

# Life Sciences

Creating certainty for the claims  
you don't yet know about

CHUBB®

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Many of the world's leading and  
upcoming life sciences companies  
trust their insurance to Chubb.  
Globally, we have been specialists  
in this niche insurance sector for  
more than 25 years.

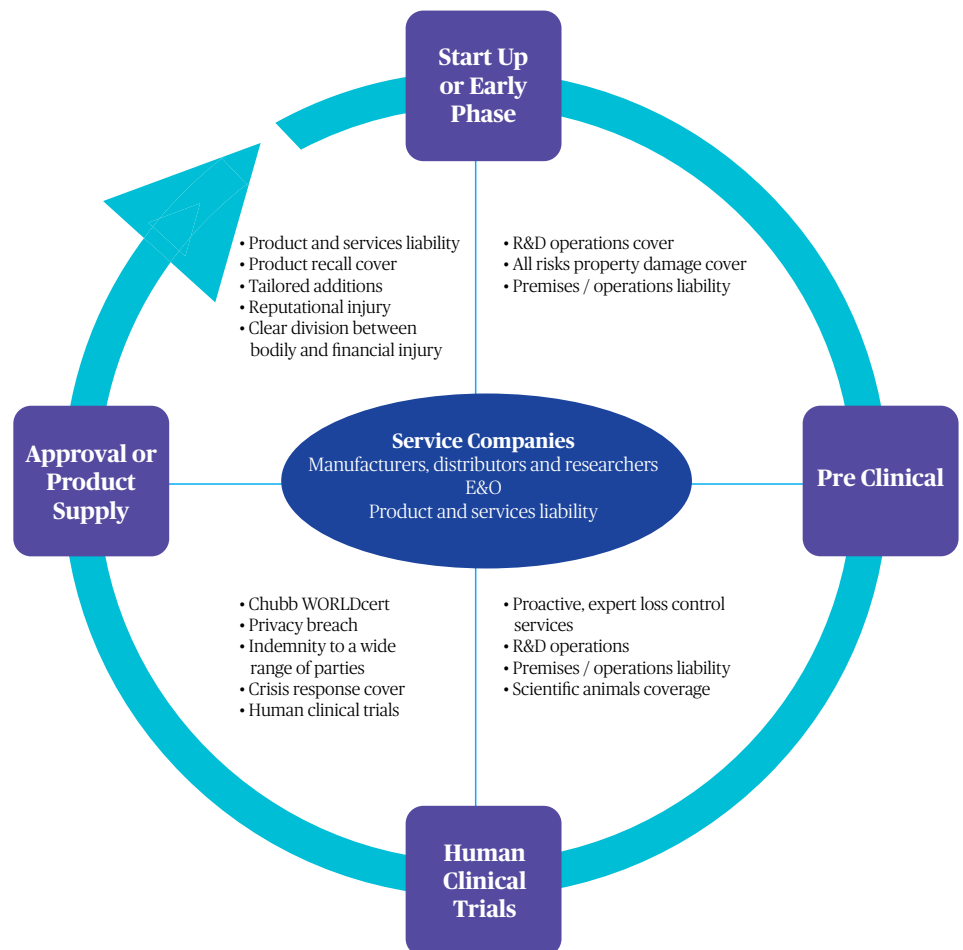
The cause of a future claim could be  
occurring right now and your company  
may not be made aware of it for months,  
even years. Chubb aims to give you  
more certainty about how future  
claims will be addressed by providing  
a unique combination of policy covers  
and services.

## Flexible cover that grows with your company

Whether you're a biotech, medical device or service organisation - you will benefit from our core approach:

- Contractual liability-based policy
- Extended liability
- Claims made basis
- No business description
- First party coverages

As your company expands, your policy can adapt with flexible covers tailored to your needs and relevant to the risks you face. The diagram below highlights some of the key covers that we offer at various stages of a company or product's development.



