

Product Manufacturing



At Nationwide®, we take pride in delivering on our promise through our claims-handling. Count on us to deliver specialized expertise for a diverse array of Product Manufacturing risks.

Take a look at the following scenarios that demonstrate how Nationwide has the right coverage solutions to help protect clients in the event of a loss.

Scenario 1

A U.S.-based manufacturer of propane tanks has a faulty gas line that is releasing propane gas into the neighborhood. News media and other press organizations begin to arrive after fumes enter an nearby occupied schoolhouse.

The expenses to hire an organization to assist with public relations may not be covered damages under a typical general liability policy.



Protection provided

The products extension endorsement can allow for reimbursement of necessary crisis management emergency response expenses incurred to limit damaging public image concerns for the client.

Scenario 2

A U.S.-based distributor of automobile brake pads had an employee accidentally rupture a sprinkler valve, causing damage to their rented building space within a local strip mall. The client's landlord contends that the building's rented space sustained structural damage from the water and seeks recovery for building repairs. As no fire was involved, the property damage to the rented space may not be covered under a typical general liability policy.



Protection provided

The products extension endorsement can provide broader coverage to include property damage to the rented premises caused by fire or the additional causes of sprinkler leakage, lightning or explosion.

Each claim is handled on the basis of its individual facts and circumstances and in accordance with policy language, including applicable exclusions, conditions and limitations. Insurance overview is for informational purposes only and does not replace or modify the definitions and information contained in individual insurance policies or declaration pages, which are controlling. Terms and availability vary by state and exclusions apply.



Scenario 3

A small toy manufacturer desires to have an on-site showing of its new product creation, a purple plush talking porcupine. The client leases a large tent for the week to feed customers during the showing. The tent is improperly installed and collapses, causing injury to several plushie-buying customers. A lawsuit is filed against the client and the tent rental company. The tent company's lawyer demands defense and indemnity pursuant to the fine print in the lease contract.



Protection provided

The products extension endorsement can provide built-in additional insured language to protect the client and protect against agreements made within insurable contracts.

General liability — Complex scenario

The named insured recently procured 60% ownership of a business manufacturing sump pumps out of a second story rented facility located in Lubbock, Texas. Within the on-site product testing lab, a faulty sprinkler system valve was ruptured by an employee, causing extensive property damage to the rented premises and equipment customers had on-site. Bodily injury claims were also made by the local postal worker who was on-site delivering the daily orders, and there were two fatal injuries to the lower business's employees who were struck after a section of the upper floor collapsed.



Protection provided

As the named insured procured a policy with Nationwide that included the products extension endorsement, the risk manager was relieved to obtain the additional benefits of:

- Liability coverage for exposure to the landlord and for repairs to the rental space, as typically this would only be insurable for a fire loss
- A limit for the rented space damage of a far higher value than typically provided in a base general liability form
- Reimbursement of expenses related to hiring a crisis management team to assist with the immediate public relations concerns given the fatalities and injury
- Prevention of a formal claim by the mail carrier as the increased Med Pay limit allowed for all bills to be paid promptly
- On-site damages to the customers' goods required immediate replacement and were covered
- Satisfaction of the lease agreement with the landlord required additional insured coverage as primary and noncontributory
- Discovery of a purchase agreement for the new entity that mentioned a poorly located sprinkler head and was unintentionally not disclosed to the underwriter
- Insurability of the new entity as the ownership was greater than 51% and within 120 days of the purchase

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To learn more about our product manufacturing liability coverage solutions, visit our website at nationwide.com/brokers.

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