

PLRisk

Product Liability



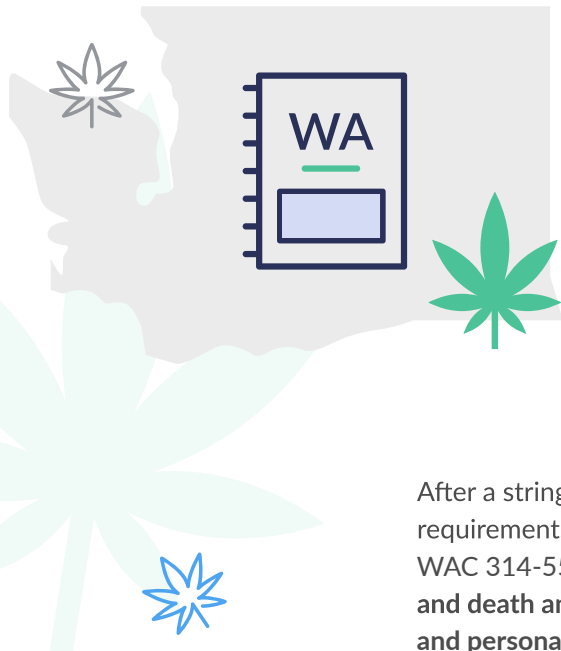
What Is Product Liability Insurance?



Product Liability Insurance protects cannabis businesses from allegations that their product caused **bodily injury or property damage** to an end user.

Thanks to the doctrine of strict liability (holding any company in the supply chain responsible for end user losses), it's necessary for most cannabis businesses to obtain Product Liability Insurance that contains product recall limits.

Why Do Businesses Need a Product Liability Insurance Policy?



\$1 MILLION

Some states like Washington now require cannabis businesses to purchase **Commercial General Liability** with limits of at least \$1M.

After a string of uninsured Product Liability Insurance claims, WA modified its insurance requirements for licensee's by mandating they purchase Product Liability Insurance. Under WAC 314-55-082: licensees insurance must **"cover bodily injury, including disease, illness and death and property damage arising out of the licensee's premise/operations, products, and personal injury. The limits of liability insurance shall not be less than one million dollars."**

PLRisk

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Common Questions

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Do businesses have to obtain Product Liability Insurance?

Yes. Strict liability doctrines make businesses liable if they allow a dangerous or defective product to enter the stream of commerce.

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Is product recall Included in a Product Liability policy?

In general, it's necessary for businesses to round out their Product Liability Insurance policy to include product recall. Luckily, there are standalone product recall policies available to close any gaps in a current policy.

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Is a business's Product Liability Insurance exposure adequately insured if they are an additional insured on the manufacturer's policy?

No – prospective dispensary and retail clients often push back on the need for their own Product Liability Insurance. Due to strict liability in Product Liability, it's not enough to be covered as an additional insured. Strict liability allows plaintiffs to sue every party that was involved in allowing a dangerous product to enter the hands of the consumer.

To learn more about how we provide comprehensive solutions for companies across all industries or to discuss your insureds insurance needs, **speak with one of our Product Liability specialists today.**