injury or property damage.
- (c) "Director(s) or Officer(s)" means any past, present or future duly elected or appointed Directors Officers of the Insured.

## **INSURING AGREEMENT APPLICABLE TO THIS MANUFACTURERS' ERRORS & OMISSIONS ENROSEMENT COVERAGE**

- (a) Subject to all terms and conditions of this policy, including this Endorsement, the Company will pay those sums that the Insured becomes legally obligated to pay as damages because of a claim or Suit for Financial loss both first made against the Insured and notified to the Company during the policy arising out of any negligent act, error or omission committed by the Insured within the coverage territory in connection with Named Insured's products provided in the normal course of Named Insured's operations. The Company shall have the right but not the duty to defend the Insured against any claim or Suit seeking such damages. The Company may, at it's discretion, investigate any claim or Suit and settle any claim or Suit and settle any claim or Suit that may result. But:
  - (1) The amount the Company will pay for damages is limited as described in LIMITS OF LIABILITY stated in the Schedule below ; and
  - (2) The Company shall not be obligated to pay any claim or judgment or to defend any Suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered

All payment made under this endorsement will contribute towards the exhaustion of aggregate LIMITS OF LIABILITY stated in the Schedule below in respect of product hazards or completed operations hazard and all cost in connection with the investigation or settlement of any claim or Suit under this Endorsement shall be inclusive within the LIMITS OF LIABILITY stated in the Schedule below.

- (b) This insurance applies to a claim or Suits only if;
  - (1) The negligent act, error or omission leading to the claim or Suit did not occur before the Retroactive Date stated in the Schedule below, if any, shown herein or after the end of the policy period; and
  - (2) A claim or Suit for damages is first made against the Insured, in accordance with paragraph (c) below, during the policy period.
- (c) A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
  - (1) When notice of such claim is received and recorded by any Insured or by the Company, whichever comes first; or
  - (2) When the Company make settlement in accordance with Paragraph(a)(1) above.

## **DEUCTIBLE APPLICABLE TO THIS MANUFACTURES' ERRORS & OMISSIONS ENDRSEMENT COVERAGE**

A Deductible of \_\_\_\_\_ is respect of each and every claim or Suit applies to the coverage afforded by this Endorsement.

## **EXCLUSIONS AND AMENDMENTS APPLICABLE TO THIS MANUFACTURES' ERRORS & OMISSIONS ENDRSEMENT COVERAGE**

For the purpose of this Endorsement only, the following additional exclusions apply;

This insurance does not apply to costs:

- (a) Incurred by or caused by any "Director(s) or Officer(s)" of the Insured while acting within the scope of their duties in such capacity.
- (b) Arising out of any facts or circumstances of which the Insured was aware before the commencement of the policy period.
- (c) In respect of any claim or Suit made prior to or existing at the inception of the policy period.
- (d) Which are more specifically covered in any other section of the Policy to which this Endorsement is attached.
- (e) Arising out of any negligent act, error or omission which occurred prior to Retroactive date stated in the Schedule below.
- (f) Arising from an occurrence which would otherwise be excluded under the product hazards or completed operations hazard component of this coverage (including any coverage afforded by any Endorsement attached thereto) to which this Endorsement is attached.
- (g) In respect of;
  - (1) Any claim or Suit, or
  - (2) Facts or circumstances that might give rise to claim Suit, which have been notified or which could/should have been notified under any prior policy
- (h) Arising from or in connection with advice, design, consultancy, specification, formulas, supervision or other professional services given or undertaken by the Insured for a fee.
- (i) With respect to products that are still in the Named Insured's physical possession.
- (j) Arising directly or indirectly out of any delay in delivery or failure to deliver Named Insured's products nor does this Endorsement apply to the failure of the Insured to provide support for Named Insured's products or the cessation of the provision of support of Named Insured's products.
- (k) Incurred (directly or indirectly) as a result of any infringement or violation of intellectual property law or right, patent and/or copyright.

## **SUPPLEMENTARY PAYMENT WITH REGARD TO THIS MANUFACTURES' ERRORS & OMISSIONS ENDRSEMENT COVERAGE**

The Company will pay the costs/expenses outlined within the SUPPLEMENTARY PAYMENTS section of GENERAL LIABILITY POLICY Standard Provisions. With specific regard to this Endorsement coverage, all costs/expenses incurred with both erode and be inclusive of the LIMITS OF LIABILITY stated in the Schedule below.

## **LIMIT OF LIABILITY APPLICABLE TO THIS MANUFACTURES' ERRORS & OMISSIONS ENDRSEMENT COVERAGE**

The LIMIT OF LIABILITY applicable to this Endorsement coverage is insert limit any one claim or Suit and in the aggregate during the policy period regardless of the number of;

- (a) Insured
- (b) Claims made or Suit brought; or

(c) Persons or organizations making g claims or bringing Suit.

**CONDITIONS APPLICABLE TO THIS MANUFACTURES’ ERRORS & OMISSIONS ENDRSEMENT COVERAGE**

For the purpose of this endorsement coverage the following additional Conditions apply.

- (a) In the event of a claim or Suit, the Insured must give immediate notice in writing to us of such claim or Suit and such information as The Company may require to investigate the claim or Suit and enable us to determine liability under this Endorsement coverage.
- (b) The Insured must take all reasonable precautions to prevent Financial Loss to any third party.

**SCHEDULE**

LIMIT OF LIABILITY	
Retroactive Date	

**105. MASTER POLICY ENDORSEMENT**

**(DIFFERENCE IN CONDITIONS / DIFFERENCE IN LIMITS COVERAGE)**

Notwithstanding anything in this Contract/Provisions to the contrary, this endorsement is able to provide Difference in Conditions and Difference in Limits Coverage as a “Master Policy”.

**I. DIFFERENCE IN CONDITIONS**

In case when the underlying policy is not indemnify the Insured in whole or in part, this policy are able to provide the coverage to the Insured against legal liability, costs and expenses as defined in this Policy.

The purpose of this Endorsement is to provide the coverage which is not provided by the Underlying Policy but which would have been provided as a same terms and conditions, territorial limit, limit of liability and exclusions of this Policy.

This Endorsement is applicable to all immediate underlying policies stated in the following schedule.

**II. DIFFERENCE IN LIMITS**

“Difference in Limit” shall mean the difference between the limit of indemnity under this policy and the limit of indemnity under the Underlying Policies.

**1. COVERAGE**

The company will pay on behalf of the insured the Ultimate net loss,

(A) in excess of the limit of liability for each occurrence of the applicable immediate underlying policy,

or

(B) in excess of the Deductible if applicable in this policy, or the amount payable by any other insurance, whichever is greater,

which the insured shall be obligated to pay by reason of the legal liability on account of (a) Personal injury, (b) Property damage, to which this policy applies, caused by an occurrence during the policy period.

Coverage (B) will not apply to any loss for which insurance is afforded under coverage (A) and this policy will immediately drop down to cover the loss in case if the limit of liability of the immediate underlying policy has exhausted.

“Ultimate net loss” means the total sum defined as following:

- (1) the sum actually paid or payable in cash in the settlement or satisfaction of losses for which the insured is liable either by adjudication or compromise with the written consent of the company, after making proper deduction for all recoveries and salvages collectible.
- (2) court costs, premiums on attachment or appeal bonds, interest on any judgment or award, and expenses for litigation, settlement, adjustment and investigation of claims and suits, which the insured or any company as his insurer or the company become obligated to pay in any claim or suit defended by the insured or any company as his insurer or the company.
- (3) all reasonable expenses incurred by the insured at the company's request in assisting the company in the investigation or defense of any claim or suit.

## **DEFENSE, SETTLEMENT**

When underlying insurance exists or a damage claimed against the insured is less than retained limit, the company shall have the right but not the obligation to participate at any time in the defense of any suit against the insured. When an occurrence is not covered by any underlying insurance but covered by the terms of this policy and such damages claimed against the insured is more than retained limit, the company shall defend any suit against the insured even if any of the allegations thereof are groundless, false or fraudulent but the company may make such investigation and settlement of any claim or suit as it deems expedient. The company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments, settlements or expenses, all as more fully defined by the term “ultimate net loss”. The insured shall promptly reimburse the company for any amount of ultimate net loss paid on behalf of the insured by the company within the retained limit.



## UNDERLING INSURANCE SCHEDULE

Local/Primary Policies issued in the following countries will be define as “Immediate Underlying Policy”.

Country	Policy Holder(s)
	All Group Company, subsidiary, and/or affiliate company of the Named Insured of this policy.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### 107. EXCESS UMBRELLA ENDORSEMENT (FOLLOW FORM)

**Notwithstanding anything in this contract to the contrary, this endorsement changes the policy conditions as following:**

#### **COMMON POLICY CONDITIONS**

All Coverage Parts included in this policy are subject to the following conditions.

#### **A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 30 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 90 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **B. Changes**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

#### **C. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

#### **D. Inspections And Surveys**

1. We have the right to:

- a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
- a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

## **E. Premiums**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

## **F. Transfer of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

## **EXHAUSTION OF UNDERLYING AGGREGATE**

If the aggregate limit of insurance of the applicable "controlling underlying insurance" stated in the following SCHEDULE has been reduced or exhausted by the payments made by the insurer on behalf of or to indemnify an "insured", this insurance applies immediately in excess of the reduced or exhausted limit of such "controlling underlying insurance", subject to all the terms and conditions of this "policy". In such event, this insurance will only apply in excess of the sum of such reduced limit and the amount of any deductible and self-insured amount of such "controlling underlying insurance."

Nothing contained above shall serve to increase the "Limits of Insurance" shown in the Declarations of this "policy".

## **BROAD AS UNDERLYING INSURANCE**

In the event of loss for which "Underlying Insurance" applies, notwithstanding anything contained herein to the contrary, this policy is amended to follow the terms and conditions, including but not limited to, Standard Provisions, Policy Conditions, Persons Insured, Definitions, Coverage Parts, Coverage Forms and Endorsements of the applicable underlying insurance in respect of such loss.

This clause does not intend to limit the coverage afforded by this policy.

**SCHEDULE**  
**Controlling Underlying Insurance**

Policy	Insurer	Policy number	Policy Period	Limit of Liability
<b>1. Primary Policy</b> Japan Liability Policy and All Local Policies in World wide countries	XXXXX	TBA		
<b>2. Global Umbrella Policy</b>	XXXXX	TBA		
<b>3. 1<sup>st</sup> Excess Umbrella Policy</b>	XXXXX	TBA		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**108. PRODUCT WITHDRAWAL COVERAGE ENDORSEMENT**

Notwithstanding anything in this Contract/Provisions/Endorsement to the contrary, this Endorsement changes the policy to provide the following coverage:

**SCHEDULE**

Insured (This coverage only applies to the following Insured)	All Named Insured stated in Declaration
Limit	_____ (Each Occurrence/ Aggregate)
Deductible Amount	_____ / Withdrawal
Participation percentage	xx.xx%
Cut-Off Date	XX/XX/XXXX

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Throughout this policy the words "you" and "your" refer to the Named Insured shown in the SCHEDULE above. The words "we", "us" and "our" refer to the company providing this insurance. The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured. Other words and phrases that appear in quotation marks have special meaning. Refer to Section V Definitions.

**SECTION I - COVERAGES**

**COVERAGE A : PRODUCT WITHDRAWAL EXPENSE**

**1. Insuring Agreement**

- a. We will reimburse you for "product withdrawal expenses" incurred by you because of a "product withdrawal" to which this insurance applies. The amount of such reimbursement is limited as described in Section III - Limit Of Insurance. No other obligation or liability to pay sums or perform acts or services is covered.
- b. This insurance applies to a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period because:
  - (1) You determine that the "product withdrawal" is necessary; or
  - (2) An authorized government entity has ordered you to conduct a "product withdrawal".
- c. We will reimburse "product withdrawal expenses" only if:
  - (1) The expenses are incurred within one year of the date the "product withdrawal" was initiated;

- (2) The expenses are reported to us within one year of the date the expenses were incurred; and
  - (3) The product that is the subject of the "product withdrawal" was produced after the Cut-Off Date stated in the SCHEDULE.
- d. The initiation of a "product withdrawal" will be deemed to have been made only at the earliest of the following times:
- (1) When you first announced, in any manner, to the general public, your vendors or to your employees (other than those employees directly involved in making the determination) your decision to conduct or participate in a "product withdrawal". This applies regardless of whether the determination to conduct a "product withdrawal" is made by you or is requested by a third party; or
  - (2) When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product withdrawal".
- e. "Product withdrawal expenses" incurred to withdraw "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".
- f. With respect to products of which "your product" is a component part, we will only reimburse you the amount to replace, repair or repurchase "your product".

