

Please consider:

1. All manufactured products have a failure rate
2. Can a defective product be supplied?
3. What is probability of a defective product producing a claim?
4. What would be likely cost of that claim and its effect?
5. If we had to defend an action - Can we say it was a good product - designed and produced with safety in mind and sold in a safe manner with adequate instructions.

Name _____

Place: _____

Date: _____

Signature

1800 3002 8282 (toll free)
3989 8282 (local charges apply)
www.reliancegeneral.co.in

Proposal Form for Reliance Product Liability Policy

Liability of the Company does not commence until the proposal has been accepted and the premium paid.

Proposer's Details (To be filled in BLOCK LETTERS)

1. Name of the Proposer Mr. Mrs _____
Names of the Subsidiaries & Associate Cos. (in full) _____
2. Registered Address of the Proposer.
Flat Building _____
Road/Street/Sector _____
Area _____
Taluka/Village/District/City _____ Pin Code _____
State _____ Country _____
Phone _____ Mobile _____
Email _____ Fax _____
3. Business Address of the Proposer.
Flat Building _____
Road/Street/Sector _____
Area _____
Taluka/Village/District/City _____ Pin Code _____
State _____ Country _____
Phone _____ Mobile _____
Email _____ Fax _____
4. Location from where distribution is effected _____
5. How long have you been in the business? _____
6. Do you manufacture the complete product? Yes No
If not, what components/parts are purchased by you? _____
7. Can the date of manufacture of each product be identified by the factory number stamped on it? Yes No
8. Do you have any assets and/or representation and/or any domiciled operation and/or activities and/or association (Financial, Technical or otherwise) in USA/Canada and other foreign countries? Yes No
If so, please furnish details of association _____
9. Are you affiliated in any manner with any of your suppliers and distributors? Yes No
10. Please give full description of the following for the last three years:
A) Year

	2 0 Y Y	2 0 Y Y	2 0 Y Y
(i) goods manufactured - actual turnover	Rs. _____	Rs. _____	Rs. _____
(ii) goods sold/supplied - actual turnover	Rs. _____	Rs. _____	Rs. _____
(iii) goods repaired, serviced, tested and processed - actual turnover	Rs. _____	Rs. _____	Rs. _____

B) For the above, please give the projected turnover for the proposed period of insurance as under :
(i) Goods manufactured _____
(ii) Goods sold or supplied _____
(iii) Goods repaired, serviced, tested and processed _____
(Please attach leaflets, brochures and/or any other literature).



11. Please furnish details of products to be considered for insurance which are manufactured and/or designed -

(a) Name of the product: _____

(b) Principal component: _____

(c) Annual Units produced: _____

(d) Annual turnover: _____

(e) How long has it been in the market? _____

(f) Expected life of use: _____

(g) Intended customer/ultimate user: _____

(h) Warranties as to use: _____

(i) Technical know-how/collaboration: _____

12. Do you have Research & Development Dept.? Yes No

13. Please specify any products which are inflammable/explosive, dangerous, radioactive, harmful to health, poisonous by themselves or any combination with others. If so, please give full details and state what precautions are taken.

14. Please state whether goods sold or supplied subject to disclaimer notice, and if so, please give full text, particulars of such disclaimer notice.

15. Please furnish particulars of new products to be marketed during the next 12 months _____

16. Please furnish details and list of products discontinued or recalled or withdrawn during the last five years.

17. Please elaborate complaints, incident/accident reporting system in your organisation

18. Please give details of checks or examinations or controls including batch control and testing carried out or effected to discover possible defects or errors in products.

19. Do your products comply with standards like ISI or any other Standards? Yes No

20. Have your products ever been subject to any enquiry or investigation by any Government agency, concerning the efficiency/adequacy or labelling, hazardous contents or safety? Yes No
If so, please give full details _____

21. What is the failure rate of each product after hand over? _____

22. Do you issue guarantees and/or warranties to purchasers? Yes No
If so, for what period do you guarantee and/or warrant your product? _____

23. Particulars regarding directions for use:

(a) Is it by printing on container or product? Yes No

(b) Is it by separate leaflet or brochure? Yes No

(c) Is the hazard warning clearly shown? Yes No

24. Please furnish claims history (countrywise) for the last three years in the following format:

(i) Year

2	0	Y	Y
---	---	---	---

2	0	Y	Y
---	---	---	---

2	0	Y	Y
---	---	---	---

(ii) No. of claims:

Rs.

Rs.

Rs.

(iii) Total amount paid:

Bodily injury:

Rs.

Rs.

Rs.

Property Damage:

Rs.

Rs.

Rs.

Property Damage:

Rs.

Rs.

Rs.

Cost of defence action:

Rs.

Rs.

Rs.

Total Amount of pending claims:

Rs.

Rs.

Rs.

Bodily injury:

Rs.

Rs.

Rs.

Property damage:

Rs.

Rs.

Rs.

Cost of defence action:

Rs.

Rs.

Rs.

