



**HUDSON**  
INSURANCE GROUP®

# HUDSON PROFESSIONAL LIABILITY

## MANUFACTURERS FACT SHEET

### PROTO|Type® 2.0 Manufacturing E&O with CyberInfusion®

#### **Third-Party Liability**

- Error, omission or negligent act
  - Breach of representation or warranty as to the fitness, quality, performance and use of covered services
  - Intellectual Property (no trade secret coverage except as specified for Commercial Confidential Information, no patent)
  - Personal Injury, privacy and security
- in the Named Insured's Manufacturing Services
- Security Injury in the Named Insured's business operations

#### **Third-Party Business Services Include**

- Design, development and manufacture of the Insured's Products for others including embedded software developed by the Insured and contained within the Insured's Products and including materials provided by the Insured in connection with the Insured's Products
- Installation, training, support, servicing, maintenance and repair of the Insured's Products by the Insured for others
- The Insured's instructions and warnings to others regarding the use of the Insured's Products
- Marketing, selling, licensing and distribution of the Insured's Products by the Insured
- Activities performed on Insured's website; Activities creating, maintaining, disseminating Hosted Web Content of a Named Insured
- The Named Insured's own advertising of covered services

#### **Optional CyberInfusion: First-Party and Business Interruption**

- Optional Content Restoration Expenses
  - Optional Breach Response Expenses
  - Optional Cyber Extortion Expenses
  - Optional PCI-DSS/PA-DSS Fines
- caused by a Security Breach in the Named Insured's business operations
- Optional Business Interruption caused by a Security Event in the Named Insured's business operations

*(continued next page)*

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## Policy Features

- Aggregate Limit up to \$10 Million Primary
- Coverage for Privacy regulatory defense and imposed civil fines or penalties; Limits available up to the policy aggregate
- Coverage for non-voluntary consumer redress imposed in a covered privacy regulatory action
- Most favorable venue for punitive damages, where insurable
- 50/50 hammer clause
- Coverage for Commercial Confidential Info, Trusted Party (vendor) and employee personally identifiable info
- Coverage for subsidiaries, with more than 50% ownership interest
- Automatic coverage for new subsidiaries, subject to notice and approval
- Coverage for specified independent contractors
- Business is written on an admitted basis through Hudson Insurance Company and on a non-admitted basis through Hudson Specialty Insurance Company and Hudson Excess Insurance Company.

**ProtoType does not cover any glitch or claim arising out of or in any way related to any actual or alleged: (1) bodily injury, sickness or disease and any resulting death; or (2) physical damage to, loss or destruction of tangible property or to any resulting loss of use.**

**Please note that item (2) above does not distinguish between your product or any other tangible property, whether such property is or was your product or tangible property or instead is or was another's tangible property.**

**For example, if your customer is using a product you made and that product is physically damaged, or property that is not your product is physically damaged, a claim arising from that event would not be covered under the policy because it arises from and is related to physical damage to tangible property, and it does not matter whether such damage is to your product, to property other than your product or to both, and it does not matter who owns or made the property that is damaged.**

The information contained in this brochure is for general information only and shall not modify the terms of any insurance policy. Business is written on a non-admitted basis through Hudson Specialty Insurance Company and Hudson Excess Insurance Company.



## HUDSON INSURANCE GROUP

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# HUDSON PROFESSIONAL LIABILITY

## MANUFACTURERS CHECKLIST

### PROTO|Type® 2.0 Manufacturing E&O with CyberInfusion®

Us Others

#### Third-Party Liability

##### E&O in Manufacturing Services

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Error, omission or negligent act   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Breach of representation or warranty as to the fitness, quality, performance and use of covered services |

##### Content in Manufacturing Services

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Copyright, trademark, plagiarism, title, slogan, trade name, service mark, service name, trade dress, misappropriation of ideas under implied contract |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Piracy, when it directly relates to copyright or trademark infringement  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Misuse of intellectual property in Content, when it results in the kind of intellectual property offenses listed in this section                       |

##### Security Injury in Manufacturing Services and Business Operations

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Failure to prevent unauthorized access, use, repudiation of access, tampering, introduction of malicious code into data or systems   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Failure to prevent identity theft or credit/debit card fraud   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Failure to prevent denial of service attack  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Failure to prevent the theft, unauthorized or illegal exposure of a Person's personally identifiable information or Commercial Confidential Information that resides in or on Insured's laptops, devices or other media containing Content or that is in the care of a Trusted Party |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Failure to prevent unauthorized access to or unauthorized use of Commercial Confidential Information   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Claims brought by employees if Claim relates to disclosure of employee's personally identifiable info by Insured due to a Security Injury described above  |