## 2. Exclusions - Coverage A

This insurance does not apply to "product withdrawal expenses" arising out of:

- a. Breach Of Warranty And Failure To Conform To Intended Purpose  
Any "product withdrawal" initiated due to the failure of "your products" to accomplish their intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or physical damage to tangible property other than "your product".
- b. Infringement Of Copyright, Patent, Trade Secret, Trade Dress Or Trademark  
Any "product withdrawal" initiated due to copyright, patent, trade secret, trade dress or trademark infringements.
- c. Deterioration, Decomposition Or Chemical Transformation  
Any "product withdrawal" initiated due to the transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:
  - (1) An error in manufacturing, design, or processing;
  - (2) Transportation of "your product"; or
  - (3) "Product tampering".
- d. Goodwill, Market Share, Revenue, Profit Or Redesign  
The costs of regaining goodwill, market share, revenue or "profit" or the costs of redesigning "your product".
- e. Expiration Of Shelf Life  
Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".
- f. Known Defect  
A "product withdrawal" initiated due to a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Product Withdrawal Coverage Part was first issued to you or prior to the time "your product" leaves your control or possession.
- g. Governmental Ban  
A recall when "your product" or a component contained within "your product" has been:
  - (1) Banned from the market by an authorized government entity prior to the policy period; or
  - (2) Distributed or sold by you subsequent to any governmental ban.
- h. Defense Of Claim  
The defense of a claim or "suit" against you for liability arising out of a "product withdrawal".
- i. Third Party Damages, Fines And Penalties  
Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.
- j. Pollution-Related Expenses  
Any loss, cost or expense due to any:

- (1) Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

## COVERAGE B : PRODUCT WITHDRAWAL LIABILITY

### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages for "product withdrawal expenses" incurred because of a "product withdrawal" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any "product withdrawal" and settle any claim or "suit" that may result. But:
  - (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
  - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage B. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments Coverage B.
- b. This insurance applies to damages for "product withdrawal expenses" incurred because of a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period and the product that is the subject of the "product withdrawal" was produced after the Cut-Off Date designated in the Declarations.
- c. The initiation of a "product withdrawal" will be deemed to have been made only at the earliest of the following times:
  - (1) When a third party conducts or participates in a "product withdrawal"; or
  - (2) When a third party first announces, in any manner, to the general public, their decision to conduct or participate in a "product withdrawal".
- d. Damages incurred due to the withdrawal of "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".

### 2. Exclusions - Coverage B

This insurance does not apply to "product withdrawal expenses" arising out of:

- a. Breach Of Warranty And Failure To Conform To Intended Purpose  
Any "product withdrawal" initiated due to the failure of "your products" to accomplish their intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or physical damage to tangible property.
- b. Infringement Of Copyright, Patent, Trade Secret Or Trademark  
Any "product withdrawal" initiated due to copyright, patent, trade secret or trademark infringements.
- c. Deterioration, Decomposition Or Chemical Transformation  
Any "product withdrawal" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:
  - (1) An error in manufacturing, design, processing;
  - (2) Transportation of "your product"; or
  - (3) "Product tampering".
- d. Goodwill, Market Share, Revenue, Profit, Or Redesign  
The costs of regaining goodwill, market share, revenue or "profit" or the costs of redesigning "your product".
- e. Expiration Of Shelf Life

- Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".
- f. Known Defect  
A "product withdrawal" initiated due to a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Product Withdrawal Coverage Part was first issued to "you" or prior to the time "your product" leaves your control or possession.
- g. Governmental Ban  
A recall when "your product" or a component contained within "your product" has been:  
 (1) Banned from the market by an authorized government entity prior to the policy period; or  
 (2) Distributed or sold by you subsequent to any governmental ban.
- h. Fines And Penalties  
Any fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.
- i. Intercompany Suits  
Any claim for damages by any Named Insured against another Named Insured.
- j. Contractual Liability  
Any "product withdrawal" expense or cost for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- k. Pollution  
The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- l. Pollution-Related  
Any loss, cost or expense due to any:  
 (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or  
 (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- m. War  
Any loss, cost or expense due to:  
 (1) War, including undeclared or civil war;  
 (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or  
 (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- n. Loss Of Use Of Property  
Loss of use of other property due to:  
 (1) A "defect", deficiency, inadequacy or dangerous condition in "your product"; or  
 (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
- o. Bodily Injury Or Property Damage  
"Bodily injury" or "property damage".

## **SUPPLEMENTARY PAYMENTS • COVERAGE B**

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- c. All costs taxed against the insured in the "suit".

- d. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will be paid within the Limit of Liability amount declared in the Declaration.

## **SECTION II - WHO IS AN INSURED**

### **1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers and directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

### **2. Each of the following is also an insured:**

- a. Any person or organization having proper temporary custody of your property if you die, but only until your legal representative has been appointed.
- b. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

### **3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if**

**there is no other similar insurance available to that organization. However:**

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- b. Coverages A and B do not apply to "product withdrawals" that were initiated before you acquired or formed the organization.

No person or organization is an insured with respect to any "product withdrawal" arising out of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

## **SECTION III - LIMIT OF INSURANCE**

### **1. The Aggregate Limit of Insurance shown in the SCHEDULE and the rules below fix the most we will pay regardless of the number of:**

- a. Insureds;
- b. "Product withdrawals" initiated;
- c. Number of "your products" withdrawn;
- d. Claims made or "suits" brought; or
- e. Persons or organizations making claims or bringing "suits".

## 2. The Aggregate Limit is the most we will pay for the sum of all:

- a. "Product withdrawal expenses" under Coverage A; and
- b. Damages because of "product withdrawal expenses" under Coverage B.

## 3. Deductible and Participation Percentage Provisions

### a. Deductible

We will only pay for the amount of:

- (1) "Product withdrawal expenses" under Coverage A; and
- (2) Damages because of "product withdrawal expenses" under Coverage B which are in excess of the deductible amount, if any, shown in the SCHEDULE. The deductible applies separately to each "product withdrawal". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable, to effect settlement of any claim or "suit". Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

### b. Participation Percentage

If a Participation Percentage is indicated in the SCHEDULE, the following provision applies:

You agree to participate in the payment of:

- (1) "Product withdrawal expenses" under Coverage A; and
- (2) Damages because of "product withdrawal expenses" under Coverage B which are in excess of the Deductible, to the extent of the Participation Percentage indicated in the Declarations. The Participation Percentage applies separately to each "product withdrawal".

You also agree that the cost of your participation in the loss will be borne entirely by you when due and you will not obtain insurance to cover it.

The Limit of Insurance of this Coverage Part applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

## SECTION IV - CONDITIONS

### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### 2. Duties in the Event of a Claim or Suit or a Defect or Product Withdrawal

- a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened "defect" in "your product", or any governmental investigation, that may result in a "product withdrawal" or a claim. To the extent possible, notice should include:

- (1) How, when and where the "defect" was discovered;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature, location and circumstances of any injury or damage arising out of use or consumption of "your product".

- b. If a "product withdrawal" is initiated, you must:

- (1) Immediately record the specifics of the "product withdrawal" and the date it was initiated; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "product withdrawal" as soon as practicable.

- c. You must promptly take all reasonable steps to mitigate the expenses associated with a "product withdrawal". Any "profit" that you receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for "product withdrawal expenses".

- d. If a claim is made or "suit" is brought against any insured, you must:



- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

**e. You and any other involved insured must:**

- (1) Immediately send us copies of any pertinent correspondence received in connection with the "product withdrawal", claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation of the "product withdrawal";
- (4) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (5) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of a "product withdrawal" to which this insurance may also apply.

### **3. Suit Outside of United States, Canada or Puerto Rico**

- a.** If a "suit" is brought in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from defending the insured, the insured will initiate a defense of the "suit". We will reimburse the insured, under Supplementary Payments, for any reasonable and necessary expenses incurred for the defense of a "suit" seeking damages to which this insurance applies, that we would have paid had we been able to exercise our right and duty to defend. If the insured becomes legally obligated to pay sums because of damages to which this insurance applies in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from paying such sums on the insured's behalf, we will reimburse the insured for such sums.
- b.** All payments or reimbursements we make for damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.

### **4. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a.** To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b.** To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and

the claimant or the claimant's legal representative.

### **5. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b .below.

**b. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

## **6. Representations**

- a. By accepting this policy, you agree:
- (1) The statements in the Declarations are accurate and complete;
  - (2) Those statements are based upon representations you made to us; and
  - (3) We have issued this policy in reliance upon your representations.

## **7. Concealment Or Fraud**

- a. We will not provide coverage under Coverage Aof this Coverage Part to you, or any other insured, who at any time:
- (1) Engaged in fraudulent conduct; or
  - (2) Intentionally concealed or misrepresented a material fact concerning a "product withdrawal" or "product withdrawal expenses" incurred by you under Coverage Aof this Coverage Part.

## **8. Transfer of Rights of Recovery Against Others to Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

## **SECTION V - DEFINITIONS**

1. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
2. "Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.
3. "Defect" means a defect, deficiency or inadequacy that creates a dangerous condition.
4. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
5. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
6. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
7. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
8. "Product tampering" is an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product". When "product tampering" is known, suspected or threatened, a "product withdrawal" will be limited to those batches of "your product" which are known or suspected to have been tampered with. For the purposes of this insurance, electronic data is not tangible property.
9. "Product withdrawal" means the recall or withdrawal:

- a. From the market; or
- b. From use by any other person or organization; of "your products", or products which contain "your products", **because of known or suspected "defects"** in "your product", or known or suspected "product tampering", which has **caused or is reasonably expected** to cause "bodily injury" or physical injury to tangible property other than "your product".  
For the purposes of this insurance, electronic data is not tangible property.

10. "Product withdrawal expenses" means those reasonable and necessary extra expenses, listed below, paid and directly related to a "product withdrawal":
- a. Cost of replacing "your product", repairing the "defect" in "your product" or repurchasing "your product" for your initial purchase price, whichever is less;
  - b. Costs of notification;
  - c. Costs of stationery, envelopes, production of announcements and postage or facsimiles;
  - d. Costs of overtime paid to regular non-salaried employees and costs incurred by such employees, including costs of transportation and accommodations;
  - e. Costs of computer time;
  - f. Costs of hiring independent contractors and other temporary employees;
  - g. Costs of transportation, shipping or packaging;
  - h. Costs of warehouse or storage space; or
  - i. Costs of proper disposal of "your products", or products that contain "your products", that can not be reused, not exceeding your initial purchase price or your cost to produce the products.
11. "Profit" means the positive gain from business operation after subtracting for all expenses.
12. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purpose of this insurance, "electronic data" is not tangible property.
13. "Suit" means a civil proceeding in which damages because of "bodily injury" or physical damage to tangible property arising out of a "product withdrawal" to which this insurance applies are alleged.  
"Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
14. "Your product" means:
- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (1) You;
    - (2) Others trading under your name; or
    - (3) A person or organization whose business or assets you have acquired; and
  - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **110. INITIAL EXPENSE COVERAGE ENDORSEMENT**

Notwithstanding contrary of any part of the Standard Provisions, it is agreed and understood that the Company will provide the coverage as follows:

The Company will pay expenses incurred by the insured shown in the SCHEDULE below provided that;

- (1) "Bodily injury" or "Property damage" to which this insurance might apply has occurred, and
- (2) Such expenses are generally accepted as reasonable for the defense against the claim in the place it is made.

The limit of our liability under this endorsement is \_\_\_\_\_ each occurrence.

This payment will reduce the Limit of Insurance of this policy, and nothing contained above shall serve to increase the Limits of Insurance shown in the Declarations.

#### **SCHEDULE**

- (1) Expenses for preserving the site where the "occurrence" took place, for inspecting and keeping record of "occurrence", for photography, for investigating the cause of the "occurrence"
- (2) Expenses for inspecting into "your product" that has caused or is alleged to have caused "bodily injury" or "property damage"
- (3) Expenses for transporting "your product" that has caused or is alleged to have caused "bodily injury" or "property damage"
- (4) Expenses for removing debris
- (5) Travel expenses for dispatching employees of the insured to the site where the "occurrence" took place
- (6) Communication expenses

This extension of coverage is apart from SUPPLEMENTARY PAYMENTS – COVERAGE A AND B

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### **111. THIRD PARTY'S PROPERTY UNDER CARE AND CUSTODY OF THE INSURED**

Notwithstanding anything in the provisions of this policy to the contrary, it is hereby understood and agreed to provide the following coverage.

#### **1. INSURING AGREEMENT**

The Company will provide the coverage for liability to the third party arising out of the property damage of;

- a. Third party's property under care and custody of the insured inside the insured's premises.
- b. Third party's property under care and custody of the insured outside of the insured's premises but it is necessary to be used for the purpose of insured's business declared in the policy.

This coverage will only provided to the insured declared in the following SCHEDULE.

## 2. LIMIT OF INSURANCE

The Company will pay the loss for this endorsement up to US\$ XXX,XXX per occurrence and annual aggregate.

## 3. DEDUCTIBLE

This coverage will be in subject to apply US\$ XXX,XXX of Self Insured Retention as a deductible per any one occurrence.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

Insured applicable for this Endorsement :

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

## 112. TENANTS LIABILITY CLAUSE

Notwithstanding anything in the provisions of this policy to the contrary, it is hereby understood and agreed to provide the following coverage.

## 4. INSURING AGREEMENT

It is hereby declared and agreed that this policy is extended, subject to its terms and conditions, to included Insured's liability occurring during the insurance period in connection with the business in-so-far as the Insured is liable towards landlords/owners, as tenant of the leased premises as a result of loss or damage to the property as per coverage of this policy.

This coverage will only provided to the insured declared in the following SCHEDULE.

## 5. LIMIT OF INSURANCE

The Company will pay the loss for this endorsement up to US\$ XXX,XXX per occurrence and annual aggregate.

