

COMMERCIAL GENERAL LIABILITY

What is Commercial General Liability Insurance?

The Commercial 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, Advertising and Personal Injury, thus ensuring complete protection to the insured against Liability issues.

What is the covered under the policy?

The policy has 3 parts

Coverage A - This covers the damages because of bodily injury and property damage claims that may be made on the insured.

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

Coverage C extends to Medical Payments wherein the insurance company agrees to pay medical expenses upto 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.

What are the major exclusions under the policy?

- Expected or intended injury
- Contractual liability (suitably modified)
- Workmen's Compensation and such other laws
- Employer's liability
- Pollution
- Mobile equipments
- Aircraft, Auto or Watercraft.
- War
- Damage to insured's property and insured's product.
- Recall of products work or impaired property

Who requires the protection of CGL Insurance?

Whilst CGL like other stand-alone Public and Product Liability policies has universal applicability, the following types of organizations have greatly appreciated the availability of the CGL policy within India.

- Indian companies that have global operations and thus are 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.
- Companies who are contractually bound to carry Occurrence based liability covers.
- Exporting companies who would prefer Claims handling abilities in all major jurisdictions.

Tata AIG USP's

- Broad coverage for all bodily injury and property damage caused out of:
 - premises and operations, and
 - products and completed operations.
- Standard cover includes completed operations
- Covers Personal & Advertising Injury
- Covers Medical Expenses on No Fault Basis also
- Covers Supplementary Payments – which do not reduce Limit of Liability
- Standard wording provides Worldwide Jurisdiction

- Duty to Defend Policy
- Certificate of Insurance
- Global Programs to cover Worldwide Operations of Clients

Information required by us for this policy

Among the underwriting concerns for this class of insurance the major ones are the size and the occupation of the industry, the nature of the processes and the products handled by the manufacturing unit, the annual turnover with specific details of the percentage of turnover coming from overseas (especially North America), the extent of coverage (type of products being insured), the companies' overall financial position, the area and the locality of the premises, the additional exposures sought to be covered by the insured, the various safety and environmental systems in place, the past claims experience of the unit as well as the industry and the general legal scenario prevailing at the point in time.

GIST OF CLAIMS UNDER CGL PLINI POLICIES			
S/N Insured	Loss Description	Quantum paid	Details of the claim
1	Manufacturer of hot water rubber bottles Burn injuries to minor child due to hot water bottle burst.	Product defect not proved & injuries were not established by the claimant. Hence case closed.	<ul style="list-style-type: none"> Insured is Manufacturer of hot water bottles Bottles exported world over Complaint of bottle burst causing burn injuries to minor child Incident years after purchase of bottle Case goes to court Proved with technical backup that product is not defective Supplied Metamitron to Importer in Switzerland Sugar Beet Yield adversely affected Farmers sued Importer Expert found defect in Metamitron Primary claim handled by Importer's Insurer Subrogated claim against us Negotiated settlement with Importer's Insurer
2	Manufacturer of fertilisers. Damage to crops due to use of insured product	INR 4876325	<ul style="list-style-type: none"> Local Agent of Shipping Line delivered wrong tank to client Contents of wrong tank caused damage to their plant and equipment. Client blames our Insured who contracted the Transport Company that made wrong delivery Client claims 53,000 Euros for cleanup costs + Production Stoppage
3	Manufacturer of chemicals Property damage due to wrongful delivery by transporter.	Not pursued by claimants	<ul style="list-style-type: none"> Insured is manufacturer of multi media filter tanks Product supplied for a desalination plant of a golf course abroad Base plates of tanks failed after commissioning Damages to downstream plant of customer Extra expenses for emergency/water supplies until repairs Ultimate payment INR 24245619
4	Manufacturer of water tanks Property damage of third party RO plant due to use of defective insured product.	INR 24245619	<ul style="list-style-type: none"> Insured is a manufacturer of plant protection chemicals Product used along with other chemicals Post spraying of chemicals farmers complained of loss in crop yield Few cases of crop failure also reported Experts found insured product defective Amount settled INR 72,72,191/-
5	Insured is the manufacturer of crop protection products Crop damage of farmers due to use of insured product	INR 72,72,191	<ul style="list-style-type: none"> Insured is a manufacturer of wire cages used in bearings Misinterpretation of drawings given by customer led to faulty cages The defective product resulted in failing of bearings & gear box damages Damages reported across 3 countries Settlement for INR 63,77,8000
6	Manufacturer of Industrial ca TPPD caused by use of defective insured product.	INR 6,37,78000	

