

## **PRODUCTS LIABILITY POLICY**

WHEREAS the Insured by a proposal and declaration which shall be the basis of this contract and deemed to be incorporated herein has applied to the Company for the indemnity hereinafter expressed and has paid or agreed to pay the First Premium as consideration for such indemnity.

The Company will, subject to the terms, limits, exceptions and condition contained herein or endorsed hereon, indemnify the Insured against all sums which the Insured shall become legally liable to pay as compensation for accidental bodily injury to or illness of any third party person and/ or loss of or damage to property of third party happening during the period of Insurance and caused by anything harmful or defective in any goods (or the container thereof) described in the Schedule under the heading of the Goods and supplied by the Insured in connection with Business specified in the Schedule.

In the event of death of the Insured, the Company will in respect of the liabilities incurred by the Insured, indemnify the Insured's personal representatives in the terms of and subject to the limitations of this Policy, provided that such personal representatives shall as though they were the Insured, observe, fulfill and be subject to the terms, exceptions and conditions of this Policy in so far as they can apply.

### **LIMITS OF INDEMNITY**

The liability of the Company under this Policy for all compensation payable.

- a) to any claimant or any number of claimants in respect of or arising out of any one occurrence or all occurrences of a series consequent upon one source or original cause shall not exceed the sum specified in the Schedule as the Limit of Indemnity for any one accident.
- b) in respect of all injury, illness, loss and damage sustained or occurring during any one period of Insurance, shall not exceed the sum specified in the Schedule as the Limit of Indemnity for any one period.

The indemnity expressed in this Policy shall not apply to liability.

1. assumed by the Insured under contract and which would not have attached in the absence of such contract.
2. in respect of injury to or illness of any person under a contract of service or apprenticeship with the Insured if such liability is in respect of injury or illness arising out of and in the course of the employment of such person by the Insured or Claims under, WC Act of 1923.
3. In respect of loss of or damage to property belonging to the Insured or in the charge or under the control of the Insured or any servant of the Insured.
4. In respect of injury, illness, Loss or damage.
  - a) caused by anything bought by the Insured on terms which vary or exclude the conditions as to quality or fitness implied under the sale of Goods Act, 1893.
  - b) caused by any goods in the charge or under the control of the Insured.
  - c) Arising from the supply of goods at or from any premises occupied by the Insured outside Pakistan.
5. Attaching to the Insured as a result of any error or defect in or the unsuitability of
  - a) any plan drawing specification or formula prepared and used as intended by the Insured.
  - b) any directions or advice issued or given as intended by the Insured concerning the use or storage of any goods.
6. in respect of the cost of removing, replacing, reinstating or repairing defective or unsuitable goods supplied by the Insured or in respect of claims arising from loss of use of such goods.
7. directly or indirectly caused by or contributed to by or arising from ionizing radiation's or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
8. for any consequence of war, invasion, act of foreign enemy hostilities (whether war be declared or not), civil war rebellion, revolution, insurrection or military usurped Power.
9. for marketing agent's own liability.

### CONDITION

This Policy and the Schedule shall be read together as one contracts and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such specific meaning wherever it may appear.

1. The assured shall give the Company immediate notice in writing with full particulars of the happening of any occurrence likely to give rise to a claim under this Policy of the receipt by the Assured of notice of any claim under this Policy the institution of any proceedings against Assured.
2. The Insured shall not, without the consent in writing of the Company repudiate liable negotiate or make any admission, offer or payment in connection with any occurrence or claim and the Company shall be entitled, if it so desires to take over and conduct in the name of Insured the defence of any claim or to prosecute in the name of the Insured for its own benefit any claim for discretion in the conduct of any proceedings or claim and the Insured shall give such information and assistance as the Company may require.
3. The Company may in the case of any claim or number of claims in respect of or arising out of any one occurrence or all occurrences of a series consequent on one source or original cause pay to the Insured the maximum sum payable as compensation under the Policy in respect thereof (but deducting therefrom in such case any sum or sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims can be settled and the Company shall thereafter be under no further liability in respect thereof except for the payment of costs and expenses of litigation under this Policy incurred prior to the date of payment of such sum.
4. If the premium for this Policy has been calculated on any estimates furnished by the Insured the Insured shall keep an accurate record containing all particulars relative thereto and shall at all times allow the Company to inspect such record. The Insured shall, within one month from the expiry of each Period of Indemnity furnish to the Company such particulars and information as the Company may require the premium for such period shall thereupon be adjusted and the difference paid by, or allowed to the Insured as the case may be.
5. If at the time of any claim arising under this indemnity, there shall be any other insurance covering the same risk or any part thereof, the Company shall not be liable for more than its rateable proportion thereof.
6. If at any time or from time to time any change shall occur materially saving any of the facts causing at the date of the Proposal the Insured shall within seven days give notice in writing to the Company and shall pay such additional premium as the Company may require.
7. The Policy may be cancelled at any time by seven days notice by registered letter from the Company to the Insured's last known address and in such event the Company will return a pro-rata portion of the premium for the unexpired part of the Period of Indemnity on demand.
8. The Insured shall take all reasonable precautions to prevent the supply of goods and or containers which are not in good condition and fit for the purpose for which they are intended and shall exercise reasonable care that all Acts of legislation and all by-laws and directions made by the statutory or local authority are duly observed and complied with After any occurrence to which this Policy applied no goods involved in such occurrence shall as far as is practicable be altered repaired or destroyed until the Company shall have had an opportunity of inspection such goods.

The due observance and fulfillment of the terms provisions conditions and endorsements of this Policy by the Insured in so far they relate to anything to be done or complied with by him and the truth of the statements and answers in the said proposal shall be conditions precedent to any liability of the Company to make any payment under this policy.