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Us Others

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## Personal Injury in Manufacturing Services

- |                                     |                          |   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | As a result of Content: defamation, harm to feelings, trade libel, disparagement or harm to character or reputation, product or service disparagement |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Invasion of privacy, infringement of publicity rights, commercial appropriation of name or likeness, wireless signal interception, eavesdropping      |
- 

## Manufacturing Services

- |                                     |                          |   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Design, development and manufacture of the Insured's Products for others including embedded software developed by the Insured and contained within the Insured's Products and including materials provided by the Insured in connection with the Insured's Products |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Installation, training, support, servicing, maintenance and repair of the Insured's Products by the Insured for others  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The Insured's instructions and warnings to others regarding the use of the Insured's Products   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Marketing, selling, licensing and distribution of the Insured's Products by the Insured   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Activities performed on Insured's website   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Activities creating, maintaining and disseminating Hosted Web Content of a Named Insured  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Named Insured's own advertising of covered services   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Insured's Products denotes products manufactured by the Insured and Value-Added Products. Value-Added Products means the products or systems designed and manufactured by a Named Insured that incorporate, integrate or modify products manufactured by others.    |
- 

## Defense and Settlement

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Carrier has the right to select counsel  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Insured cannot settle without carrier's consent; Carrier cannot settle if First Named Insured objects; 50% hammer clause applies |
- 

## Optional CyberInfusion First-Party

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### Breach Response Expenses caused by a Security Breach in Business Operations

- |                                     |                          |   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Sublimit and retention apply  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Costs, including legal fees, for the Insured to notify Persons of a breach of the privacy of their personally identifiable information that was in the Insured's or Trusted Party's care, custody and control |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The Insured's public relations activities that are solely intended to mitigate a material impact to the Named Insured arising out of a Security Breach substantially publicized by the news media             |



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Us Others

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## **Breach Response Expenses caused by a Security Breach in Business Operations continued**

- Costs, including forensic and investigative expenses, billed to the Named Insured by others the Insured engages to determine the origin, extent and duration of a Security Breach
- The Named Insured's costs to provide up to 2 years of credit monitoring services, including fraud alerts to affected Persons because of a Security Breach
- The Named Insured's costs for identity restoration and credit repair services for identity or credit injury to a Person caused by a Security Breach
- The Named Insured's costs for a call center to manage Security Breach inquiries
- The Named Insured's costs for voluntary payment of restitution to Persons, when no Claim has been made by those Persons, who have lost money because of a Security Breach when payment is made to prevent a Claim
- All coverages above are subject to carrier's prior written consent and must be incurred and paid by Named Insured within 12 months of Insured's first discovery of the Security Breach
- Subject to carrier's written approval, costs of efforts within the first 24 hours of Insured's discovery of a Security Breach to re-secure the personally identifiable information of affected Persons and Commercial Confidential Information

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## **Content Restoration Expenses caused by a Security Breach in Business Operations**

- Sublimit and retention apply
- Costs to restore or recreate Content when the Content was maintained in Insured's or Trusted Party's care and damaged or destroyed as a result of Security Breach
- All coverages above are subject to carrier's prior written consent and costs must be incurred by Named Insured within 12 months of Insured's first discovery of the Security Breach

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## **Cyber Extortion Expenses caused by a Security Breach in Business Operations**

- Sublimit and retention apply
- Reasonable and necessary money paid by Named Insured to a third party reasonably believed to be responsible for the Security Breach when payment is made for the purpose of terminating the Security Breach
- Reasonable and necessary investigative expenses billed to the Named Insured by a third party the Insured engaged to determine the credibility of, feasibility of, source of and potential harm caused by the Security Breach
- Subject to carrier's written approval before offered, a reward paid to a third party by the Named Insured to eliminate Security Breach or to obtain information that results in arrest and conviction of third party responsible for Security Breach



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## PCI-DSS/PA-DSS Fines caused by a Security Breach in Business Operations