Sr.N Insured	Loss Description	Quantum paid	Details of the claim
7	Retail chain Customer's personal effects damaged due to color run of insured product.	\$762	<ul style="list-style-type: none"> Insured is manufacturer of carpets/mats/rugs Supplies worldwide includes USA & Canada Rug color bled on the carpet Amount settled at USD 762
8	Manufacturer of water heater Damages to customer's washroom due to burst of water geyser. Compensation for refurbishing the wash area.	INR 150,000	<ul style="list-style-type: none"> Domestic customer complained of fire damages caused by sparking from geyser Entire washroom affected as also property in adjoining room Investigations reveal earthing defect caused leakage & sparking Insulation failure not established Compromise settlement effected
9	Manufacturers of Computers Property damages caused to customer's room by insured product bursting into flames.	INR 100,000	<ul style="list-style-type: none"> Insured, a world renowned manufacturer of Personal computers Individual customer reported laptop suddenly bursting into flames Adjoining property also damaged Investigations revealed battery changed by user was defective Compromise settlement done for INR 1 lakh
10	Manufacturer of PET bottles Third party property damage caused by use of defective insured product.	INR 1,98,50,000	<ul style="list-style-type: none"> Manufacturer of bottles/cans for reported drinks (soft & hard) Customer complained of leakage due to defective can Investigations reveal wrongful cleaning process by can manufacturer Resultant corrosion led to pinholes thus leading to leakages Settled for INR 1,98,50,000
11	Pipe laying Bodily injury to a third party whilst pipe laying activity of the insured.	INR 150,000	<ul style="list-style-type: none"> Trenches dug for pipe laying, third party tripped & fell & injured herself
12	Manufacturer of Flexi tanks Third party property damage caused by use of defective insured product.	USD 45000	<ul style="list-style-type: none"> Captive manufacturer for sole customer for flexi tanks for holding chemicals Designs & quality checks cleared by customer Defect in the flanges alleged by the customer Product leakages & clean up charges claimed for. Legal notice served on insured Negotiated settlement effected
13	Manufacturer of shoes Ankle pain caused by usage of the insured product 'shoe'.	INR 20000	<ul style="list-style-type: none"> Renowned manufacturer of shoes Purchase from retail shop Customer complained of ankle pain after usage Negotiated settlement for INR 20,000

Sr/Insured	Loss Description	Quantum paid	Details of the claim
14	Manufacturer of rugs Damage to customers washing machine whilst cleaning	USD 675	<ul style="list-style-type: none"> • Insured is manufacturer of rugs/place mats • Supplies to major super markets in USA/Canada • Rug washed in washing machine • Fluff of rug clogged damaging the machine • Settled repairs to machine for USD 675
15	Manufacturer of utensils and Injury to dog from sharp edges of dog bowl manufactured by insured.	INR 15000	<ul style="list-style-type: none"> • Insured manufactures kitchen utensils like bowls, cups • Product used as pet bowl nby customers • Rubber lining on the rim got disengaged causing injury to dog • Medical expenses for INR 15000
16	Manufacturer of spice mixtur Defective product caused third party property damage	INR 26,56,347	<ul style="list-style-type: none"> <input type="checkbox"/> Manufactures & Exports Spices to USA <input type="checkbox"/> Claim for damage to product of Importer <input type="checkbox"/> Customer complained of Insured's product defective due to contamination at site <input type="checkbox"/> Investigation revealed contamination of spices at manufacturing site <input type="checkbox"/> Settled for INR 26,56,347
17	Hotel Damages to adjoining properties of insured.	INR 3,00,000	<ul style="list-style-type: none"> • Insured is a reputed hotel chain • Construction of new hotel commenced • Area was adjoining residential colonies • Residents complained of cracks/damages to their dwellings caused by piling activities • Case filed in court & stay order obtained • Settled through compromise with individual owners & society