## 6. DEDUCTIBLE

This coverage will be in subject to apply US\$ XXX,XXX of Self Insured Retention as a deductible per any one occurrence.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

Insured applicable for this Endorsement :

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### 113. LIMITED PRODUCT WITHDRAWAL COVERAGE ENDORSEMENT (PDBI ONLY)

Notwithstanding anything in this Contract/Provisions/Endorsement to the contrary, this Endorsement changes the policy to provide the following coverage:

#### SCHEDULE

Insured (This coverage only applies to the following Insured)	All Named Insured stated in Declaration
Limit	_____ (Each Occurrence/ Aggregate)
Deductible Amount	USD _____ / Withdrawal
Participation percentage	xx.xx%
Cut-Off Date	XX/XX/XXXX

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Throughout this policy the words "you" and "your" refer to the Named Insured shown in the SCHEDULE above. The words "we", "us" and "our" refer to the company providing this insurance. The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured. Other words and phrases that appear in quotation marks have special meaning. Refer to Section V Definitions.

## **SECTION I - COVERAGES**

### **COVERAGE A : PRODUCT WITHDRAWAL EXPENSE**

#### **1. Insuring Agreement**

- g.** We will reimburse you for "product withdrawal expenses" incurred by you because of a "product withdrawal" to which this insurance applies. The amount of such reimbursement is limited as described in Section III - Limit Of Insurance. No other obligation or liability to pay sums or perform acts or services is covered.

- h. This insurance applies to a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period because:
  - (3) You determine that the "product withdrawal" is necessary; or
  - (4) An authorized government entity has ordered you to conduct a "product withdrawal".
- i. We will reimburse "product withdrawal expenses" only if:
  - (4) The expenses are incurred within one year of the date the "product withdrawal" was initiated;
  - (5) The expenses are reported to us within one year of the date the expenses were incurred; and
  - (6) The product that is the subject of the "product withdrawal" was produced after the Cut-Off Date stated in the SCHEDULE.
- j. The initiation of a "product withdrawal" will be deemed to have been made only at the earliest of the following times:
  - (3) When you first announced, in any manner, to the general public, your vendors or to your employees (other than those employees directly involved in making the determination) your decision to conduct or participate in a "product withdrawal". This applies regardless of whether the determination to conduct a "product withdrawal" is made by you or is requested by a third party; or
  - (4) When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product withdrawal".
- k. "Product withdrawal expenses" incurred to withdraw "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".
- l. With respect to products of which "your product" is a component part, we will only reimburse you the amount to replace, repair or repurchase "your product".

## 2. Exclusions - Coverage A

This insurance does not apply to "product withdrawal expenses" arising out of:

- k. Breach Of Warranty And Failure To Conform To Intended Purpose  
Any "product withdrawal" initiated due to the failure of "your products" to accomplish their intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or physical damage to tangible property other than "your product".
- l. Infringement Of Copyright, Patent, Trade Secret, Trade Dress Or Trademark  
Any "product withdrawal" initiated due to copyright, patent, trade secret, trade dress or trademark infringements.
- m. Deterioration, Decomposition Or Chemical Transformation  
Any "product withdrawal" initiated due to the transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:
  - (4) An error in manufacturing, design, or processing;
  - (5) Transportation of "your product"; or
  - (6) "Product tampering".
- n. Goodwill, Market Share, Revenue, Profit Or Redesign  
The costs of regaining goodwill, market share, revenue or "profit" or the costs of redesigning "your product".
- o. Expiration Of Shelf Life  
Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".
- p. Known Defect  
A "product withdrawal" initiated due to a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Product Withdrawal Coverage Part was first issued to you or prior to the time "your product" leaves your control or possession.
- q. Governmental Ban  
A recall when "your product" or a component contained within "your product" has been:
  - (3) Banned from the market by an authorized government entity prior to the policy period; or
  - (4) Distributed or sold by you subsequent to any governmental ban.
- r. Defense Of Claim

The defense of a claim or "suit" against you for liability arising out of a "product withdrawal".

**s. Third Party Damages, Fines And Penalties**

Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.

**t. Pollution-Related Expenses**

Any loss, cost or expense due to any:

- (3) Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (4) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**COVERAGE B : PRODUCT WITHDRAWAL LIABILITY**

**1. Insuring Agreement**

- e. We will pay those sums that the insured becomes legally obligated to pay as damages for "product withdrawal expenses" incurred because of a "product withdrawal" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any "product withdrawal" and settle any claim or "suit" that may result. But:
  - (3) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
  - (4) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage B. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments Coverage B.
- f. This insurance applies to damages for "product withdrawal expenses" incurred because of a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period and the product that is the subject of the "product withdrawal" was produced after the Cut-Off Date designated in the Declarations.
- g. The initiation of a "product withdrawal" will be deemed to have been made only at the earliest of the following times:
  - (3) When a third party conducts or participates in a "product withdrawal"; or
  - (4) When a third party first announces, in any manner, to the general public, their decision to conduct or participate in a "product withdrawal".
- h. Damages incurred due to the withdrawal of "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".

**2. Exclusions - Coverage B**

This insurance does not apply to "product withdrawal expenses" arising out of:

**p. Breach Of Warranty And Failure To Conform To Intended Purpose**

Any "product withdrawal" initiated due to the failure of "your products" to accomplish their intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or physical damage to tangible property.

**q. Infringement Of Copyright, Patent, Trade Secret Or Trademark**

Any "product withdrawal" initiated due to copyright, patent, trade secret or trademark infringements.

**r. Deterioration, Decomposition Or Chemical Transformation**

Any "product withdrawal" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:

- (4) An error in manufacturing, design, processing;



- (5) Transportation of "your product"; or  
(6) "Product tampering".
- s. Goodwill, Market Share, Revenue, Profit, Or Redesign**  
The costs of regaining goodwill, market share, revenue or "profit" or the costs of redesigning "your product".
- t. Expiration Of Shelf Life**  
Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".
- u. Known Defect**  
A "product withdrawal" initiated due to a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Product Withdrawal Coverage Part was first issued to "you" or prior to the time "your product" leaves your control or possession.
- v. Governmental Ban**  
A recall when "your product" or a component contained within "your product" has been:  
(3) Banned from the market by an authorized government entity prior to the policy period; or  
(4) Distributed or sold by you subsequent to any governmental ban.
- w. Fines And Penalties**  
Any fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.
- x. Intercompany Suits**  
Any claim for damages by any Named Insured against another Named Insured.
- y. Contractual Liability**  
Any "product withdrawal" expense or cost for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- z. Pollution**  
The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- aa. Pollution-Related**  
Any loss, cost or expense due to any:  
(3) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or  
(4) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- bb. War**  
Any loss, cost or expense due to:  
(4) War, including undeclared or civil war;  
(5) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or  
(6) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- cc. Loss Of Use Of Property**  
Loss of use of other property due to:  
(3) A "defect", deficiency, inadequacy or dangerous condition in "your product"; or  
(4) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
- dd. Bodily Injury Or Property Damage**  
"Bodily injury" or "property damage".

## **SUPPLEMENTARY PAYMENTS - COVERAGE B**

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- f. All expenses we incur.
- g. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- h. All costs taxed against the insured in the "suit".
- i. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- j. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will be paid within the Limit of Liability amount declared in the Declaration.

## **SECTION II - WHO IS AN INSURED**

### **1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers and directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

### **2. Each of the following is also an insured:**

- c. Any person or organization having proper temporary custody of your property if you die, but only until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

### **3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if**

**there is no other similar insurance available to that organization. However:**

- c. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- d. Coverages A and B do not apply to "product withdrawals" that were initiated before you acquired or formed the organization.

No person or organization is an insured with respect to any "product withdrawal" arising out of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

## SECTION III - LIMIT OF INSURANCE

**1. The Aggregate Limit of Insurance shown in the SCHEDULE and the rules below fix the most we will pay regardless of the number of:**

- f. Insureds;
- g. "Product withdrawals" initiated;
- h. Number of "your products" withdrawn;
- i. Claims made or "suits" brought; or
- j. Persons or organizations making claims or bringing "suits".

**2. The Aggregate Limit is the most we will pay for the sum of all:**

- c. "Product withdrawal expenses" under Coverage A; and
- d. Damages because of "product withdrawal expenses" under Coverage B.

**3. Deductible and Participation Percentage Provisions**

**c. Deductible**

We will only pay for the amount of:

- (3) "Product withdrawal expenses" under Coverage A; and
- (4) Damages because of "product withdrawal expenses" under Coverage B which are in excess of the deductible amount, if any, shown in the SCHEDULE. The deductible applies separately to each "product withdrawal". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable, to effect settlement of any claim or "suit". Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

**d. Participation Percentage**

If a Participation Percentage is indicated in the SCHEDULE, the following provision applies:

You agree to participate in the payment of:

- (3) "Product withdrawal expenses" under Coverage A; and
- (4) Damages because of "product withdrawal expenses" under Coverage B which are in excess of the Deductible, to the extent of the Participation Percentage indicated in the Declarations. The Participation Percentage applies separately to each "product withdrawal".

You also agree that the cost of your participation in the loss will be borne entirely by you when due and you will not obtain insurance to cover it.

The Limit of Insurance of this Coverage Part applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

## SECTION IV - CONDITIONS

**1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

**2. Duties in the Event of a Claim or Suit or a Defect or Product Withdrawal**

- a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened "defect" in "your product", or any governmental investigation, that may result in a "product withdrawal" or a claim. To the extent possible, notice should include:

- (4) How, when and where the "defect" was discovered;
- (5) The names and addresses of any injured persons and witnesses; and

(6) The nature, location and circumstances of any injury or damage arising out of use or consumption of "your product".

b. If a "product withdrawal" is initiated, you must:

- (3) Immediately record the specifics of the "product withdrawal" and the date it was initiated; and
- (4) Notify us as soon as practicable.

You must see to it that we receive written notice of the "product withdrawal" as soon as practicable.

c. You must promptly take all reasonable steps to mitigate the expenses associated with a "product withdrawal". Any "profit" that you receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for "product withdrawal expenses".

d. If a claim is made or "suit" is brought against any insured, you must:

- (3) Immediately record the specifics of the claim or "suit" and the date received; and
- (4) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

e. You and any other involved insured must:

(6) Immediately send us copies of any pertinent correspondence received in connection with the "product withdrawal", claim or "suit";

(7) Authorize us to obtain records and other information;

(8) Cooperate with us in the investigation of the "product withdrawal";

(9) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

(10) Assist us, upon our request, in the enforcement of any right against any person or organization which may be

liable to the insured because of a "product withdrawal" to which this insurance may also apply.

### 3. Suit Outside of United States, Canada or Puerto Rico

c. If a "suit" is brought in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from defending the insured, the insured will initiate a defense of the "suit". We will reimburse the insured, under Supplementary Payments, for any reasonable and necessary expenses incurred for the defense of a "suit" seeking damages to which this insurance applies, that we would have paid had we been able to exercise our right and duty to defend. If the insured becomes legally obligated to pay sums because of damages to which this insurance applies in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from paying such sums on the insured's behalf, we will reimburse the insured for such sums.

d. All payments or reimbursements we make for damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.

### 4. Legal Action Against Us

No person or organization has a right under this Coverage Part:

c. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

d. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and

the claimant or the claimant's legal representative.

## 5. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

### c. Primary Insurance

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b .below.

### d. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

## 6. Representations

### b. By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and
- (3) We have issued this policy in reliance upon your representations.

## 7. Concealment Or Fraud

### b. We will not provide coverage under Coverage Aof this Coverage Part to you, or any other insured, who at any time:

- (3) Engaged in fraudulent conduct; or
- (4) Intentionally concealed or misrepresented a material fact concerning a "product withdrawal" or "product withdrawal expenses" incurred by you under Coverage Aof this Coverage Part.

## 8. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

## SECTION V - DEFINITIONS

15. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
16. "Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.
17. "Defect" means a defect, deficiency or inadequacy that creates a dangerous condition.
18. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
19. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
20. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

21. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
22. "Product tampering" is an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product". When "product tampering" is known, suspected or threatened, a "product withdrawal" will be limited to those batches of "your product" which are known or suspected to have been tampered with. For the purposes of this insurance, electronic data is not tangible property.
23. "Product withdrawal" means the recall or withdrawal:
- c. From the market; or
  - d. From use by any other person or organization; of "your products", or products which contain "your products", because of known "defects" in "your product", or known or suspected "product tampering", which has caused "bodily injury" or physical injury to tangible property other than "your product".
- For the purposes of this insurance, electronic data is not tangible property.
24. "Product withdrawal expenses" means those reasonable and necessary extra expenses, listed below, paid and directly related to a "product withdrawal":
- j. Cost of replacing "your product", repairing the "defect" in "your product" or repurchasing "your product" for your initial purchase price, whichever is less;
  - k. Costs of notification;
  - l. Costs of stationery, envelopes, production of announcements and postage or facsimiles;
  - m. Costs of overtime paid to regular non-salaried employees and costs incurred by such employees, including costs of transportation and accommodations;
  - n. Costs of computer time;
  - o. Costs of hiring independent contractors and other temporary employees;
  - p. Costs of transportation, shipping or packaging;
  - q. Costs of warehouse or storage space; or
  - r. Costs of proper disposal of "your products", or products that contain "your products", that can not be reused, not exceeding your initial purchase price or your cost to produce the products.
25. "Profit" means the positive gain from business operation after subtracting for all expenses.
26. "Property damage" means:
- c. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - d. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purpose of this insurance, "electronic data" is not tangible property.
27. "Suit" means a civil proceeding in which damages because of "bodily injury" or physical damage to tangible property arising out of a "product withdrawal" to which this insurance applies are alleged. "Suit" includes:
- c. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - d. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

28. "Your product" means:

- c. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (1) You;
  - (2) Others trading under your name; or
  - (3) A person or organization whose business or assets you have acquired; and
- d. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**114. LIMITED PRODUCT WITHDRAWAL COVERAGE ENDORSEMENT**  
**(WITHDRAWAL FOR SUSPECTED ONLY)**

Notwithstanding anything in this Contract/Provisions/Endorsement to the contrary, this Endorsement changes the policy to provide the following coverage:

**SCHEDULE**

Insured (This coverage only applies to the following Insured)	All Named Insured stated in Declaration
Limit	_____ - (Each Occurrence/ Aggregate)
Deductible Amount	USD _____ - / Withdrawal
Participation percentage	xx.xx%
Cut-Off Date	XX/XX/XXXX

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Throughout this policy the words "you" and "your" refer to the Named Insured shown in the SCHEDULE above. The words "we", "us" and "our" refer to the company providing this insurance. The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured. Other words and phrases that appear in quotation marks have special meaning. Refer to Section V Definitions.