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Sublimit and retention apply   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | A fine the Named Insured is legally obligated to pay based on the Named Insured's non-compliance with the Payment Card Industry Data Security Standards and Payment Application Data Security Standards and that is assessed against the Named Insured by American Express, Discover Financial Services, JCB International, MasterCard Worldwide or Visa, Inc. or by the Named Insured's acquiring bank with which the Named Insured has a merchant account and which processes the Named Insured's payment card transactions. |

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## For Breach Response Expenses, Content Restoration Expenses and PCI-DSS/PA-DSS Fines, Security Breach means

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Failure to prevent exposure of, unauthorized access to, unauthorized use of, repudiation of access to, tampering with or introduction of malicious code into data or systems   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Failure to prevent identity theft or credit/debit card fraud   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Failure to prevent the theft, unauthorized or illegal exposure of a Person's personally identifiable information or Commercial Confidential Information that resides in or on Insured's laptops, devices or other media containing Content or that is in the care of a Trusted Party |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Failure to prevent unauthorized access to or unauthorized use of Commercial Confidential Information   |

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## For Cyber Extortion Expenses, Security Breach means

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | A credible threat by a third party (not a current or prior employee) who has threatened to and demonstrated an ability to do any of the following to the Named Insured's data or systems for the purpose of demanding money from the Named Insured: gain unauthorized access to; cause repudiation of access to, tamper with or introduce malicious code into; perpetrate identity theft or credit/debit card fraud through unauthorized access to; or steal, expose or gain unauthorized use of a Person's personally identifiable information or Commercial Confidential Information that resides on the Named Insured's systems or networks |
|-------------------------------------|--------------------------|--|

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## Optional CyberInfusion Business Interruption

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### Business Interruption caused by a Security Event in Business Operations

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | In excess of time retention, subject to sublimit, to coinsurance and to policy aggregate limit; no monetary policy retention applies |
|-------------------------------------|--------------------------|--|



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## **Business Interruption caused by a Security Event in Business Operations *continued***

- Business Interruption means inability to access or use the Named Insured's: data, software, firmware or networks, whether residing on the Named Insured's or Trusted Party's system, caused by a Security Event, provided the Insured has diligently taken reasonable steps and exercised due diligence to minimize and avoid the interruption
- In very general terms, Business Interruption Loss = unrealized pre-tax net income + required normal operating expenses + necessary extra expenses for investigating and restoring normal operations - increase in offline pre-tax net income during Business Interruption Period - after-spike in pre-tax net income after Business Interruption Period - any loss due to business condition other than Security Event
- Security Event means Insured's or Trusted Party's failure to prevent unauthorized access to, unauthorized use of, tampering with or introduction of malicious code into data or systems which results in denial or disruption of Named Insured's service or repudiation of access to the Named Insured's data or systems

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## **Common Terms and Conditions**

### **Civil Fines and Penalties**

- Definition of Damages includes a grant for civil fine or civil penalty imposed in a covered privacy regulatory action

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### **Consumer Redress**

- Non-voluntary consumer redress imposed in a covered privacy regulatory action

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### **Punitive Damages**

- Most favorable venue for punitive damages, where punitive damages are insurable

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### **Coverage Territory**

- Glitches anywhere in Universe; Claims anywhere, unless trade sanctions at time of Claim
- 



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*(coverage checklist, page 6 of 6)*

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**For example, if your customer is using a product you made and that product is physically damaged, or property that is not your product is physically damaged, a claim arising from that event would not be covered under the policy because it arises from and is related to physical damage to tangible property, and it does not matter whether such damage is to your product, to property other than your product or to both, and it does not matter who owns or made the property that is damaged.**

The information contained in this checklist is for general information only and shall not modify the terms of any insurance policy. Do not rely on this coverage checklist to make any decision to purchase insurance. The coverage checklist does not replace or change the actual policy which should be read before making a purchasing decision. Extensions and Coverage Sections may be optional and available for an additional premium. Business is written on a non-admitted basis through Hudson Specialty Insurance Company and Hudson Excess Insurance Company.



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HUDSON  
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# HUDSON PROFESSIONAL LIABILITY

## MANUFACTURERS APPETITE

### PROTO|Type® 2.0 Manufacturing E&O with CyberInfusion®

Risks that fit our appetite include small and medium-sized Manufacturers of

- Office, household & industrial furniture
- Plastic products & components
- Hardware (e.g. tools, fixtures, nuts/bolts)
- Industrial & commercial equipment
- Electronics & other electrical equipment

Note: Only U.S. domiciled companies or independently operated U.S. subsidiaries of a foreign parent are eligible.

