



# Products Liability

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## Do I Need It?

This won't be needed by every business but if you are selling or even just supplying any product at all, it is definitely worth considering.

Under current UK law, if a customer suffers injury or damage as a result of a product then the claim goes against the supplier of that product in the first instance. If this defect is later found to be the fault of the manufacturer or someone else in the supply chain, then the supplier must take that claim back, not the customer. If you have Products Liability insurance, then your insurers will do this for you.

## What Does it Cover?

Products Liability provides cover for any injury to other people or damage to their property as a result of a product that you have sold/supplied to them.

### What Cover Do I Need?

Products Liability again pays out on a 'Limit of Indemnity' basis and the limit will usually follow the same as your Public Liability – the two covers generally come as a package. However, unlike Public Liability, a Products Liability Limit of Indemnity is on an 'any one claim and in the aggregate' basis. This means that not only is the limit of indemnity the maximum payable on any one claim, but also the maximum payable in any one period of insurance. You should consider this carefully when choosing your limit.

Be aware that liability-only products will not always include Products Liability so it is important to check if you are selling or supplying any products.

### How Do I Get A Quote?

If you are selling products overseas, your insurers will require a split of sales made:

- In the UK
- In Europe
- In USA/Canada
- In the Rest of the World

This is because the laws on claims resulting from products differ in each country so the insurers risk is different. If you are at all unsure, it is best to overestimate, particularly in respect of sales in USA/Canada, to prevent any potential issues.

Imports will also affect your cover as it will effect whether or not the insurers can recover any claim costs so they will require details of imports in the same splits as above.



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