25. Are you aware of any incidents, conditions, defects, circumstances or suspected defects which may result in claim? Yes No

26. Have your proposal or renewal been declined or premium increased, special terms imposed by any Insurer? Yes No
If so, please give particulars: _____

27. Please indicate the limit of indemnity required

(i) Any one accident: _____

(ii) Aggregate during the policy period _____

28. Please indicate the Voluntary Excess for each claim (in addition to Compulsory Excess) you are willing to bear.

	U.S.A.	Canada	All other countries including India

29. Please quantify sales turnover productwise for the last 3 years as under:

(a) Domestic (to list) _____

(b) USA/Canada (to list) _____

(c) OECD countries (to list) _____

(d) Other countries (to list) _____

30. Do you wish to insure :

(a) Domestic sales only Yes No
or

(b) Domestic sales and exports Yes No

If yes, specify the countries to be covered

i) USA and Canada _____

ii) OECD countries _____

iii) Other countries _____

(Cover for exports will be granted only if domestic sales is also covered).

31. How long have you been exporting to these countries?

(a) USA and Canada: _____

(b) OECD countries: _____

(c) Other countries: _____

32. Do you require "Limited Vendor's Endorsement"? Yes No

(Please enclose a copy of the contract with the Vendor/s and give the names to each product of export to such countries)

33. Do you comply with USA/Canadian State/Federal Laws/Standards applicable to each product of export to such countries? Yes No

34. Please give details of any power of attorney on Assets in USA/Canada _____

35. Policy period: From 12.00 midnight of _____ to 12.00 midnight of _____

I/We desire to effect an Insurance in terms of the Product Liability of Reliance General Insurance Company Limited against the limits of indemnity specified above and I/We hereby declare that all statutory provisions relating to my/our business proposed for Insurance are complied with. I/We further declare that all the above statements and particulars are true, and I/We have not omitted, suppressed, misrepresented or misstated any material fact and I/We agree that this declaration shall be the basis of the contract between me/us and the Company and be incorporated therein.

Place: _____

Date: _____

Signature of Proposer

Prohibition of rebates - Section 41 of The Insurance Act, 1938

- 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 or risk relating to lives or property in India, any rebate of the whole or part of the commission payable or taking out or renewing or continuing a policy except any rebate except such rebate as may be allowed in accordance with the prospectus or tables of the Insurer.
- Any person making default in complying with the provisions of this section shall be punishable with fine which may be extended to Rs. 500/-

Risk Assessment

Product Liability

The Insurer's decision to accept or reject a proposal, presupposes knowledge of all the factors influencing the risk. Sound underwriting is possible only if the Insurer has the full knowledge of the risk.

In case of Products Liability covered, for risk assessment, there are numerous factors to be taken into account. Analysis of risk is based mainly on the production schedule and activities of the Insured. The Insurer should, therefore, obtain as much information as possible on the activity of the Insured. What products or groups of products are manufactured? What are they used for? What proportion of sales do the products proposed for Insurance, constitute on the total sales?

Insurers should obtain detailed description of the various products, brochures, catalogues, prospectus etc., not only supply valuable additional information but also describe the products more clearly than a simple list of names.

The aspects of risk assessment are dealt with in details in the "RISK ASSESSMENT REPORT" as appended hereto. This report is required for the following :

1. Exports involving U.S.A. and Canada irrespective of limit of Indemnity.
2. Exports involving countries other than U.S.A. and Canada for an aggregate limit of indemnity during the policy period exceeding Rs. 50,00,000/-.
3. Proposals not involving exports for an aggregate limit of indemnity during the policy period exceeding Rs. 2,50,00,000.

Product Liability Risk Assessment Report

(Private & Confidential: Exclusively for the use of the Insurers)

I. Name of the Insured _____
 Address of the Insured (Give all locations and specify product at each location and how they interlink.)

II. Product

1. Full description of each product: (Attach brochures and details including past products.)

2. Total turnover of each product: _____
3. Markets: (Include possibles specify any high risk areas) _____
4. Countries of exports with extent of previous exports even if products no longer supplied to such markets.

5. Export turnover:
 (i) USA/Canada: _____
 (ii) OECD _____
 (iii) Others including non-OECD countries _____
6. Domestic sales turnover: _____

III. Product Safety Control Programme:

1. Has a programme been devised? Yes No
 If so give details _____
2. Is this programme comprehensive and clearly understood by concerned persons? Yes No
3. Is the programme distributed to all departments? Yes No
4. Is the programme regularly checked and updated? Yes No

5. In the absence of written programme, what other arrangements exist? _____
6. Has a Product Safety Committee been formed? Yes No
 How frequently do they meet? _____

7. Does Committee include decision makers from:
 (a) Design Engineers (b) New Products Dept (c) Manufacturing (d) Quality Control
 (e) Service Dept (f) Legal Dept (g) Advertising Dept (h) Personnel Dept
8. Are the regular safety personnel involved in drafting and implementing the programme? Yes No