**SECTION I - COVERAGES**

**COVERAGE A : PRODUCT WITHDRAWAL EXPENSE**

**1. Insuring Agreement**

- m. We will reimburse you for "product withdrawal expenses" incurred by you because of a "product withdrawal" to which this insurance applies. The amount of such reimbursement is limited as described in Section III - Limit Of Insurance. No other obligation or liability to pay sums or perform acts or services is covered.
- n. This insurance applies to a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period because:
  - (5) You determine that the "product withdrawal" is necessary; or
  - (6) An authorized government entity has ordered you to conduct a "product withdrawal".
- o. We will reimburse "product withdrawal expenses" only if:
  - (7) The expenses are incurred within one year of the date the "product withdrawal" was initiated;
  - (8) The expenses are reported to us within one year of the date the expenses were incurred; and

- (9) The product that is the subject of the "product withdrawal" was produced after the Cut-Off Date stated in the SCHEDULE.
- p. The initiation of a "product withdrawal" will be deemed to have been made only at the earliest of the following times:
- (5) When you first announced, in any manner, to the general public, your vendors or to your employees (other than those employees directly involved in making the determination) your decision to conduct or participate in a "product withdrawal". This applies regardless of whether the determination to conduct a "product withdrawal" is made by you or is requested by a third party;  
or
- (6) When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product withdrawal".
- q. "Product withdrawal expenses" incurred to withdraw "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".
- r. With respect to products of which "your product" is a component part, we will only reimburse you the amount to replace, repair or repurchase "your product".

## 2. Exclusions - Coverage A

This insurance does not apply to "product withdrawal expenses" arising out of:

- u. Breach Of Warranty And Failure To Conform To Intended Purpose  
Any "product withdrawal" initiated due to the failure of "your products" to accomplish their intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or physical damage to tangible property other than "your product".
- v. Infringement Of Copyright, Patent, Trade Secret, Trade Dress Or Trademark  
Any "product withdrawal" initiated due to copyright, patent, trade secret, trade dress or trademark infringements.
- w. Deterioration, Decomposition Or Chemical Transformation  
Any "product withdrawal" initiated due to the transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:
- (7) An error in manufacturing, design, or processing;  
(8) Transportation of "your product"; or  
(9) "Product tampering".
- x. Goodwill, Market Share, Revenue, Profit Or Redesign  
The costs of regaining goodwill, market share, revenue or "profit" or the costs of redesigning "your product".
- y. Expiration Of Shelf Life  
Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".
- z. Known Defect  
A "product withdrawal" initiated due to a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Product Withdrawal Coverage Part was first issued to you or prior to the time "your product" leaves your control or possession.
- aa. Governmental Ban  
A recall when "your product" or a component contained within "your product" has been:
- (5) Banned from the market by an authorized government entity prior to the policy period; or  
(6) Distributed or sold by you subsequent to any governmental ban.
- bb. Defense Of Claim  
The defense of a claim or "suit" against you for liability arising out of a "product withdrawal".
- cc. Third Party Damages, Fines And Penalties  
Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.
- dd. Pollution-Related Expenses  
Any loss, cost or expense due to any:
- (5) Request, demand, order, statutory or regulatory requirement that any insured or others test for,



monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

- (6) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

## COVERAGE B : PRODUCT WITHDRAWAL LIABILITY

### 1. Insuring Agreement

- i. We will pay those sums that the insured becomes legally obligated to pay as damages for "product withdrawal expenses" incurred because of a "product withdrawal" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any "product withdrawal" and settle any claim or "suit" that may result. But:
- (5) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (6) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage B. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments Coverage B.
- j. This insurance applies to damages for "product withdrawal expenses" incurred because of a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period and the product that is the subject of the "product withdrawal" was produced after the Cut-Off Date designated in the Declarations.
- k. The initiation of a "product withdrawal" will be deemed to have been made only at the earliest of the following times:
- (5) When a third party conducts or participates in a "product withdrawal"; or
- (6) When a third party first announces, in any manner, to the general public, their decision to conduct or participate in a "product withdrawal".
- l. Damages incurred due to the withdrawal of "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".

### 2. Exclusions - Coverage B

This insurance does not apply to "product withdrawal expenses" arising out of:

**ee. Breach Of Warranty And Failure To Conform To Intended Purpose**

Any "product withdrawal" initiated due to the failure of "your products" to accomplish their intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or physical damage to tangible property.

**ff. Infringement Of Copyright, Patent, Trade Secret Or Trademark**

Any "product withdrawal" initiated due to copyright, patent, trade secret or trademark infringements.

**gg. Deterioration, Decomposition Or Chemical Transformation**

Any "product withdrawal" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:

- (7) An error in manufacturing, design, processing;
- (8) Transportation of "your product"; or
- (9) "Product tampering".

**hh. Goodwill, Market Share, Revenue, Profit, Or Redesign**

The costs of regaining goodwill, market share, revenue or "profit" or the costs of redesigning "your product".

**ii. Expiration Of Shelf Life**

Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".

**jj. Known Defect**

A "product withdrawal" initiated due to a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Product Withdrawal Coverage Part was first issued to "you" or prior to the time "your product" leaves your control or possession.

**kk. Governmental Ban**

A recall when "your product" or a component contained within "your product" has been:

- (5) Banned from the market by an authorized government entity prior to the policy period; or
- (6) Distributed or sold by you subsequent to any governmental ban.

**ll. Fines And Penalties**

Any fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.

**mm. Intercompany Suits**

Any claim for damages by any Named Insured against another Named Insured.

**nn. Contractual Liability**

Any "product withdrawal" expense or cost for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

**oo. Pollution**

The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**pp. Pollution-Related**

Any loss, cost or expense due to any:

- (5) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (6) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**qq. War**

Any loss, cost or expense due to:

- (7) War, including undeclared or civil war;
- (8) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (9) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**rr. Loss Of Use Of Property**

Loss of use of other property due to:

- (5) A "defect", deficiency, inadequacy or dangerous condition in "your product"; or
- (6) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

**ss. Bodily Injury Or Property Damage**

"Bodily injury" or "property damage".

**SUPPLEMENTARY PAYMENTS - COVERAGE B**

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- k.** All expenses we incur.
- l.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- m.** All costs taxed against the insured in the "suit".
- n.** Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an

offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- o. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will be paid within the Limit of Liability amount declared in the Declaration.

## **SECTION II - WHO IS AN INSURED**

### **1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers and directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

### **2. Each of the following is also an insured:**

- e. Any person or organization having proper temporary custody of your property if you die, but only until your legal representative has been appointed.
- f. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

### **3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if**

**there is no other similar insurance available to that organization. However:**

- e. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- f. Coverages A and B do not apply to "product withdrawals" that were initiated before you acquired or formed the organization.

No person or organization is an insured with respect to any "product withdrawal" arising out of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

## **SECTION III - LIMIT OF INSURANCE**

### **1. The Aggregate Limit of Insurance shown in the SCHEDULE and the rules below fix the most we will pay regardless of the number of:**

- k. Insureds;
- l. "Product withdrawals" initiated;
- m. Number of "your products" withdrawn;
- n. Claims made or "suits" brought; or
- o. Persons or organizations making claims or bringing "suits".

### **2. The Aggregate Limit is the most we will pay for the sum of all:**

- e. "Product withdrawal expenses" under Coverage A; and
- f. Damages because of "product withdrawal expenses" under Coverage B.

### **3. Deductible and Participation Percentage Provisions**

#### **e. Deductible**

We will only pay for the amount of:

- (5) "Product withdrawal expenses" under Coverage A; and
- (6) Damages because of "product withdrawal expenses" under Coverage B which are in excess of the deductible amount, if any, shown in the SCHEDULE. The deductible applies separately to each "product withdrawal". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable, to effect settlement of any claim or "suit". Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

#### **f. Participation Percentage**

If a Participation Percentage is indicated in the SCHEDULE, the following provision applies:

You agree to participate in the payment of:

- (5) "Product withdrawal expenses" under Coverage A; and
- (6) Damages because of "product withdrawal expenses" under Coverage B which are in excess of the Deductible, to the extent of the Participation Percentage indicated in the Declarations. The Participation Percentage applies separately to each "product withdrawal".

You also agree that the cost of your participation in the loss will be borne entirely by you when due and you will not obtain insurance to cover it.

The Limit of Insurance of this Coverage Part applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

## **SECTION IV - CONDITIONS**

### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### **2. Duties in the Event of a Claim or Suit or a Defect or Product Withdrawal**

- a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened "defect" in "your product", or any governmental investigation, that may result in a "product withdrawal" or a claim. To the extent possible, notice should include:

- (7) How, when and where the "defect" was discovered;
- (8) The names and addresses of any injured persons and witnesses; and
- (9) The nature, location and circumstances of any injury or damage arising out of use or consumption of "your product".

- b. If a "product withdrawal" is initiated, you must:

- (5) Immediately record the specifics of the "product withdrawal" and the date it was initiated; and
- (6) Notify us as soon as practicable.

You must see to it that we receive written notice of the "product withdrawal" as soon as practicable.

- c. You must promptly take all reasonable steps to mitigate the expenses associated with a "product withdrawal". Any "profit" that you receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for "product withdrawal expenses".

- d. If a claim is made or "suit" is brought against any insured, you must:

- (5) Immediately record the specifics of the claim or "suit" and the date received; and

(6) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

e. You and any other involved insured must:

- (11) Immediately send us copies of any pertinent correspondence received in connection with the "product withdrawal", claim or "suit";
- (12) Authorize us to obtain records and other information;
- (13) Cooperate with us in the investigation of the "product withdrawal";
- (14) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (15) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of a "product withdrawal" to which this insurance may also apply.

### 3. Suit Outside of United States, Canada or Puerto Rico

- e. If a "suit" is brought in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from defending the insured, the insured will initiate a defense of the "suit". We will reimburse the insured, under Supplementary Payments, for any reasonable and necessary expenses incurred for the defense of a "suit" seeking damages to which this insurance applies, that we would have paid had we been able to exercise our right and duty to defend. If the insured becomes legally obligated to pay sums because of damages to which this insurance applies in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from paying such sums on the insured's behalf, we will reimburse the insured for such sums.
- f. All payments or reimbursements we make for damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.

### 4. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- e. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- f. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and

the claimant or the claimant's legal representative.

### 5. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

e. Primary Insurance

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b .below.

f. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

## 6. Representations

c. By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and
- (3) We have issued this policy in reliance upon your representations.

## 7. Concealment Or Fraud

c. We will not provide coverage under Coverage Aof this Coverage Part to you, or any other insured, who at any time:

- (5) Engaged in fraudulent conduct; or
- (6) Intentionally concealed or misrepresented a material fact concerning a "product withdrawal" or "product withdrawal expenses" incurred by you under Coverage Aof this Coverage Part.

## 8. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

## SECTION V - DEFINITIONS

29. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
30. "Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.
31. "Defect" means a defect, deficiency or inadequacy that creates a dangerous condition.
32. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
33. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
34. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
35. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
36. "Product tampering" is an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product". When "product tampering" is known, suspected or threatened, a "product withdrawal" will be limited to those batches of "your product" which are known or suspected to have been tampered with. For the purposes of this insurance, electronic data is not tangible property.
37. "Product withdrawal" means the recall or withdrawal:

- e. From the market; or
- f. From use by any other person or organization; of "your products", or products which contain "your products", because of suspected "defects" in "your product", or known or suspected "product tampering", which is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product". This is not including the case which "bodily injury" or physical injury to tangible property other than "your product" is already occurred at the time of product withdrawal.

For the purposes of this insurance, electronic data is not tangible property.