# Choose Chubb for long-term confidence

## Two key reasons to choose Chubb with confidence

Managing life sciences claims can be complex. Months, and even years, can elapse between developing a product and an insurance claim being reported.

To give more certainty about how future claims will be treated, we're unusual in offering both claims made basis and extended liability for products / services liability and errors & omissions (E&O). We won't impose certain end of policy period restrictions which are common in other life science policies.

### Claims made basis

Claims made basis is about when a claim is reported to the insurer. Chubb works on this basis for products / services liability and E&O claims. As long as the claim was received by the insured in a policy year insured by us (and the occurrence and injury happens after the retroactive date), there is no requirement to report a claim by the end of the policy period - just as soon as practicable. Virtually all other insurers impose a strict reporting deadline.

### Situation

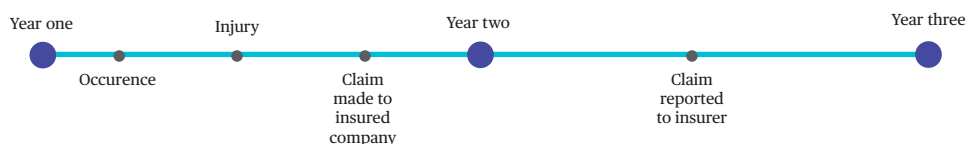
A batch of faulty knee replacements was produced in year one (the occurrence), with a patient experiencing symptoms in the same year (the injury). The patient made a claim to the manufacturer (the insured company) in year one. After investigating the fault, the manufacturer made a claim to the insurer in year two.

### Scenario one

With Chubb, the claim is valid as there is no deadline for reporting.

### Scenario two

With virtually all other insurers, it's highly likely the insurer may seek to deny the claim as it was reported after the end of the policy year.



**Extended liability**

Extended liability relates to when an injury or damage happens. Extended liability allows a future claim to be paid for future injuries that relate to an injury notified as a claim or circumstance in the current policy year.

Without extended liability, you are potentially exposing yourself to lengthy disputes - especially if you change your insurer over the years. Disputes are commonplace as to which insurer should provide cover for claims which emerge over time.

Extended liability is an ongoing benefit of remaining with Chubb. As we provide you with hassle-free, extended liability for every policy year, there will be no burden of managing disputes between insurers. Chubb gives you confidence in how claims will be paid now - and in the future.

**Situation**

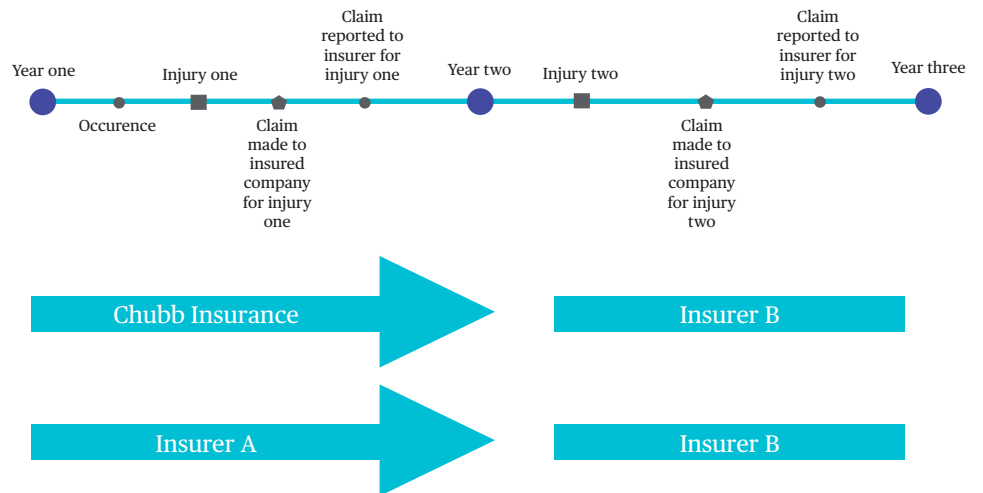
In year one, a batch of faulty hip devices was made. A patient showed symptoms and made a claim the same year. Another patient made a claim in year two.

