

BENEFITS OF PRODUCT LIABILITY INSURANCE

Presented by: Robertson Insurance & Risk Management

Your customers expect you to have safe and reliable products, and failing to meet these expectations can lead to huge financial losses. If one of your products harms a customer in any way, they can sue your business, leading to costly legal fees and settlements. These costs can easily reach six figures. While you may do everything in your power to ensure your products are safe, mishaps can still occur without warning. That's why, to protect against claims and ensure the longevity of your business, you need product liability insurance.



Coverage for manufacturing or production flaws. One of the key features of product liability insurance is its coverage for manufacturing or production flaws that cause unsafe defects in the product.



Protection against design defects. Even after product testing and trial runs, potentially dangerous defects can still appear long after production. Product liability insurance can provide coverage for design errors that make goods unsafe for use by the public.



Response for packaging and warning issues. In the event that you fail to provide adequate defect warnings or instructions for using the product, your company can be sued. These claims arise when products are not properly labeled or have warnings that are not explanatory enough to reduce consumer risks while using the product. Product liability insurance helps organizations prepare for and litigate these types of claims.



Supplemental commercial general liability (CGL) coverage. Generally, there is limited product liability protection under a CGL policy, yet it may not be enough coverage to adequately protect your business. Product liability policies work alongside CGL coverage, providing protection against losses caused by malfunctions or defects in your products.

Want to Learn More About Product Liability Insurance?

Product liability is a complex exposure, and managing your risk can be a major undertaking—even if you have access to all the right resources. To supplement your risk management strategies and address specific exposures, speak with a qualified insurance broker to review your insurance coverage.