Ineligible Risks: Products & Components for Autos, Aircraft, Toys, Food, Alcohol, Tobacco, Weapons, Pharmaceuticals, Medical devices, Asbestos & Chemicals. Design-only and Distribution-only accounts are not a fit.

**ProtoType does not cover any glitch or claim arising out of or in any way related to any actual or alleged: (1) bodily injury, sickness or disease and any resulting death; or (2) physical damage to, loss or destruction of tangible property or to any resulting loss of use.**

**Please note that item (2) above does not distinguish between your product or any other tangible property, whether such property is or was your product or tangible property or instead is or was another's tangible property.**

**For example, if your customer is using a product you made and that product is physically damaged, or property that is not your product is physically damaged, a claim arising from that event would not be covered under the policy because it arises from and is related to physical damage to tangible property, and it does not matter whether such damage is to your product, to property other than your product or to both, and it does not matter who owns or made the property that is damaged.**

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**Risks We Like**

SIC	NAICS	DESCRIPTION
2400	N/A	Lumber & Wood Products (No Furniture)
2421	321912	Sawmills & Planting Mills, Generals
2430	N/A	Millwood, Veneer, Plywood
2510	N/A	Household Furniture
2511	337215	Wood Household Furniture (No Upholstered)
2520	N/A	Office Furniture
2522	337214	Office Furniture (No Wood)
2531	336360	Public Building & Related Furniture
2540	N/A	Partitions, Shelving, Lockers & Office & Store Fixtures
2590	N/A	Miscellaneous Furniture & Fixtures
2650	N/A	Paperboard Containers & Boxes
2670	N/A	Converted Paper& Paperboard (No Containers/ Boxes)
2673	322223	Plastics, Foil & Coated Paper Bags
2820	N/A	Plastic Material, Synthetic Resin/Rubber, Cellulose
2821	325211	Plastic Material, Synthetic Resin/Rubber, Non-Vulcan
3011	326211	Tires & Inner Tubes
3310	N/A	Steel Works, Blast Furnaces & Rolling & Finishing Mills
3312	324199	Steel Works, Blast Furnaces & Rolling Mills (Coke Ovens)
3317	331210	Steel Pipe & Tubes
3320	N/A	Iron & Steel Foundries
3330	N/A	Primary Smelting & Refining of Non-Ferrous Metals
3334	331312	Primary Production of Aluminum
3341	331314	Secondary Smelting & Refining of Non-Ferrous Metals
3350	N/A	Rolling, Drawing & Extruding of Non-Ferrous Metals
3357	331319	Drawing & Insulating of Non-Ferrous Wire
3360	N/A	Non-Ferrous Foundries (Casting)
3390	N/A	Miscellaneous Primary Metal Products
3411	332431	Metal Cans
3412	332439	Metal Shipping Barrels, Drums, Kegs & Pails
3420	N/A	Cutlery, Hand Tools & General Hardware
3430	N/A	Heating Equipment (No Electric Warm Air & Plumbing)
3433	333414	Heating Equipment (No Electric & Warm Air Furnaces)
3444	332322	Sheet Metal Work
3448	332311	Prefabricated Metal Buildings & Components
3451	332721	Screw Machine Products
3452	332722	Bolts, Nuts, Screws, Rivets & Washers
3460	N/A	Metal Forgings & Stampings



