Product Recall Guarantee and Financial Loss Liability Insurance

PROSPECTUS

This policy has following sections

1. Product Liability
2. Product Guarantee
3. Financial Loss
4. Product Recall

PRODUCT LIABILITY:

The coverage under this protects the Insured from damages and costs arising out of a third party bodily injury or property damage due to usage of the product of the Insured or an act which has led to a sudden and accidental pollution.

PRODUCTS GUARANTEE:

The coverage under this protects the Insured from the costs of removal, recovery, repair, alteration, treatment or replacement of any Product which fails to perform the function for which it was manufactured, designed, sold, supplied, installed, repaired, dispatched or delivered by or on behalf of the Insured. The insured is indemnified only when it is absolutely necessary to repair, modify or replace such part/s because their usage or consumption (or continued use or consumption) may cause the Insured to incur a legal liability.

FINANCIAL LOSS:

The coverage under this protects the Insured for damages and costs and expenses arising as a result of any financial loss which is incurred by customers or third parties as a result of any Product which fails to perform the function for which it was manufactured, designed, sold, supplied, installed, repaired, dispatched or delivered by or on behalf of the Insured. The condition precedent to liability of the insurer is that it is established that, there is defect in the Insured's Product and it is absolutely necessary to recall such product(s) because their usage or consumption (or continued use or consumption) may cause the Insured to incur a legal liability.

PRODUCT RECALL:

The Insurance protects the Insured from incurring the cost of recalling a product which is identified as a possible cause of damage or injury which has occurred or has a potential to occur.
The Insured is also indemnified for any Recall Expenses that have been incurred by a customer of the Insured in the event that the Insured's Product becomes a part of a product manufactured and/or sold by such customer and the Insured is legally obligated to reimburse such customer. It is established that it is necessary to recall any such products because their usage has caused and/or may cause to incur legal liability arising from accidental bodily injury (including death, illness or disease to any person) and/or accidental loss of or damage to material property.

The costs associated with recalling include the cost of transportation, storage and destruction of the product apart from public relations cover to guard your firm and product reputation.
This policy is bought in conjunction with the product liability and cannot be purchased independently.

Major Exclusions:

- Cost or expense to repair, recondition, decontaminate or otherwise treat the recalled products so as to render them marketable
- Arising from your dishonest, wilful, fraudulent, criminal or malicious act
- Banned Product or declared unsafe by Government Authority
- War invasion acts of foreign enemies' hostilities or warlike operations
- Loss because of loss of Sales, Brand Value depletion
- Arising out of deliberate or alleged contamination, tamper or adulteration
- Cyber Liability: Separate policy is available for cyber losses
- Ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel

Limit of Liability

The limit of Indemnity under Product recall, Guarantee and Financial Loss Liability policy is estimated on the basis of aggregate limit. An aggregate limit is the most an insurer will pay during the policy period.

There is a provision of increasing the aggregate limit on payment of additional premium, the aggregate limit can be increased by way of an endorsement. This can be out of increase in the business of the insured or new contractual requirement of the Insured**.**

Benefits of buying this policy

- This policy will help in protecting business from claims arising out of product recall and the associated costs that can be incurred from recall, removal, recovery of possession or control, or disposal of the Product which may cause bodily injury or property damage and may result in incurring liability.
- The Product Guarantee section covers cost of removal, repair or replacement of the covered product or its part thereof when it fails to perform its intended function and its continued usage could result in incurring liabilities.
- The Product Guarantee section covers financial losses suffered by third parties as a result of product failure, provided there is a need to recall the product as the continued use of the product could result in incurring liability.

Claims

The Insured must submit claims notifications in writing to:

ICICI Lombard General Insurance Company Limited
ICICI Lombard House, 414,
Veer Savarkar Marg, Prabhadevi Mumbai 400 025

Such notice shall be effective on the date of receipt by the Company at such address.

Cancellation

The Insured can cancel the policy at any time during the term, by informing the company.

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

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

Grievance Redressal

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free no.1800-2666 or may approach us at the sub section "Grievance Redressal" on our website www.icicilombard.com (Customer Support section). However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal - https://bimabharosa.irdai.gov.in/ or IRDAI Grievance Call Centre (IGCC) at their toll free no. 1800 4254 732 / 155255.
You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. Details of Insurance Ombudsman offices are available at IRDAI website: www.irdaindia.org, or on the Company's website at www.icicilombard

STATUTORY WARNING PROHIBITION OF REBATES
(Under Section 41 of Insurance Act, 1938)
(Amendment Act 2015)

(1)No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to [take out or renew or continue] an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing [or continuing] a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer:

[Provided that acceptance by an insurance agent of commission in connection with a policy of any class of insurance business taken out by himself in relation to risks associated with his own life, health or property shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.]

(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.