MANUFACTURERS ERRORS & OMISSIONS LIABILITY – FILLING THE UNKNOWN GAP IN COVERAGE

Manufacturers errors & omissions liability coverage from The Hartford fills the gap in a manufacturer’s coverage that you may not have known exists. It’s designed to pay financial damages from negligence in design or the manufacturing of a product or work. Most importantly, it completes the circle of coverage every manufacturer and distributor needs.

SERIOUS CLAIMS THAT GO BEYOND BODILY INJURY AND PROPERTY DAMAGE

All manufacturers know they need to possess coverage for bodily injury and property damage. These are the claims that make headlines. And huge settlements.

But claims can arise that are outside the coverage of bodily injury and property damage. Serious, expensive claims, that can leave a manufacturer unprepared and exposed.

As a Technology or Life Science manufacturer or distributor, it’s important to also think about coverage for financial loss to a customer. Like claims for a failed warranty – something that general and product liability won’t cover. This leaves you, the manufacturer, exposed – and exposed in a big way.
Which Technology & Life Science businesses can benefit?

- Communication and network equipment or components
- Renewable energy technologies manufacturers
- Medical devices*
- Pharmaceuticals*
- Various OTC products*
- Different nutraceuticals
- Electronics manufacturers
  » Printed circuit boards, semiconductors and related devices
  » Lab apparatus, fluid, meters, measuring and controlling
  » Electronic capacitors, resistors, coils and transformers
  » Environmental and process control instruments
  » Electronic components, storage, peripherals
  » Household audio/visual equipment
  » Magnetic and optical recording media
  » Lasers, optical instruments
  » Photographic equipment and supplies
  » Robotics

Business injury coverage

- Covers the failure of the insured’s product to meet the level of performance, quality, fitness or durability represented by the insured.
- Covers the failure of the insured’s work or operations to meet the level of performance, quality, fitness or durability represented by the insured.

Both of these elements of business injury are not included under a Commercial General Liability (CGL) policy.

Product physical injury coverage

- Covers the cost of legal damages caused by sudden and accidental physical damage to the insured’s product after it has been put to its intended use.
- Covers the cost of legal damages for physical injury to customer’s personal property that occurs on the insured’s premises if the insured has the care, custody or control of such property for the purpose of performing work on it.

Damage not included under a CGL.

Defense within limits

Other than loss of earning, claim expenses are paid within the limits of insurance.

Loss of earnings

- Covers loss of earnings incurred by the insured to assist in the defense of a claim. Loss of earnings is subject to a limit of $500 a day with a maximum limit of $5,000. This is in addition to the limits of insurance.
- Written in conjunction with product recall expense coverage.

Embedded software

Manufacturers or distributors of products with embedded software should consider additional professional liability coverage through our FailSafe® suite of products.

CLAIMS-MADE PROVISIONS

Claims-made overview

All claims and all coverage ceases upon the termination of the policy, except for the extended reporting period coverage. Claims-made coverage applied to claims made during the policy period for injury occurring after the retroactive date, if any, shown on the policy declarations.

Basic Extended Reporting Period (BERP)

Upon coverage termination, a free BERP includes:

- 90 days for unreported claims; and
- Five years for claims arising from incidents reported within 90 days after the end of the policy period.

The BERP doesn’t reinstate aggregate limits.
Supplemental Extended Reporting Period (SERP)
Upon coverage termination, a SERP may be purchased, providing up to five additional years for claims to be reported. The SERP starts at the end of the BERP and includes an additional set of aggregate limits.

Claims-made rates
Claims-made rates are lower during the first several years of coverage. Annual premium increases may increase independent of overall rate level increases, until the claims-made relationship reaches maturity. If the prior acts coverage option is purchased, premiums may already be based on mature claims-made rates.

Written notice of claim
The policy responds when written notice of the claim is received or recorded during the policy period by either The Hartford or the insured.

Retroactive date
The retroactive date is normally the first date of continuous manufacturers errors & omissions coverage with The Hartford. See also the prior acts coverage option below.

OPTIONAL COVERAGES
Defense outside the limits
For an additional premium, claim expenses can be placed outside the limits of insurance.

Prior acts coverage
Up to five years prior acts coverage may be provided at an additional premium for eligible companies. The retroactive date may be set at up to five years prior to the date of the first date of continuous manufacturers errors & omissions coverage with The Hartford.

INSURING INNOVATION
The Hartford has been insuring the technology and life science industry for more than 30 years. We understand this rapidly changing business environment.

Complete your circle of coverage with The Hartford’s manufacturers errors & omissions liability coverage.
Don’t leave your business exposed to serious claims and expenses. Contact your local Hartford agent today.

FOR MANUFACTURERS:
Visit us at THEHARTFORD.COM/TECHNOLOGY for more information on our appetite and the comprehensive coverage and services The Hartford can provide Technology and Life Science companies.

FOR AGENTS:
If you’re an agent looking for assistance on account opportunities, contact your Technology & Life Science Practice underwriter directly or email us at TECHPRACTICEGROUP@THEHARTFORD.COM to identify an underwriter near you.

LEARN MORE:
For more information about The Hartford’s technology industry solutions, visit THEHARTFORD.COM/TECHNOLOGY.