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**Risks We Like**

SIC	NAICS	DESCRIPTION
3490	N/A	Miscellaneous Fabricated Metal Products
3510	N/A	Engines & Turbines
3523	333111	Farm Machinery & Equipment
3524	333112	Lawn/Garden Tractors & Home Lawn/ Garden Equip.
3530	N/A	Construction, Mining & Materials Handling Machinery
3531	336510	Construction Machinery & Equipment
3532	333131	Mining Machinery & Equipment (No Oil, Gas Field Equip.)
3533	333132	Oil & Gas Field Machinery & Equipment
3537	333924	Industrial Trucks, Tractors, Trailers & Stackers
3540	N/A	Metalworking Machinery & Equipment
3541	333512	Machine Tools, Metal Cutting Types
3550	N/A	Special Industry Machinery (No Metalworking Machinery)
3555	331319	Printing Trades Machinery & Equipment
3559	333220	Special Industry Machinery NOC
3560	N/A	General Industry Machinery & Equipment
3561	333911	Pumps & Pumping Equipment
3562	332991	Ball & Roller Bearings
3564	333411	Industrial & Commercial Fans, Blowers & Air Purifiers
3567	333994	Industrial Process Furnaces & Ovens
3569	333414	General Industrial Machinery & Equipment NOC
3570	N/A	Computer & Office Equipment
3571	334111	Electronic Computers
3572	334112	Computer Storage Devices
3575	334113	Computer Terminals
3576	N/A	Computer Communications Equipment
3577	334418	Computer Peripheral Equipment NOC
3578	334119	Calculating & Accounting Machines (No Computers)
3579	339942	Office Machines NOC
3580	N/A	Refrigeration & Services Industry Machinery
3585	336391	Air Condition, Warm Air Heating Equip. & Industry Refrig.
3590	N/A	Miscellaneous Industrial & Commercial Machinery/Equip.
3600	N/A	Electronic & Other Electrical Equipment (No Computers)
3612	335311	Power, Distribution & Specialty Transformers
3613	335313	Switchgear & Switchboard Apparatus
3620	N/A	Electrical Industrial Apparatus
3621	335312	Motors & Generators
3630	N/A	Household Appliances



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**Risks We Like**

SIC	NAICS	DESCRIPTION
3634	335211	Electric Housewares & Fans
3640	N/A	Electric Lighting & Wiring Equipment
3651	334310	Household Audio & Video Equipment
3652	334612	Phonograph Records & Prerecorded Audio Tapes & Discs
3661	334210	Telephone & Telegraph Apparatus
3663	334220	Radio & TV Broadcasting & Communications Equipment
3669	334290	Communications Equipment NOC
3670	N/A	Electronic Components & Accessories
3672	334412	Printed Circuit Boards
3674	334413	Semiconductors & Related Products
3677	334416	Electronic Coils, Transformers & Other Inductors
3678	334417	Electronic Connectors
3679	334220	Electronic Components NOC
3690	N/A	Miscellaneous Electrical Machinery, Equipment & Supplies
3695	334613	Magnetic & Optical Recording Media
3822	334512	Auto Controls for Regulating Res. & Comm. Environments
3823	334513	Industrial Instruments for Measurement, Display & Control
3824	334514	Totalizing Fluid Meters & Counting Devices
3825	334514	Instruments to Measure/Test Electricity/Electric Signals
3827	333314	Optical Instruments & Lenses
3829	334514	Measuring & Controlling Devices
3861	333315	Photographic Equipment & Supplies
3873	334518	Watches Clocks, Clockwork Operated Devices/Parts

**Generally Excluded Risks**

SIC	NAICS	DESCRIPTION
2000	N/A	Food & Kindred Products
2011	311611	Meat Packing Plants
2013	311613	Sausages & Other Prepared Meat Products
2015	311615	Poultry Slaughtering & Processing
2020	N/A	Dairy Products
2024	311520	Ice Cream & Frozen Desserts
2030	N/A	Canned, Frozen & Preserved Fruit, Vegetables & Specialties
2040	N/A	Grain Mill Products



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**Generally Excluded Risks**

SIC	NAICS	DESCRIPTION
2050	N/A	Bakery Products
2052	311821	Cookie & Crackers
2060	N/A	Sugar & Confectionery Products
2070	N/A	Fats & Oils
2080	N/A	Beverages
2082	311942	Malt Beverages
2086	312111	Bottled & Canned Soft Drinks & Carbonated Water
2090	N/A	Misc. Food Preparations & Kindred Products
2092	311712	Prepared Fresh or Frozen Fish & Seafood
2100	N/A	Tobacco Products
2111	312221	Cigarettes
2200	N/A	Textile Mill Products
2211	313210	Broadwoven Fabric Mills, Cotton
2221	313210	Broadwoven Fabric Mills, Man Made Fiber & Silk
2250	N/A	Knitting Mills
2253	313312	Knit Outerwear Mills
2273	314110	Carpets & Rugs
2300	N/A	Apparel & Other Finished Products of Fabric/Similar Material
2320	N/A	Mens/Boys Furnishing, Work Clothing & Allied Garments
2330	N/A	Womens/Girls, Childrens & Infants Outerwear
2340	N/A	Womens/Girls, Childrens & Infants Undergarments
2390	N/A	Miscellaneous Fabricated Textile Products
2451	321991	Mobile Homes
2452	321992	Prefabricated Wood Buildings & Components
2711	511110	Newspapers: Publishing and/or Printing
2721	51120	Periodicals: Publishing and/or Printing
2731	512230	Books: Publishing and/or Printing
2732	323117	Book Printing
2741	511140	Miscellaneous Publishing
2750	N/A	Commercial Printing
2761	323116	Manifold Business Forms
2771	323110	Greeting Cards
2780	N/A	Blankbooks, Loose-leaf Binders, Bookbinding and Related
2790	N/A	Services Industries for the Printing Trade
2800	N/A	Chemicals & Allied Products
2810	N/A	Industrial Inorganic Chemicals