38. "Product withdrawal expenses" means those reasonable and necessary extra expenses, listed below, paid and directly related to a "product withdrawal":
- s. Cost of replacing "your product", repairing the "defect" in "your product" or repurchasing "your product" for your initial purchase price, whichever is less;
  - t. Costs of notification;
  - u. Costs of stationery, envelopes, production of announcements and postage or facsimiles;
  - v. Costs of overtime paid to regular non-salaried employees and costs incurred by such employees, including costs of transportation and accommodations;
  - w. Costs of computer time;
  - x. Costs of hiring independent contractors and other temporary employees;
  - y. Costs of transportation, shipping or packaging;
  - z. Costs of warehouse or storage space; or
  - aa. Costs of proper disposal of "your products", or products that contain "your products", that can not be reused, not exceeding your initial purchase price or your cost to produce the products.
39. "Profit" means the positive gain from business operation after subtracting for all expenses.
40. "Property damage" means:
- e. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - f. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purpose of this insurance, "electronic data" is not tangible property.
41. "Suit" means a civil proceeding in which damages because of "bodily injury" or physical damage to tangible property arising out of a "product withdrawal" to which this insurance applies are alleged. "Suit" includes:
- e. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - f. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
42. "Your product" means:
- e. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (1) You;
    - (2) Others trading under your name; or
    - (3) A person or organization whose business or assets you have acquired; and
  - f. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **115. ERRORS & OMISSIONS COVERAGE FORM ENDORSEMENT**

Notwithstanding anything in the provisions of the original policy conditions to the contrary, this Endorsement changes the policy conditions to provide the coverage arising out of Errors & Omissions as described in this Endorsement.

### **SCHEDULE**

Subject	Conditions
Insured	All Named Insured and Additional Insured of this Policy.
Limit of Insurance	USD 1,000,000 – (Each Occurrence/ Aggregate)
Deductible Amount	USD 100,000 - / occurrence
Retroactive Date	1 <sup>st</sup> XXXX 2020

### **IMPORTANT NOTICE**

In order for the coverage of this endorsement to apply, each of the following must take place during the policy period:

(i) the Insured commits a negligent act, error or omission that (ii) results in a claim or "suit" being made against the Insured and (iii) the Insured notifies us of such claim or "suit".

### **DEFINITIONS APPLICABLE TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

For the purpose of this Endorsement Coverage the following additional Definitions apply.

- "Suit" means a civil proceeding in which damages covered within this Endorsement are alleged. "Suit" includes an arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent or any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- "Financial Loss" means a pecuniary loss or expense sustained by a third party that is economic in nature and not consequent upon "bodily injury" or "property damage".

### **INSURING AGREEMENT APPLICABLE TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

- Subject to all terms and conditions of this Policy, including this Endorsement, we will pay those sums that the insured becomes legally obligated to pay as damages because of a claim or "suit" for "financial loss" both first made against the insured and notified to us during the policy period arising out of any negligent act, error or omission committed by the insured within the coverage territory in connection with "your product" provided in the normal course of your operations. We have the right but not the duty to defend the insured against any claim or "suit" seeking such damages. We may, at our discretion, investigate any claim or "suit" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in SCHEDULE herein; and

(2) Our defense ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered.

All payments made under this endorsement will contribute towards the exhaustion of the aggregate LIMIT OF INSURANCE in respect of "products-completed operations hazard" and all cost in connection with the investigation or settlement of any claim or "suit" under this Endorsement shall be inclusive within the LIMIT of INSURANCE described herein.



- b.** This insurance applies to a claim or "suit" only if;
  - (1) The negligent act, error or omission leading to the claim or "suit" did not occur before the Retroactive Date, if any, shown herein or after the end of the policy period; and
  - (2) A claim or "suit" for damages is first made against the insured, in accordance with paragraph c. below, during the policy period.
  
- c.** A claim by a person or organization seeking damages will be deemed to have been made.

**EXCLUSIONS AND AMENDMENTS APPLICABLE TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

This insurance does not apply to costs:

- a.** Incurred by or caused by any "executive officers" or directors of the insured whilst acting within the scope of their duties in such capacity.
- b.** Arising out of any facts or circumstances of which the insured was aware before the commencement of the policy period.
- c.** In respect of any claim or "suit" made prior to or existing at the inception of the policy period.
- d.** Which are more specifically covered in any other section of the Policy to which this Endorsement is attached.
- e.** Arising out of any negligent act, error or omission which occurred prior to Insert Retroactive Date.
- f.** Arising from an "occurrence" which would otherwise be excluded under the "products-completed operations hazard" component of this coverage (including any coverage afforded by any Endorsements attached thereto) to which this Endorsement is attached.
- g.** In respect of;
  - (1) Any claim or "suit", or
  - (2) Facts or circumstances that might give rise to a claim or "suit",
 Which have been notified or which could/should have been notified under any prior policy.
- h.** Arising from or in connection with advice, design, consultancy, specification, formulas, supervision or other professional services given or undertaken by the insured for a fee.
- i.** With respect to Products that are still in your physical possession.
- j.** Arising directly or indirectly out of any delay in delivery or failure to deliver "your product" nor does this Endorsement apply to the failure of the insured to provide support for "your product" or the cessation of the provision of support of "your product".
- k.** Incurred (directly or indirectly) as a result of any infringement or violation of any intellectual property law or right, patent and/or copyright.

**SUPPLEMENTARY PAYMENTS WITH REGARD TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

We will pay the costs/expenses outlined within the SUPPLEMENTARY PAYMENTS section specified within the base Policy. With specific regard to this Endorsement coverage, all costs/expenses incurred will both erode and be inclusive of the LIMIT OF INSURANCE described herein.

**LIMIT OF INSURANCE APPLICABLE TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

The LIMIT OF INSURANCE applicable to this Endorsement coverage is insert limit any one claim or "suit" and in the aggregate during the policy period regardless of the numbers of;

- a.** Insureds;
- b.** Claims made or "suit" brought; or
- c.** Persons or organizations making claims or bringing "suits".

**CONDITIONS APPLICABLE TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

For the purposes of this endorsement coverage the following additional Conditions apply.

- 1. In the event of a claim or "suit", the insured must give immediate notice in writing to us of such claim or "suit" and such information as we may require to investigate the claim or "suit" and enable us to determine liability under this Endorsement coverage.

2. The insured must take all reasonable precautions to prevent Financial Loss to any third party.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**116. ERRORS & OMISSIONS COVERAGE FORM ENDORSEMENT**

Notwithstanding anything in the provisions of COMMERCIAL GENERAL LIABILITY COVERAGE FORM to the contrary, this Endorsement changes the policy conditions to provide the coverage arising out of Errors & Omissions as described in this Endorsement.

It is also hereby understood and agreed that this policy will concentrate in the coverage for Errors & Omissions, and any other coverage stated in the COMMERCIAL GENERAL LIABILITY COVERAGE FORM will not be applicable.

**SCHEDULE**

Subject	Conditions
Insured	
Limit of Insurance	_____ – (Each Occurrence/ Aggregate)
Deductible Amount	USD _____ - / occurrence
Retroactive Date	1 <sup>st</sup> XXXX 2019

**IMPORTANT NOTICE**

In order for the coverage of this endorsement to apply, each of the following must take place during the policy period:

(i) the Insured commits a negligent act, error or omission that (ii) results in a claim or "suit" being made against the Insured and (iii) the Insured notifies us of such claim or "suit".

**DEFINITIONS APPLICABLE TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

For the purpose of this Endorsement Coverage the following additional Definitions apply.

3. "Suit" means a civil proceeding in which damages covered within this Endorsement are alleged. "Suit" includes an arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent or any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

4. "Financial Loss" means a pecuniary loss or expense sustained by a third party that is economic in nature and not consequent upon "bodily injury" or "property damage".

**INSURING AGREEMENT APPLICABLE TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

b. Subject to all terms and conditions of this Policy, including this Endorsement, we will pay those sums that the insured becomes legally obligated to pay as damages because of a claim or "suit" for "financial loss" both first made against the insured and notified to us during the policy period arising out of any negligent act, error or omission committed by the insured within the coverage territory in connection with "your product" provided in the normal course of your operations. We have the right but not the duty to defend the insured against any claim or "suit" seeking such damages. We may, at our discretion, investigate any claim or "suit" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in SCHEDULE herein; and

(2) Our defense ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered.

All payments made under this endorsement will contribute towards the exhaustion of the aggregate LIMIT OF INSURANCE in respect of "products-completed operations hazard" and all cost in connection with the investigation or settlement of any claim or "suit" under this Endorsement shall be inclusive within the LIMIT OF INSURANCE described herein.

- b.** This insurance applies to a claim or "suit" only if;
  - (3) The negligent act, error or omission leading to the claim or "suit" did not occur before the Retroactive Date, if any, shown herein or after the end of the policy period; and
  - (4) A claim or "suit" for damages is first made against the insured, in accordance with paragraph c. below, during the policy period.
  
- c.** A claim by a person or organization seeking damages will be deemed to have been made.

### **EXCLUSIONS AND AMENDMENTS APPLICABLE TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

This insurance does not apply to costs:

- l.** Incurred by or caused by any "executive officers" or directors of the insured whilst acting within the scope of their duties in such capacity.
- m.** Arising out of any facts or circumstances of which the insured was aware before the commencement of the policy period.
- n.** In respect of any claim or "suit" made prior to or existing at the inception of the policy period.
- o.** Which are more specifically covered in any other section of the Policy to which this Endorsement is attached.
- p.** Arising out of any negligent act, error or omission which occurred prior to Insert Retroactive Date.
- q.** Arising from an "occurrence" which would otherwise be excluded under the "products-completed operations hazard" component of this coverage (including any coverage afforded by any Endorsements attached thereto) to which this Endorsement is attached.
- r.** In respect of;
  - (3) Any claim or "suit", or
  - (4) Facts or circumstances that might give rise to a claim or "suit",
 Which have been notified or which could/should have been notified under any prior policy.
- s.** Arising from or in connection with advice, design, consultancy, specification, formulas, supervision or other professional services given or undertaken by the insured for a fee.
- t.** With respect to Products that are still in your physical possession.
- u.** Arising directly or indirectly out of any delay in delivery or failure to deliver "your product" nor does this Endorsement apply to the failure of the insured to provide support for "your product" or the cessation of the provision of support of "your product".
- v.** Incurred (directly or indirectly) as a result of any infringement or violation of any intellectual property law or right, patent and/or copyright.

### **SUPPLEMENTARY PAYMENTS WITH REGARD TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

We will pay the costs/expenses outlined within the SUPPLEMENTARY PAYMENTS section specified within the base Policy. With specific regard to this Endorsement coverage, all costs/expenses incurred will both erode and be inclusive of the LIMIT OF INSURANCE described herein.

### **LIMIT OF INSURANCE APPLICABLE TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

The LIMIT OF INSURANCE applicable to this Endorsement coverage is insert limit any one claim or "suit" and in the aggregate during the policy period regardless of the numbers of;

- d.** Insureds;
- e.** Claims made or "suit" brought; or
- f.** Persons or organizations making claims or bringing "suits".

**CONDITIONS APPLICABLE TO THIS ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

For the purposes of this endorsement coverage the following additional Conditions apply.

3. In the event of a claim or "suit", the insured must give immediate notice in writing to us of such claim or "suit" and such information as we may require to investigate the claim or "suit" and enable us to determine liability under this Endorsement coverage.
4. The insured must take all reasonable precautions to prevent Financial Loss to any third party.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

**117. ADDITIONAL INSURED CLAUSE**  
**(VENDORS-LIMITED FORM)**

It is agreed that "Persons Insured" Provision is amended to include any person or organization designated below (herein referred to as "vendor"), as an Insured, but only with respect to the distribution or sale in the regular course of the vendor's business of the Named Insured's products designated below subject to the following additional provisions;

1. The Insurance with respect to the vendor does not apply to;
  - (a) any express warranty, or any distribution or sale for purpose, unauthorized by the Named Insured;
  - (b) bodily injury or property damage arising out of
    - (i) any act of the vendor which changes the condition of the products,
    - (ii) any failure to maintain the product in merchantable condition,
    - (iii) any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual courses of business, in connection with the distribution or sale of the products, or
    - (iv) products which after distribution or sale by the Named Insured have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
  - (c) bodily injury or property damage occurring within the vendor's premises.
2. This insurance does not apply to any person or organization, as Insured, from whom the Named Insured has acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.

**SCHEDULE**

VENDOR(S)	THE NAMED INSURED'S PRODUCTS

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### **118. AMENDMENT OF SUPPLEMENTARY PAYMENTS PROVISION ENDORSEMENT**

**Notwithstanding anything in the provisions of this policy to the contrary, it is hereby understood and agreed that the all payment of the Supplementary Payments will be paid within and inclusive to the applicable limit of insurance of this policy. Therefore, all payments will reduce the limits of insurance.**

We shall in no case be obligated to pay any settlement, judgments or such expenses or to defend any suit after the applicable limits of insurance has been exhausted by payment of settlements, judgments or such expenses.

It is further agreed that if there is anything contained in the policy contrary to this endorsement it is to that extent null and void.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### **119. CLAIMS MADE BASIS ENDORSEMENT**

It is hereby agreed and understood that;

1. This insurance applies to “bodily injury” and “property damage” resulting from an occurrence which first commences on and after 1<sup>st</sup> October 2019, only if;
  - a. A claim for damages because of “bodily injury” and “property damage” is first made in writing against any Insured during the policy period, and
  - b. such a claim and/or “bodily injury” or “property damage” are neither known nor expected by any Insured at the beginning of the policy period.
2. As used in this endorsement,
  - a. “A claim” by a person or organization seeking damages will be deemed to have been made when written notice of such claim is received by any Insured or by the Company, whichever comes first.
  - b. “All claims” for damages because of “bodily injury” to the same person as a result of an occurrence, will be deemed to have been made at the time the first of those claims is made against any Insured.
  - c. “All claims” for damages because of “property damage” causing loss to the same person or organization as a result of an occurrence, will be deemed to have been made at the time the first of those claims is made against any Insured.
3. Definitions of “bodily injury” and “property damage” in the Standard Provisions of the policy shall be deleted and replaced with the followings;

“Bodily injury” means bodily injury, sickness or disease sustained by any person including death at any time resulting therefrom.