**Scenario one**

The manufacturer was insured with Chubb in year one only. Whilst Chubb wasn't the insurer in year two, it had provided extended liability in year one for occurrences that caused future injuries. The claims in year one and year two are paid by Chubb. This will apply for future years - whether Chubb is on cover or not.

**Scenario two**

Without Chubb and extended liability, the insurers must discuss responsibility for paying the claim in year two. This could lead to negotiations and delay - and the claim could be unpaid if there is a gap in cover.



## **Loss scenarios**

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### **With Chubb's life sciences insurance policy, the answer is YES for all these scenarios:**

Due to a defect in your manufacturing processes, a medical device cannot be used - causing a hospital or clinic to sue for lost profits. *Will you be insured for such a financial loss?*

You suffer property damage at a crucial stage in the research and development (R&D) of your new product. *Will you be insured for your operational expenses and milestone payments?*

You receive an injection of funding that enables you to conduct a human clinical trial on your product. *Can you get insurance cover in the middle of your policy year? How can you quickly and efficiently coordinate the necessary certification process for multiple countries?*

A batch of faulty hip replacements sold during a previous insurance policy year caused claims during that time, but new injuries happened several years later to more than 30 people. *Would an occurrence causing future injuries to multiple people be insured?*

## **Liability policy highlights**

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### **First party coverages**

Chubb provides a range of first party covers to help mitigate or avoid a future third party claim, including product recall expense, privacy breach remediation expenses, first aid expenses, court attendance costs and unpaid fees and expenses for products / services rendered.

### **Extended liability**

Chubb eliminates certain 'end of policy period' restrictions for injury or damage that can exist in other policies.

### **Additional insured status to a wide range of parties**

Chubb provides automatic coverage to a range of contractors / suppliers your client agrees to cover under a contract or agreement (e.g. contract research, contract sales, vendors, ethics committees, clinical trial investigators and legal representatives). It removes the need to purchase separate covers.

### **Clear division between bodily injury and financial injury**

By having products and services cover in both the products liability and E&O sections, Chubb removes any potential gaps in cover.

### **'Essentials' endorsement**

Chubb offers a scaled cover solution for clients on a tight budget with our 'Essentials' endorsement.

## **Property policy highlights**

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### **R&D operations cover**

Standard business interruption cover won't adequately cater for the complexities of R&D operations in life science companies. Chubb has tailored cover to help return the client to usual operations as quickly as possible. For example, lost income / expenses to restore a business, lost income due to product delay and lost milestone payments.

### **Scientific animals coverage**

Provides cover not only for the replacement cost of the pre-R&D animal, but also covers the cost associated with the R&D work invested into the animal.

### **Condemned undamaged property**

Undamaged property can be condemned under government regulations following a property loss. Chubb's property policy provides cover for consequential loss to undamaged condemned property as a result of covered damage to other property.

### **Change in controlled environment coverage**

All-risk approach for covering spoilage or damage to perishable property stored in temperature controlled environments.

## **We like to insure**

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- Medical device companies
- Biotech and biologic
- Dental and veterinary products
- Pharmaceutical companies
- Dietary supplement and complementary medicine companies
- Research and laboratory environments
- Plus service providers to all those listed - including manufacturers and distributors
- Healthcare information technology companies
- National and multinational clinical trials

## **Also available**

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Chubb can also provide policies such as marine transit, directors & officers' liability, crime and corporate travel, providing a complete insurance solution for your life science client. For further information, contact your local Chubb underwriter or visit [www.chubb.com/au](http://www.chubb.com/au)

### About Chubb in Australia

Chubb is the world's largest publicly traded property and casualty insurer. Chubb, via acquisitions by its predecessor companies, has been present in Australia for over 50 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages include Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities as well as Accident & Health, for a broad client base, including many of the country's largest companies.

More information can be found at [www.chubb.com/au](http://www.chubb.com/au)

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