



## *Specialty Casualty*

### ***Vela Worldwide Products Coverage***

#### ***The Need:***

The standard ISO CGL policy defines the coverage territory as the U.S., its territories, possessions, Puerto Rico & Canada.

- This is broadened if the product is made or sold in the U.S.
- Requires that suit be brought *on the merits* in the territory of the U.S., territories, possessions, Puerto Rico or Canada
  - The term, *on the merits*, is somewhat ambiguous although most have interpreted this to mean that the suit must be brought in the U.S.

A claim under these conditions:

- an insured makes and sells a product outside the coverage territory;
- someone sustains bodily injury or property damage from the insured product outside the coverage territory;
- our manufacturer or distributor is consequently sued in the foreign country due to the injury or damage;

would not be covered under the unmodified ISO CGL policy.

#### ***The Solution:***

Vela offers a Worldwide Products endorsement where we redefine the coverage territory as respects "your product" falling within the Products-Completed Operations Hazard.

Some points to consider:

- Coverage territory is anywhere in the world (except embargoed countries.)
- Coverage is on a "pay on behalf of " basis unless we are prohibited from doing so.
- If we are barred from defending the insured in the host country, we will indemnify the insured. \*\*
- If other coverage applies to the loss, we will respond on an excess position.

\*\* Refer to endorsement VE 06 06 09 15 or VE 06 83 10 19 for actual coverage wording.

Products and services described above are provided through various surplus lines insurance company subsidiaries of W. R. Berkley Corporation and offered through licensed surplus lines brokers. Not all products and services may be available in all jurisdictions, and the coverage provided by any insurer is subject to the actual terms and conditions of the policies issued. Surplus lines insurance carriers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.

Vela Insurance Services conducts business as Vela Insurance Services, LLC in California as a licensed surplus lines broker (License Number 0C94218)