“Property damage” means (1) physical injury to or destruction of tangible property including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence.

4. Whenever any Insured has information relating to an occurrence which is likely to cause any claim, any Insured must give a written notice of such occurrence to the Company, then such claim shall be deemed to have been first made in writing against any Insured on the date when the notice of the said occurrence was first given to the Company.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

#### **120. WAIVER OF SUBROGATION RIGHT ENDORSEMENT**

**Notwithstanding anything in the provisions of this policy to the contrary in SECTION IV of this policy, it is hereby understood and agreed that;**

In the event of any payment under this policy, we waive our right of recovery against any person or organization declared in the following schedule;

#### **SCHEDULE**

--

It is further agreed that work commenced under letter of intent or work order, subject to subsequent reduction to writing, with customers whose customary contracts would require a waiver of recovery rights against them also falls within this waiver of subrogation right endorsement.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

#### **121. PUNITIVE DAMAGE EXCLUSION CLAUSE**

Notwithstanding anything in the provisions of this policy to the contrary, it is agreed and understood that this policy does not apply to any fines, penalties, punitive damages, exemplary damages, treble damages, or any other damages resulting from the multiplication of compensatory damages.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

#### **122. FLAT PREMIUM CLAUSE**

Notwithstanding the contrary of the any provisions of this policy, it is agreed and understood that the premium for this policy is flat charge of the amount stated in the policy, and shall not be subject to any adjustment.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### **123. CROSS LIABILITY ENDORSEMENT**

(ADDITIONAL INSURED ONLY)

Notwithstanding anything in the provisions of this policy to the contrary, it is agreed and understood that;

This insurance applies to any claims for damages by any Insured against another Insured because of “Bodily injury”, “Property damage” or “Personal and Advertising Injury”

This endorsement applies only to the “Additional Insured” of this policy, and “Named Insured” will not be covered.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### **124. CROSS LIABILITY ENDORSEMENT**

Notwithstanding anything in the provisions of this policy to the contrary, it is agreed and understood that;

This insurance applies to any claims for damages by any Insured against another Insured because of “Bodily injury”, “Property damage” or “Personal and Advertising Injury”

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### **125. CURRENCY EXCHANGE RATE CLAUAUSE**

Notwithstanding anything in the provisions of this policy to the contrary, it is agreed and understood that the any foreign currency stated in this policy shall be applied, instead of the local currency stated in the Policy as being equivalent to such foreign currency.

It is further agreed that the cash rate of exchange in use by the most prevailing foreign exchange bank of local country effective on the day immediately preceding the date of payment of the loss, shall be used when such foreign currency shall be converted into local currency.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### **126. BLANKET WAIVER OF SUBROGATION RIGHT ENDORSEMENT**

It is understood and agreed that, notwithstanding anything to the contrary in paragraph 8 of COMMERCIAL GENERAL LIABILITY COVERAGE FORM (SECTION IV), in the event of any payment under this policy we waive our right of recovery against any person or organization with respect to which the insured has waived its right of recovery.

It is further agreed that work commenced under letter of intent or work order, subject to subsequent reduction to writing, with customers whose customary contracts would require a waiver of recovery rights against them also falls within this blanket waiver of subrogation.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

**127. ADDITIONAL INSURED CLAUSE**  
**(VENDORS-BRAOD FORM)**

Name of Person or Organization (Vendor): **All Vendors of the Named Insured**

Your Products: **All Products designed, manufactured or distributed by the Named Insured**

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (referred to below as vendor) shown in the Schedule, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the Schedule which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:

"Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

Any express warranty unauthorized by you;

Any physical or chemical change in the product made intentionally by the vendor;

Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.

2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.



THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

**128. ADDITIONAL INSURED CLAUSE**  
**(ALL CONTRACTORS AND SUBCONTRACTORS)**

Section II - Who Is An Insured is amended to include all contractors and subcontractors in relation to the named insured's business as additional insureds.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

**129. ADDITIONAL INSURED CLAUSE**  
**(AUTOMATIC COVERAGE WHERE REQUIRED BY CONTRACT OR AGREEMENT)**

The following added as paragraph f. to 1. of WHO IS AN INSURED (SECTION II)

f. A person or organization with whom you agreed, in a written contract, agreement or permit, to provide insurance such as is afforded under this Coverage Part, you are an insured, but only with respect to "Your Products", "Your Work", your operations or premises owned by or rented to you.

The insurance afforded by this paragraph does not apply, unless the written contract, agreement or permit has been issued prior to the "bodily injury", "property damage" to any person or organization included as an insured by any other endorsement issued by us and made part of this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

**130. ADDITIONAL INSURED CLAUSE**  
**(LESSOR OF LEASED EQUIPMENT- AUTOMATIC STATUS WHEN REQUIRED IN LEASE AGREEMENT WITH YOU)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

A. Who Is An Insured (Section II) is amended to include as an insured any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an insured only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organizations status as an insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

B. With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply:

1. To any "occurrence" which takes place after the equipment lease expires;
2. To "bodily injury" or "property damage" arising out of the sole negligence of such person or organization.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

**131. ADDITIONAL INSURED CLAUSE**  
**(AUTOMATIC COVERAGE WHERE REQUIRED BY CONTRACT OR AGREEMENT)**

The following added as paragraph f. to 1. of WHO IS AN INSURED (SECTION II)

e. A person or organization with whom you agreed, in a written contract, agreement or permit, to provide insurance such as is afforded under this Coverage Part, you are an insured, but only with respect to "Your Products", "Your Work", your operations or premises owned by or rented to you.

The insurance afforded by this paragraph does not apply, unless the written contract, agreement or permit has been issued prior to the "bodily injury", "property damage" to any person or organization included as an insured by any other endorsement issued by us and made part of this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

**132. ADDITIONAL INSURED CLAUSE**  
**(CONTROLLING INTEREST)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

Name of Additional Insured Person(s) or organization(s)
---

XXXXXXXXXXXXXXXXXXXX
----------------------

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
--

A. Section II – Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) shown in the Schedule, but only with respect to "bodily injury" or "property damage" arising out of:

1. Their financial control of you; or
2. Premises they own, maintain or control while you lease or occupy these premises.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C. With respect to the insurance afforded to these additional insureds, the following is added to **Section iii – Limits Of Insurance****

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limit of Insurance shown in the Declarations;
- Whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.  
**THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.**

**133. ADDITIONAL INSURED CLAUSE**

**(OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

A. Section II -Who Is An Insured is amended to include as an insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability arising out of your ongoing operations performed for that insured. A person's or organizations status as an insured under this endorsement ends when your operations for that insured are completed.

B. With respect to the insurance afforded these additional insureds, the following additional exclusion applies:

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
2. Supervisory, inspection, architectural or engineering activities.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### **134. BROAD NAMED INSURED CLAUSE**

Notwithstanding anything in this Contract/Provisions to the contrary, the Named Insured of this insurance includes:

- a. All subsidiary companies, corporations and all partnerships which the Named Insured or its subsidiaries directly and indirectly have more than 50% ownership interest therein, are actively managed or financially consolidated by such organization,
- b. Any or all affiliated, associated and subsidiary companies, interest entities divisions or other interests that have existed, now exist, or will exist in the future, including but not limited to co-ventures, partnerships, joint operating agreements, investments or other interests of the Named Insured, but solely as respects the interest of the Named Insured, and including automatically the interest of any parent, trust, corporation, owner, entity or individual of the Named Insured either now or hereafter as their respective rights and interests may appear, or
- c. Any companies required by the named insured as per attached (to be provided, if any).

It is further understood and agreed, as respect joint ventures, pooling agreement and partnerships, in which the insured is a partnership or partner, this policy is intended to insure only the interest of the Insured or its subsidiary companies. This policy provides coverage in excess of any other insurance available to the joint venture, pooling agreement or partnership.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### **135. COVERAGE FOR INJURY TO LEASED WORKERS**

This endorsement modifies insurance provided under the following:

#### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

With respect to the Employer's Liability exclusion (SECTION I) only, the definition of "employee" in the DEFINITIONS Section is replaced by the following: "Employee" does not include a "leased worker" or a "temporary worker".

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### **136. EXCESS UMBRELLA ENDORSEMENT** **(FOLLOW FORM WITH EXCEPTION)**

**Notwithstanding anything in this contract to the contrary, this endorsement changes the policy conditions as following:**

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

7. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
8. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - c. 30 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - d. 90 days before the effective date of cancellation if we cancel for any other reason.
9. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
10. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
11. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
12. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

5. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
6. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
7. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
8. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

## E. Premiums

The first Named Insured shown in the Declarations:

3. Is responsible for the payment of all premiums; and
4. Will be the payee for any return premiums we pay.

## F. Transfer of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

### **EXHAUSTION OF UNDERLYING AGGREGATE**

If the aggregate limit of insurance of the applicable "controlling underlying insurance" stated in the following SCHEDULE has been reduced or exhausted by the payments made by the insurer on behalf of or to indemnify an "insured", this insurance applies immediately in excess of the reduced or exhausted limit of such "controlling underlying insurance", subject to all the terms and conditions of this "policy". In such event, this insurance will only apply in excess of the sum of such reduced limit and the amount of any deductible and self-insured amount of such "controlling underlying insurance."

Nothing contained above shall serve to increase the "Limits of Insurance" shown in the Declarations of this "policy".

### **BROAD AS UNDERLYING INSURANCE**

In the event of loss for which "Underlying Insurance" applies, notwithstanding anything contained herein to the contrary, this policy is amended to follow the terms and conditions, including but not limited to, Standard Provisions, Policy Conditions, Persons Insured, Definitions, Coverage Parts, Coverage Forms and Endorsements of the applicable underlying insurance in respect of such loss.

This clause does not intend to limit the coverage afforded by this policy.

Notwithstanding the above, this clause shall not apply to any sort of or any form of claims arising out of or on the ground of or by reason of the followings:

- (1) Watercraft, aircraft and spacecraft
- (2) Nuclear etc. risk
- (3) Recall coverage
- (4) Punitive damages
- (5) Pollution
- (6) Asbestos
- (7) Worker's compensation
- (8) No fault compensation
- (9) Employment practice related liability
- (10) XXXXXXXXXXXXXXX

**SCHEDULE**  
**Controlling Underlying Insurance**

Policy	Insurer	Policy number	Policy Period	Limit of Liability
<b>1. Primary Policy</b> Japan Liability Policy and All Local Policies in World wide countries	XXXXX	TBA		
<b>2. Global Umbrella Policy</b>	XXXXX	TBA		
<b>3. 1<sup>st</sup> Excess Umbrella Policy</b>	XXXXX	TBA		

**137. UMBRELLA MASTER POLICY ENDORSEMENT**  
**(DIFFERENCE IN CONDITIONS / DIFFERENCE IN LIMITS COVERAGE)**

Notwithstanding anything in this Contract/Provisions to the contrary, this endorsement is able to provide Difference in Conditions and Difference in Limits Coverage as an “Umbrella Master Policy”.

**III. AMENDMENT OF “OTHER INSURANCE” PROVISIONS OF SECTION IV-COMMERCIAL GENERAL LIABILITY CONDITIONS**

SECTION IV-COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance part will be amended and replaced as follows:

- a. This insurance is excess over, and shall not contribute with any of other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.  
When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any “suit” if any other insurer has a duty to defend the insured against that “suit”. If no other insurer defends, we have a right to undertake to do so, but we will be entitled to the insured’s rights against all those other insurers.
- b. When this insurance is excess over other insurance, we will pay only our share of the “ultimate net loss” that exceed the sum of:
  - (1) The total amount that all such other primary and/or underlying insurance would pay for the loss in the absence of the insurance provided under this Coverage Part; and
  - (2) The total of all deductible and self-insured amounts under all that other primary and/or underlying insurance.

**IV. DIFFERENCE IN CONDITIONS**

In case when the underlying policy is not indemnify the Insured in whole or in part, this policy are able to provide the coverage to the Insured against legal liability, costs and expenses as defined in this Policy. The purpose of this Endorsement is to provide the coverage which is not provided by the Underlying Policy but which would have been provided as a same terms and conditions, territorial limit, limit of liability and exclusions of this Policy.

This Endorsement is applicable to all immediate underlying policies stated in the following schedule.

## V. DIFFERENCE IN LIMITS

“Difference in Limit” shall mean the difference between the limit of indemnity under this policy and the limit of indemnity under the Underlying Policies.

### 2. COVERAGE

The company will pay on behalf of the insured the Ultimate net loss,

(A) in excess of the limit of liability for each occurrence of the applicable immediate underlying policy,

or

(B) in excess of the Deductible if applicable in this policy, or the amount payable by any other

insurance, whichever is greater,

which the insured shall be obligated to pay by reason of the legal liability on account of (a) Personal injury, (b) Property damage, to which this policy applies, caused by an occurrence during the policy period.