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**Generally Excluded Risks**

SIC	NAICS	DESCRIPTION
2833	325411	Medicinal Chemicals & Botanical Products
2834	325412	Pharmaceutical Preparations
2835	325412	In Vitro & In Vitro Diagnostic Substances
2836	325414	Biological Products
2840	N/A	Soap, Detergents, Cleaning Preparations, Perfumes, Cosmetics
2842	325612	Specialty Cleaning, Polishing and Sanitization Preparations
2844	325620	Perfumes, Cosmetics & Other Toilet Preparations
2851	325510	Paints, Varnishes, Lacquers, Enamels & Allied Products
2860	N/A	Industrial Organic Chemicals
2870	N/A	Agricultural Chemicals
2890	N/A	Miscellaneous Chemical Products
2891	325520	Adhesives & Sealants
2911	324110	Petroleum Refining
2950	N/A	Asphalt Paving & Roofing Materials
2990	N/A	Miscellaneous Products of Petroleum & Coal
3011	326211	Tires & Inner Tubes
3021	316211	Rubber & Plastics Footwear
3140	N/A	Footwear (No Rubber)
3290	N/A	Abrasive, Asbestos & Misc. Non-Metallic, Mineral Product
3470	N/A	Coating, Engraving & Allied Services
3480	N/A	Ordnance & Accessories (No Vehicles/Guided Missiles)
3711	336111	Motor Vehicles & Passenger Cars Bodies
3713	336211	Truck & Bus Bodies
3714	336211	Motor vehicle Parts & Accessories
3715	336212	Truck Trailers
3716	336213	Motor Homes
3720	N/A	Aircraft & Parts
3724	336412	Aircraft Engines & Engine Parts
3728	332912	Aircraft Parts & Auxiliary Equipment NOC
3730	N/A	Ship & Boat Building & Repairing
3743	333911	Railroad Equipment
3751	336911	Motorcycles, Bicycles & Parts
3760	N/A	Guided Missiles & Space Vehicles & Parts
3790	N/A	Miscellaneous Transportation Equipment



(continued next page)

# PROTO|Type® 2.0 Manufacturing E&O with CyberInfusion®

(risk appetite, page 7 of 7)

## Generally Excluded Risks

SIC	NAICS	DESCRIPTION
3812	339111	Laboratory Apparatus & Furniture
3826	334516	Laboratory Analytical Instruments
3841	332994	Surgical & Medical Instruments & Apparatus
3842	322291	Orthopedic, Prosthetic & Surgical Appliances/Supplies
3843	339114	Dental Equipment & Supplies
3844	334517	X-Ray Apparatus & Tubes & Related Irradiation Apparatus
3845	334517	Electromedical & Electrotherapeutic Apparatus
3851	339113	Ophthalmic Goods
3942	339931	Dolls & Stuffed Toys
3944	336991	Games, Toys & Childrens' Vehicles (No Dolls & Bicycles)



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# HUDSON PROFESSIONAL LIABILITY

## MANUFACTURERS CLAIM EXAMPLES

### PROTO|Type® 2.0 Manufacturing E&O with CyberInfusion®

These situations are intended to provide examples of how the ProtoType policy may and may not provide coverage for a claim. The facts in any claim that you encounter will differ and the policy you purchase may differ from the policy in the examples below. A change in facts or in the policy terms could result in a different outcome. You should review a specimen of the policy you are contemplating purchasing to determine how it might apply to you; you should not rely upon examples in making your decision to purchase a policy. Items that are noted as “eligible for coverage” below are ones that may come within the scope of the policy, subject to the policy’s terms, conditions and limitations.