IV. Areas of responsibility to implement programme:

1. Who has overall responsibility for Product Safety? _____
2. Has someone from top level management been designated to co-ordinate programme implementation? Yes No
3. Are Quality Assurance Audits undertaken? Yes No
 These should cover all aspects referred to in the various sections of this report
 How regular are these? _____
 What is procedure for implementation of findings? _____
4. What training has been given? _____
5. Are Insured members of any trade association? _____
6. Are Insured members of Institute of Quality Assurance like Indian Standards Institute, British Standards Institute, etc.? Yes No
 If so, to what extent do they use the services offered? _____

V. Hazard Analysis & Product Safety:

- A. 1. Hazard Analysis:
 (a) Is this undertaken? Yes No
 (b) What system is used? _____
 Does this include consideration of misuse of product as well as correct use? Yes No
 (c) How is information disseminated and applied in design/manufacture etc.? _____
 (d) Does it include consideration of previous history? Yes No
2. Does the product conform to a recognised Standards e.g. I.S.I./B.S.I. etc. or any code of Practice followed? Yes No
3. Is outside technical know-how/collaboration/consultancy sought? Yes No
 Give details: _____
4. Are all inbuilt safety devices/guards etc. designed to "fail-safe"? Yes No
 Give details _____
5. What warnings are displayed on product? Are these adequate and displayed prominently?

6. What would be the effect of failure of product to perform its intended function? _____
- B. Design:
 1. To what extent is design undertaken by the Insured? _____
 2. Is there a statement of the requirements of the design expressed by drawings and performance specifications and is there international documentation of Process Lay-outs, Process Specification Test Schedules, etc.

 3. How are design changes handled and are systems adequate to ensure old designs withdrawn?

 4. How are new designs tested prior to commencement of production? What records are kept?

C. Materials Used:

1. What are the materials/components used for each product? _____
2. Are any components sub- contracted? Give details of specification adopted _____
3. How is quality of the material/components checked? Give details of testing _____

4. What would be effect of faulty material/component on the finished product? _____

F. Packaging/ Labelling:

1. Nature of packaging - Is it adequate? Yes No
2. Where are supplies obtained from? _____
3. Is packaging adequate to protect handler? Yes No
4. What checks are made on packaging quality? _____
5. How is packaging labelled? Is this adequate to give clear indication of contents? (Supply copies if available).

Is labelling adequate and of suitable size? _____
6. How is labelling controlled to prevent errors? _____
7. Who undertakes packaging? If an outside agency, what control does Insured have? _____

8. What records are kept? _____

VI. Sales & Distribution:

Sales:

- A.
1. How are sales organised? _____
 2. What Advertising literature is used? (Attach copies if available) _____
 3. Does this make any extravagant or misleading claim? _____
 4. Is advice to customer given? Give details _____
 5. Conditions of sale -(Attach copy if available) _____
 6. Is it necessary for product to have any test certificate? If so, who provides this? _____
 7. What records are kept? _____

B. Distribution:

1. What is your distribution network? _____
2. What method of transport is used? _____
3. What dispatch control procedures and records are used? _____
4. Does the product have a shelf life? Yes No
If so, state period and how this is indicated to the customer, e.g. sell by dates? _____
5. Is there any interim storage? Yes No
Give details _____
6. Is the transport used available for other products? Yes No
If applicable what cleansing and inspection methods are used between products?

C. Advice to customers in product use:

1. What facilities do the Insured have for customer enquiries relating to the use of the product?

2. What records are kept of additional advice given? _____
3. Is any guidance/advice given on customer premises? Give details _____

D. Installation:

1. What percentage of product is installed by insured? _____
2. Do insured undertake full commission of product? Yes No
3. Is the installation being done by qualified and skilled staff? Yes No

VII. Customer Complaints:

1. What is procedure for handling complaints? _____
2. Is a senior management official responsible? Yes No
3. How is customer advised of any fault discovered in a particular design or batch of work?

4. Are the Insured able to trace the location of any specific product or component after sale?

5. What would be effect of a product failure - give maximum possible loss if this can be quantified. (Consider nature of business of possible user.)

6. Is there an established method of product recall? Yes No
7. What records are kept? _____
8. Are faults tabulated and analysed to locate problem areas or trends? Yes No
If so how often and what action is taken? _____
9. Is there an established method of co-ordinating faults with design and manufacturing process to avoid recurrence and to rectify where necessary?

VIII. Previous History:

1. What has the history been of:
 (a) Complaints (b) Injuries to persons from products (c) Damage to property from products and consequential losses arising therefrom
(d) Claims against the Insured? Whether proven or otherwise over the past 3 years _____
2. Are proper records kept? Yes No
3. What action is taken on complaints of customers? _____

4. Is reference made to all such previous records when considering a new design (i.e. do they learn by their mistakes?)

IX. Other Considerations:

1. Is there any other factor likely to affect the risk (e.g. items of local knowledge - language problem - general law management attitude displayed by poor housekeeping etc.)?

2. Comments on supervisor and labour relation _____

X. Recommendations:

- Please provide-
1. Positive assessment of hazards related to products
 2. Assessment of organisations and methods employed (in the light of information obtained) to deal with such hazards and produce to a customer a product which is both safe and reliable in use.
 3. An opinion relating to acceptability at the time of survey and the trends anticipated in the risk in the future.