Coverage (B) will not apply to any loss for which insurance is afforded under coverage (A) and this policy will immediately drop down to cover the loss in case if the limit of liability of the immediate underlying policy has exhausted.

“Ultimate net loss” means the total sum defined as following:

- (4) the sum actually paid or payable in cash in the settlement or satisfaction of losses for which the insured is liable either by adjudication or compromise with the written consent of the company, after making proper deduction for all recoveries and salvages collectible.
- (5) court costs, premiums on attachment or appeal bonds, interest on any judgment or award, and expenses for litigation, settlement, adjustment and investigation of claims and suits, which the insured or any company as his insurer or the company become obligated to pay in any claim or suit defended by the insured or any company as his insurer or the company.
- (6) all reasonable expenses incurred by the insured at the company’s request in assisting the company in the investigation or defense of any claim or suit.

### DEFENSE, SETTLEMENT

When underlying insurance exists or a damage claimed against the insured is less than retained limit, the company shall have the right but not the obligation to participate at any time in the defense of any suit against the insured. When an occurrence is not covered by any underlying insurance but covered by the terms of this policy and such damages claimed against the insured is more than retained limit, the company shall defend any suit against the insured even if any of the allegations thereof are groundless, false or fraudulent but the company may make such investigation and settlement of any claim or suit as it deems expedient. The company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company’s liability has been exhausted by payment of judgments, settlements or expenses, all as more fully defined by the term “ultimate net loss”. The insured shall promptly reimburse the company for any amount of ultimate net loss paid on behalf of the insured by the company within the retained limit.



## UNDERLING INSURANCE SCHEDULE

Local/Primary Policies issued in the following countries will be define as “Immediate Underlying Policy”.

Country	Policy Holder(s)	Limit of Liability

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### 138. EMPLOYER’S LIABILITY EXTENSION ENDORSEMENT

Notwithstanding contrary of the original provision of this policy, this endorsement will provide the following coverage to the Named Insured listed in the SCHEDULE of this Endorsement.

#### **1. Insuring Agreement**

The Insurer agrees to pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as “compensatory damages” because of “bodily injury” caused by accident sustained by the employee and arising out of and in the course of his or her employment by the Insured, in the operations described in the Declarations.

In this endorsement “employee” means :

- (1) Anyone hired to do work for an insured but not limited to permanent worker
- (2) Including anyone who is temporary working abroad but belongs to the insured in Japan

#### **2. Territorial Limit**

The coverage territorial limit is within Japan but including Worldwide only for the temporary overseas business trip and secondment worker at overseas subsidiaries.

#### **3. Limits of Insurance**

Regardless of (1) Insureds under this policy (2) persons or organizations who sustain “bodily injury” or (3) claims made or “actions” brought on account of “bodily injury”, the Insurer’s liability is limited as follows:

The Limit of Insurance stated in the Declarations is the most limit of the Insurer’s liability for all “compensatory damages”, including “compensatory damages” for care and loss of services, arising out of “bodily injury” sustained by one person, or more than one person, in any one accident or event.

#### **3. Exclusions**

This insurance does not apply to:

- a. liability assumed by the Insured under any contract or agreement; but this exclusion does not apply to liability assumed under an “insured contract”.
- b. “bodily injury” or “property damage” arising out of the ownership, maintenance, use or operation by or on behalf of the Insured of any aircraft;
- c. “bodily injury” resulting from the acts or omissions of, or “bodily injury” sustained by, any person employed by the Insured in violation of the law as to age; or
- d. “bodily injury” arising out of structural alterations which involve changing the size of or moving buildings or other structures, new construction or demolition operations.
- e. “bodily injury” arising out of any Occupational disease and/or Endemic disease.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

**SCHEDULE**

- |   |
|---|
| <ul style="list-style-type: none"> <li>- TOMY Company Ltd.</li> <li>- T-ARTS Company, Ltd.</li> </ul> |
|---|

**THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.**

**139. SPECIAL EXPENSE FOR VICTIMS (INSIDE PREMISES) ENDORSEMENT**

It is agreed that;

2. The Company will pay the following expense incurred by the insured declared in "Attached Sheet II", when the insured becomes aware of the threat of insured liability arising out of bodily injury or personal injury to which this insurance applies.
  - a) Ex-gratia payment for third party's bodily injury or personal injury, or
  - b) Expense for purchasing sympathy gifts for bodily injury or personal injury
  - c) Expense for any other necessary activities related to settle the claim such as funeral expense, public announcement expense, transportation expense, accommodation expense, any other expense for communication and/or rescuing the victim.

The insured liability must be arising out of the occurrence at inside the insured's premises, except the case if the occurrence is arising out of food poisoning due to the food and/or beverage provided by the insured at the insured premises. In case of food poisoning, the it must be an official incident, and necessary to declare to the appropriate authority.

This coverage is limited to pay for the expense which was paid by the insured within 1 years after the occurrence of the incident.

Injury, Death and/or Aftereffects of the victims must be appeared within 180 days after the occurrence of the liable incident.

3. The limit of liability of this endorsement is limited to the schedule below.

**SCHEDULE**

-
---

**Bodily Injury and Property Damage**

per one person	
Annual aggregate	

**Public Announcement Expense**

Per incident	
--------------	--

4. If the insured pays the expense defined in paragraph 1. and is liable for the victim, the payment based on this endorsement is applied to the Company's liability based on COMMERCIAL GENERAL LIABILITY COVERAGE FORM.

5. Deductible Clause, if attached, shall not apply to the payment of this endorsement.
6. This endorsement only applies to “occurrence” taking place in Japan or “offence “ committed in Japan.

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

**140. SPECIAL EXPENSE FOR VICTIMS ENDORSEMENT**

It is agreed that;

1. The Company will pay the following expense incurred by the insured when the insured becomes aware of the threat of insured liability arising out of any bodily injury or personal injury to which this insurance applies.
  - a) Ex-gratia payment for third party’s bodily injury or personal injury, or
  - b) Expense for purchasing sympathy gifts for bodily injury or personal injury
2. The limit of liability of this endorsement is limited to the schedule below.

**SCHEDULE**

per one person	
Annual aggregate	

3. If the insured pays the expense defined in paragraph 1. and is liable for the victim, the payment based on this endorsement is applied to the Company’s liability based on COMMERCIAL GENERAL LIABILITY COVERAGE FORM.
4. Deductible Clause, if attached, shall not apply to the payment of this endorsement.
5. This endorsement only applies to “occurrence” taking place in \_\_\_\_\_ or “offence” committed in \_\_\_\_\_.
6. The limit of liability of this endorsement is limited to the Named Insured schedule below.

**SCHEDULE**

-
---

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

**141. SPECIAL EXPENSE FOR HANDLING CLAIMS ENDORSEMENT**

It is agreed that;

1. The Company will pay the following expense which is needed to cope with the suits.

- d) Costs to draw up the documents which is submitted to any courts or the other party,
  - e) Costs of overtime payment to Insured's employees and costs incurred by Insured's employees, including costs of transportation and accommodations; or
  - f) Costs of replication and investigation to determine the cause of the occurrence, including costs to draw up written statements of experts' opinion.
2. The Company will pay the expense loss incurred by the insured when the insured becomes aware of the loss occurring or suspected to occur to which this insurance applies.
- c) Costs to preserve and record the scene of the occurrence,
  - d) Costs to investigate to determine the cause and situation of the occurrence,
  - e) Costs to clean up the scene of the occurrence,
  - f) Costs of overtime paid to Insured's employees and costs incurred by Insured's employees, including costs of transportation and accommodations; or
  - g) Costs of communications.
3. The limit of liability of this endorsement is limited to \_\_\_\_\_ in the aggregate.
4. Deductible Clause, if attached, shall not apply to the payment of this endorsement.
5. This endorsement only applies to "occurrence" taking place in Japan or "offence" committed in Japan.
6. The limit of liability of this endorsement is limited to the Named Insured schedule below.

### SCHEDULE

-
---

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY.

### 142. MANUFACTURERS' ERRORS & OMISSIONS ENDORSEMENT

**Notwithstanding anything in the provisions of this policy to the contrary, it is hereby understood and agreed to provide the following coverage.**

#### IMPORTANT NOTICE

In order for the coverage of this endorsement to apply, each of the following must take place during the policy period: (i) the Insured commits a negligent act, error or omission that (ii) results in a claim or "suit" being made against the Insured and (iii) the Insured notifies us of such claim or "suit".

#### **1. DEFINITIONS APPLICABLE TO THIS MANUFACTURERS' ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

For the purpose of this Endorsement Coverage the following additional Definitions apply.

- (1) "Suit" means a civil proceeding in which damages covered within this Endorsement are alleged. "Suit" includes an arbitration proceeding in which such damages are claimed and to which the

insured must submit or does submit with our consent or any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

- (2) "Financial Loss" means a pecuniary loss or expense sustained by a third party that is economic in nature and not consequent upon "bodily injury" or "property damage".

## **2. INSURING AGREEMENT APPLICABLE TO THIS MANUFACTURERS' ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

a. Subject to all terms and conditions of this Policy, including this Endorsement, we will pay those sums that the insured becomes legally obligated to pay as damages because of a claim or "suit" for "financial loss" both first made against the insured and notified to us during the policy period arising out of any negligent act, error or omission committed by the insured within the coverage territory in connection with "your product" provided in the normal course of your operations. We have the right but not the duty to defend the insured against any claim or "suit" seeking such damages. We may, at our discretion, investigate any claim or "suit" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMIT OF INSURANCE herein;  
and  
(2) Our defense ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered.

All payments made under this endorsement will contribute towards the exhaustion of the aggregate LIMIT OF INSURANCE in respect of "products-completed operations hazard" and all cost in connection with the investigation or settlement of any claim or "suit" under this Endorsement shall be inclusive within the LIMIT of INSURANCE described herein.

b. This insurance applies to a claim or "suit" only if;

- (1) The negligent act, error or omission leading to the claim or "suit" did not occur before the Retroactive Date, if any, shown herein or after the end of the policy period;  
and  
(2) A claim or "suit" for damages is first made against the insured, in accordance with paragraph c. below, during the policy period.

c. A claim by a person or organization seeking damages will be deemed to have been made.

## **3. "SELF-INSURED RETENTION" APPLICABLE TO THIS MANUFACTURERS' ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

"Self-insured retention" of \_\_\_\_\_ is respect of each and every occurrence applies to the coverage afforded by this Endorsement.

#### **4. EXCLUSIONS AND AMENDMENTS APPLICABLE TO THIS MANUFACTURERS' ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

For the purposes of this Endorsement only the Professional Liability Exclusion is deleted if applied in the original provision of the policy.

For the purposes of this Endorsement only, the following additional exclusions apply;

This insurance does not apply to costs:

- a. Incurred by or caused by any "executive officers" or directors of the insured whilst acting within the scope of their duties in such capacity.
- b. Arising out of any facts or circumstances of which the insured was aware before the commencement of the policy period.
- c. In respect of any claim or "suit" made prior to or existing at the inception of the policy period.
- d. Which are more specifically covered in any other section of the Policy to which this Endorsement is attached.
- e. Arising out of any negligent act, error or omission which occurred prior to Insert Retroactive Date.
- f. Arising from an "occurrence" which would otherwise be excluded under the "products-completed operations hazard" component of this coverage (including any coverage afforded by any Endorsements attached thereto) to which this Endorsement is attached.
- g. In respect of;
  - (1) Any claim or "suit", or
  - (2) Facts or circumstances that might give rise to a claim or "suit",Which have been notified or which could/should have been notified under any prior policy.
- h. Arising from or in connection with advice, design, consultancy, specification, formulas, supervision or other professional services given or undertaken by the insured for a fee.
- i. With respect to Products that are still in your physical possession.
- j. Incurred (directly or indirectly) as a result of any infringement or violation of any intellectual property law or right, patent and/or copyright.

#### **5. SUPPLEMENTARY PAYMENTS WITH REGARD TO THIS MANUFACTURERS' ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

We will pay the costs/expenses outlined within the SUPPLEMENTARY PAYMENTS section specified within the base Policy. With specific regard to this Endorsement coverage, all costs/expenses incurred will both erode and be inclusive of the LIMIT OF INSURANCE described herein.

## **6. LIMIT OF INSURANCE APPLICABLE TO THIS MANUFACTURERS' ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

The LIMIT OF INSURANCE applicable to this Endorsement coverage is combined into the limit applied to the original provision of this policy, and it insert any one claim or "suit" and in the aggregate during the policy period regardless of the numbers of;

- a. Insureds;
- b. Claims made or "suit" brought; or
- c. Persons or organizations making g claims or bringing "suits".

## **7. CONDITIONS APPLICABLE TO THIS MANUFACTURERS' ERRORS & OMISSIONS ENDORSEMENT COVERAGE**

For the purposes of this endorsement coverage the following additional Conditions apply.

1. In the event of a claim or "suit", the insured must give immediate notice in writing to us of such claim or "suit" and such information as we may require to investigate the claim or "suit" and enable us to determine liability under this Endorsement coverage.
2. The insured must take all reasonable precautions to prevent Financial Loss to any third party.

