



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.