**ProtoType does not cover any glitch or claim arising out of or in any way related to any actual or alleged: (1) bodily injury, sickness or disease and any resulting death; or (2) physical damage to, loss or destruction of tangible property or to any resulting loss of use.**

**Please note that item (2) above does not distinguish between your product or any other tangible property, whether such property is or was your product or tangible property or instead is or was another’s tangible property.**

#### **The insured agreed to manufacture a food handling system for a large food-maker.**

The system included conveyor and robotic components for moving and packaging the food. The contract required that the system handle a certain volume of food per hour. The food-maker alleged that the system was unable to operate at the speed specified in the contract in order to process the required volume of food. The insured took extra steps in an effort to make the system operate faster. The food company still complained that it was unable to meet production demands with the system and was incurring additional costs in compensating for that with manual labor. The food-maker ultimately determined that the system was inadequate and had to be removed.

#### Eligible for coverage:

- The costs of defending the insured.
- The food-maker’s claim for the additional cost of manual labor.

#### Not eligible for coverage:

- The food-maker’s demand for a refund.
- The additional costs the insured incurred in trying to make the system operate faster.

*(continued next page)*



*(claim examples, page 2 of 4)*

### **The insured manufactured office furniture.**

A quasi-governmental agency in a large city was furnishing a new office building for its employees and issued a request for proposals. The insured was an unsuccessful bidder for the contract. An officer in the insured's sales department, acting on his own initiative in a possible effort to have the bidding re-opened in order to make a sale, sent an anonymous letter to the city, a television station and to several state and federal agencies alleging that the contract had been awarded to the successful bidder as a result of improper influence involving the successful bidder and some officials of the agency involved. The agency and officials filed a lawsuit against the insured company alleging defamation and interference with contract.

#### Eligible for coverage:

- Costs incurred in the defense of the insured.
- Damages, if any, for defamation.

#### Not eligible for coverage:

- Damages, if any, awarded for interference with contract.

### **The insured designed and manufactured a tower for radio broadcasts.**

The tower was unable to withstand a storm and was blown to the ground. The cause was determined to be the design by the insured rather than the installation by another company. The broadcast company made a claim for revenue lost while it wasn't broadcasting and for the additional cost of temporarily leasing facilities from another company in order to resume broadcasting. The broadcaster's insurer made a subrogation claim to recover what it paid for the damaged tower.

#### Eligible for coverage:

- Nothing.

#### Not eligible for coverage:

- Costs incurred in the defense of the insured and damages arising out of or in any way related to damage to tangible property.

### **The insured made pipes for one of its customers.**

As a normal result of the manufacturing process, a solid residue was left in the pipes. The residue normally would be flushed from the pipes by the insured after fabrication, but this step was overlooked. The pipes were installed and when they began to be used, the residue in the pipes was washed downstream where it became stuck and clogged the system. No damage to tangible property was caused, but the system had



*(continued next page)*

*(claim examples, page 3 of 4)*

to be shut down and opened for cleaning, and this led to a claim for the purchaser's cleaning costs and for lost operating time. The insured also incurred additional costs in traveling to the customer's location and lending assistance and advice in the cleaning process.

Eligible for coverage:

- Costs incurred in the defense of the insured.
- The claimant's cleaning costs and lost operating time.

Not eligible for coverage:

- The insured's additional costs in lending assistance and advice in the cleaning process.

**The insured designed and manufactured kitchen equipment for a major hotel.**

One piece of the equipment was blamed for causing a fire which injured three hotel employees, caused major damage and disrupted hotel operations, resulting in lost revenue. The injured employees and the hotel brought claims against the insured for the injuries, damaged property and lost revenue.

Eligible for coverage:

- Nothing.

Not eligible for coverage:

- Costs incurred in the defense of the insured and damages arising out of or in any way related to bodily injury or damage to tangible property.

**The insured designed and made units to be installed on the roof of a new factory.**

After installation, rainwater began penetrating the roof and falling to the factory's concrete floor. The insured determined that the leak was caused by a design problem with the units. Parts of the units needed to be redesigned, manufactured and replaced by the insured. In the interim, portions of the factory were unusable. No damage to tangible property was discovered. But the factory complained that it was unable to operate as planned due to the water incursions, resulting in a loss of revenue until the units could be replaced.

Eligible for coverage:

- Costs incurred in the defense of the insured.
- The factory's claim against the insured for lost revenue as a result of being unable to use parts of the factory.