### **Major Exclusions under the Policy**

- Expected or intended injury
- Contractual liability
- Workmen's Compensation and such other laws
- Employer's liability
- Pollution
- Mobile equipment
- Aircraft, Auto or Watercraft.
- War
- Damage to insured's property and insured's product.
- Recall of products work or impaired property

### **Exclusions specific to the policy, which can be covered on payment of additional premium:**

1. Product recall
2. 72 Hours Sudden and accidental Pollution

## CONDITIONS

### 1. Bankruptcy

Your Bankruptcy or insolvency or that of Your estate will not relieve Us of Our obligations under this Cover Part.

### 2. Duties In The Event Of Accident, Offense, Claim Or Suit

In the event of any circumstances likely to give rise to a claim insured must follow the following.

- a. You must see to it that We are notified as soon as practicable of an event or offense which may result in a claim on our toll free number: 1800-22-4030/1800-200-4030, alternatively you can notify your claim by sending mail to <contactclaims@universalsompo.com>. To the extent possible, notice should include:

- (1) How, when and where the event or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any Injury or Damage arising out of the event or offense.

Notice of an event or offense is not notice of a claim.

- b. If a claim is received by You, You must:

- (1) Immediately record the specifics of the claim and the date received; and
- (2) Notify Us as soon as practicable.

You must see to it that We receive written notice of the claim as soon as practicable

- c. You and any other involved Insured must:

(1) Immediately send Us copies of any demands, notices, summons or legal papers received in connection with the claim or a suit;

(2) Authorize Us to obtain records and other information;

(3) Co-operate with Us in the investigation or settlement of the claim or defence against the suit; and

(4) Assist Us, upon Our request, in the enforcement of any right against any person or organization which may be liable to You for Injury or Damage to which this insurance may also apply.



d. You will not, except at Your own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without Our consent in writing.

**e. Basic documents to be submitted by insured for claim settlement (To be submitted by insured after reporting of loss)**

- Detailed version about the incident / alleged misfeasance
- Details of loss caused / injury / death / property damage including all available information on victims as well as estimated quantum of liability
- Steps taken by the insured to mitigate the loss
- Statements from Witnesses, sketch plans, photographs, visual records of evidence / circumstances, video etc.
- Any other evidence in support of claim
- Press Reports
- FIR / Investigation Report of police
- Survey / Investigation Report
- All notices / summons from the court
- Weather (meteorological) report
- Pollution Control Board Report
- Post Mortem Report / Medical Certificate
- Consumer Action Group / Society / Group Representation / Report
- Details of other insurance
- Legal opinion on admission of liability / appeal
- Details of claims, if any, preferred by the affected party / insured for the same loss from any other source
- Payment proofs from insured subject to admission of liability

• **Escalation Matrix**

Level 1 - [contactclaims@universalsompo.com](mailto:contactclaims@universalsompo.com)

Level 2 - [grievance@universalsompo.com](mailto:grievance@universalsompo.com)

Level 3 - [gro@universalsompo.com](mailto:gro@universalsompo.com)

### 3. Legal Action Against Us

No person or organization has a right under this Covered Part:

- a. To join Us as a party or otherwise bring Us into a suit asking for Damages from You; or
- b. To sue Us on this Cover Part unless all of its terms have been fully complied with.

A person or organization may sue Us to recover on an agreed settlement or on a final judgment against You obtained after an actual trial; but We will not be liable for Damages that are not payable under the terms of this Cover Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by **Us**, You and the claimant or the claimant's legal representative.

### 4. Other Insurance

If other valid and collectible insurance is available to You for a loss We cover under Covers A or B of this Cover Part, Our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, Our obligations are not affected unless any of the other insurance is also primary. Then, We will share with all that other insurance by the method described in c. below.

#### b. Excess Insurance

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (a) That is Fire, Extended Cover, Builders' Risk, Installation Risk or similar Cover for Your work;
- (b) That is Fire insurance for premises rented to You or temporarily occupied by You with permission of the owner;
- (b) That is insurance purchased by You to cover Your liability as a tenant for Property Damage to premises rented to You or temporarily occupied by You with permission of the owner; or
- (d) If the loss arises out of the maintenance or use of aircraft, autos or watercraft to the extent not subject to Exclusion g. of Section I - Cover A Bodily Injury And Property Damage Liability.

(2) Any other primary insurance available to You covering liability for Damages arising out of the premises or operations for which You have been added as an additional Insured by attachment of an endorsement; or

(3) Any of the other insurance or Your self-insurance plan that that covers a loss on the same basis.

When this insurance is excess, We will have no duty under Covers A or B to defend You against any suit if any other insurer has a duty to defend You against that suit. If no other insurer defends, We will undertake to do so, but We will be entitled to Your rights against all those other insurers.

When this insurance is excess over other insurance, We will pay only Our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-Insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Cover Part.

### c. **Method of Sharing**

If all of the other insurance permits contribution by equal shares, We will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, We will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

## **5. Premium Audit**

- a. **We** will compute all premiums for this Cover Part in accordance with **Our** rules and rates.
- b. Premium shown in this Cover Part as advance premium is a deposit premium only. At the close of each audit period **We** will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the **Policy** period is greater than the earned premium, **We** will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information **We** need for premium computation, and send **Us** copies at such times as **We** may request.

## 6. Representations

By accepting this **Policy**, **You** agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations **You** made to **Us**; and
- c. **We** have issued this **Policy** in reliance upon **Your** representations.

## 7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Cover Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured Were the only Named Insured; and
- b. Separately to each Insured against whom claim is made or **suit** is brought.

## 8. Transfer Of Rights Of Recovery Against Others To Us

If **You** have rights to recover all or part of any payment **We** have made under this Cover Part, those rights are transferred to **Us**. **You** must do nothing after loss to impair them. At **Our** request, **You** will bring suit or transfer those rights to **Us** and help **Us** enforce them.

## 9. When We Do Not Renew

If We decide not to renew this Cover Part, We will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## 10. Cancellation

You can cancel the policy at any time during the term, by informing the Company. In case You cancel the policy, you are not required to give reasons for cancellation.

In such case of cancelation, the Company will refund proportional premium for unexpired policy period and there is no claim(s) made during the policy period

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

## 11. Changes

This Policy contains all the agreements between You and Us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this Policy with Our consent. This Policy's terms can be amended or waived only by endorsement issued by Us and made a part of this Policy.

## 12. Governing Law

Any interpretation of this Policy relating to its construction, validity or operation shall be made in accordance with Indian law.

## 13. Arbitration

The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy. Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

## 14 Disclaimer Clause

If We shall disclaim Our liability for any claim and such claim shall not have been made subject matter of suit in a court of law within 12(twelve) months from date of disclaimer, then the claim shall for all purpose be deemed to have been abandoned and shall not thereafter be recoverable under this Policy.

## Claims Procedure

In the event of any circumstances likely to give rise to a claim insured must follow the following.

a. You must see to it that We are notified as soon as practicable of an event or offense which may result in a claim on our toll free number: 1800-22-4030/1800-200-4030, alternatively you can notify your claim by sending mail to <contactclaims@universalsompo.com>. To the extent possible, notice should include

- (1) How, when and where the event or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any Injury or Damage arising out of the event or offense.

Notice of an event or offense is not notice of a claim.

b. If a claim is received by You, You must:

- (1) Immediately record the specifics of the claim and the date received; and
- (2) Notify Us as soon as practicable.

You must see to it that We receive written notice of the claim as soon as practicable.

c. You and any other involved Insured must:

- (1) Immediately send Us copies of any demands, notices, summons or legal papers received in connection with the claim or a suit;
- (2) Authorize Us to obtain records and other information;
- (3) Co-operate with Us in the investigation or settlement of the claim or defence against the suit; and
- (4) Assist Us, upon Our request, in the enforcement of any right against any person or organization which may be liable to You for Injury or Damage to which this insurance may also apply.

- d. You will not, except at Your own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without Our consent in writing.

**Basic documents to be submitted by insured for claim settlement (To be submitted by insured after reporting of loss)**

- Detailed version about the incident / alleged misfeasance
  - Details of loss caused / injury / death / property damage including all available information on victims as well as estimated quantum of liability
  - Steps taken by the insured to mitigate the loss
  - Statements from Witnesses, sketch plans, photographs, visual records of evidence / circumstances, video etc.
  - Any other evidence in support of claim
  - Press Reports
  - FIR / Investigation Report of police
  - Survey / Investigation Report
  - All notices / summons from the court
  - Weather (meteorological) report
  - Pollution Control Board Report
  - Post Mortem Report / Medical Certificate
  - Consumer Action Group / Society / Group Representation / Report
  - Details of other insurance
  - Legal opinion on admission of liability / appeal
  - Details of claims, if any, preferred by the affected party / insured for the same loss from any other source
  - Payment proofs from insured subject to admission of liability
- **Turn Around Time (TAT) for claims settlement (excluding policies issued on the property/ building on reinstatement basis)**
    - a. The Surveyor shall be appointed within 24 hours from the intimation.
    - b. The surveyor to share the Letter of requirement within 02 days from the date of his visit to the loss premises.
    - c. The Surveyor shall share its reminders emails/letter after 05 days from the date of last mail in case the documents has not been submitted.
    - d. The Insurance Company to obtain survey report within 15 days from the date of appointment.

e. Post receipt of survey report insurance company to conclude the case within 07 days of receipt of survey report.

- **Escalation Matrix**

Level 1 - [contactclaims@universalsompo.com](mailto:contactclaims@universalsompo.com)

Level 2 - [grievance@universalsompo.com](mailto:grievance@universalsompo.com)

Level 3 - [gro@universalsompo.com](mailto:gro@universalsompo.com)



## Grievances

If You have a grievance about any matter relating to the Policy, or Our decision on any matter, or the claim, You can address Your grievance as follows:

### ➤ Step 1

#### a. Contact Us

1-800-224030/1-800-2004030

#### b. E-mail Address: [Contactus@universalsompo.com](mailto:Contactus@universalsompo.com)

#### c. Write to us Customer Service Universal Sampo General Insurance Company Limited

Unit No. 601 & 602, 6th Floor, Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai, Maharashtra - 400708

#### d. Senior Citizen Number: 1800 267 4030

### ➤ Step 2

If the resolution you received, does not meet your expectations, you can directly write to our Grievance Id. After examining the matter, the final response would be conveyed within two weeks from the date of receipt of your complaint on this email id.

Email Us- [grievance@universalsompo.com](mailto:grievance@universalsompo.com)

Drop in Your concern

Grievance Cell: Universal Sampo General Insurance Co. Ltd, Unit No. 601 & 602, 6th Floor, Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai, Maharashtra - 400708

Visit Branch Grievance Redressal Officer (GRO)

Walk into any of our nearest branches and request to meet the GRO

- We will acknowledge receipt of your concern immediately
- Within 2 weeks of receiving your grievance, we will respond to you with the best solution.
- We shall regard the complaint as closed if we do not receive a reply within 8 weeks from the date of our response

### ➤ Step 3:

In case, You are not satisfied with the decision/resolution of the above office or have not received any response within 15 working days, You may write or email to:

Chief Grievance Redressal Officer

**Universal Sampo General Insurance Company Limited**

Unit No. 601 & 602, 6th Floor, Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai, Maharashtra - 400708

Email : [gro@universalsompo.com](mailto:gro@universalsompo.com)

For updated details of grievance officer, kindly refer the link <https://www.universalsompo.com/resource-grievance-redressal>

➤ **Step 4.**

**Bima Bharosa Portal link :** <https://bimabharosa.irdai.gov.in/>

**Insurance Ombudsman**

You can approach the Insurance Ombudsman depending on the nature of grievance and financial implication, if any. Information about Insurance Ombudsmen, their jurisdiction and powers is available on the website of the Insurance Regulatory and Development Authority of India (IRDAI) at [www.irdai.gov.in](http://www.irdai.gov.in), or of the General Insurance Council at <https://www.gicouncil.in/>, the Consumer Education Website of the IRDAI at <http://www.policyholder.gov.in>, or from any of Our Offices.

**The updated contact details of the Insurance Ombudsman offices can be referred by clicking on the Insurance ombudsman official site:** <https://www.cioins.co.in/Ombudsman>

**Note: Grievance may also be lodged at IRDAI** <https://bimabharosa.irdai.gov.in/>

## Contact Details

- **Website:** [www.universalsompo.com](http://www.universalsompo.com)
- **Toll Free Numbers:** 1800-22-4030, 1800-200-4030
- **E-mail :** [contactus@universalsompo.com](mailto:contactus@universalsompo.com)
- **Courier:** Universal Sampo General Insurance Co. Ltd, Unit No. 601 & 602, 6th Floor, Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai, Maharashtra - 400708
- **Registered & Corp Office:** Universal Sampo General Insurance Company Ltd. 8th Floor & 9th Floor (South Side), Commerz International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon East, Mumbai 400063
- IRDAI Reg no: 134, CIN# U66010MH2007PLC166770

**INSURANCE ACT 1938 SECTION 41- Prohibition of Rebates**

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 a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer.

ANY PERSON MAKING DEFAULT IN COMPLYING WITH THE PROVISIONS OF THIS SECTION SHALL BE PUNISHABLE WITH FINE WHICH MAY EXTEND TO TEN LAKHS RUPEES.

**Disclaimer: In the event of any question relating to interpretation of the insurance coverage, the policy document will prevail.**