*(continued next page)*

## PROTO | Type® 2.0 Manufacturing E&O with CyberInfusion®

*(claim examples, page 4 of 4)*

Not eligible for coverage:

- The insured's cost to correct the problem through re-design and replacement.

**The insured made an internal crane system for a factory.**

Due to the insured's design error, the crane was not capable of reaching all the areas that it was required to service. There was no property damage, but the crane had to be modified by the insured in order to perform the purposes for which it was intended and, in the meantime, the factory had to curtail some operations which resulted in lost revenue.

Eligible for coverage:

- Costs incurred in the defense of the insured.
- The claim by the factory for lost revenue.

Not eligible for coverage:

- The insured's cost to correct its work, through re-design and modifications.



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# HUDSON PROFESSIONAL LIABILITY

## MANUFACTURERS FAQ

### PROTO|Type® 2.0 Manufacturing E&O with CyberInfusion®

**Q. What coverage does your standard policy form provide?**

A. E&O; Security; Copyright and Trademark Infringement; Defamation; Privacy and other Personal Injury protections for the account's manufacturing services and activities on their website. CyberInfusion® First-party and Business Interruption coverage are now also available with the ProtoType® 2.0 policy form.

**Q. Will you consider applicants that do design only or distribution only?**

A. No, eligible applicants must manufacture and design the majority of products they sell.

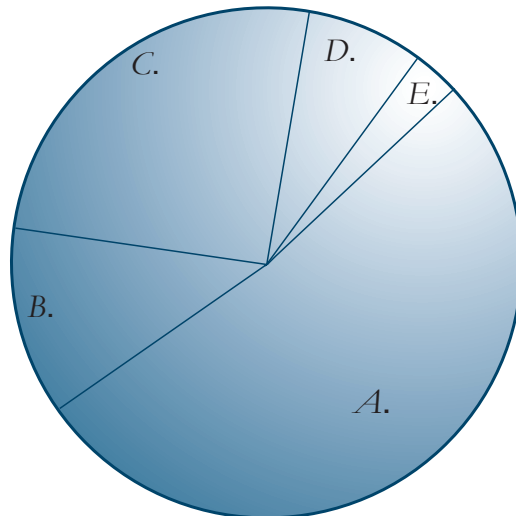
**Q. When would a manufacturer need website protection?**

A. Any manufacturer who sells their product via their website or collects customer data, including credit card information, over their website is a good candidate for the coverage.

**Q. How does the manufacturing E&O coverage fit with the rest of my client's insurance needs?**

A. ProtoType is just one small piece of their overall risk portfolio, take a look at the chart below for an illustration.

- Workers Comp - A
- Property - B
- Commercial Property, Business Loss of Income, Commercial Crime
- Liability - C
- General Liability, Auto, Umbrella
- Products Liability
- Other - D
- Products Recall, Warranty, D&O
- ProtoType - E



(continued next page)

## PROTO | Type® 2.0 Manufacturing E&O with CyberInfusion®

(FAQ, page 2 of 2)

**Is the policy designed to respond to a claim arising from or related to:**

**Q.** bodily injury, sickness, disease or death?

A. no.

**Q.** physical damage to or loss of tangible property including resulting loss of use?

A. no.

**Q.** financial loss arising out of bodily injury, sickness, disease or death?

A. no.

**Q.** financial loss arising out of physical damage to or loss of tangible property?

A. no.

**Q.** a guarantee the insured made about the financial enhancement or cost of their service?

A. no.

**Q.** the insured's failure to deliver a service on time?

A. no, unless the delivery failure was due to a covered mistake in their service.

**Q.** a product recall?

A. no, unless the claim is for someone else's loss of use of the product and the product is recalled due to a covered mistake in the insured services.

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**Please note that item (2) above does not distinguish between your product or any other tangible property, whether such property is or was your product or tangible property or instead is or was another's tangible property.**

**For example, if your customer is using a product you made and that product is physically damaged, or property that is not your product is physically damaged, a claim arising from that event would not be covered under the policy because it arises from and is related to physical damage to tangible property, and it does not matter whether such damage is to your product, to property other than your product or to both, and it does not matter who owns or made the property that is damaged.**

The information contained in this brochure is for general information only and shall not modify the terms of any insurance policy. Business is written on a non-admitted basis through Hudson Specialty Insurance Company and Hudson Excess Insurance Company.



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