

Berkley Life Sciences Fills Coverage Void with Drug & Medical Device Shortage Coverage

Life science companies struggling to address the growing shortage of critical life science products are potentially facing new litigation risks – and are quickly becoming aware that their existing insurance leaves them unprotected and vulnerable.

No Coverage under Traditional Liability Policies

Traditional product liability policies generally do not address claims alleging injury to patients due to the unavailability or rationing of a product: they provide coverage only where product use or exposure causes bodily injury. For this reason traditional liability policies may not even provide a defense to product shortage claims. This creates a serious coverage gap for life science companies that could result in significant uninsured loss.

Berkley Life Sciences Fills the Gap

Berkley Life Sciences has designed insurance specifically to address product shortage losses. Provided as an enhancement to its innovative LS Prime® Insurance Policy, Product Shortage Coverage responds to third party claims of injury due to the unavailability or rationing of a life science product. Even though a court may ultimately refuse to sanction a product shortage claim, coverage is available for the cost of defense.

Unique First Party Expense Coverage also Offered

In addition to the threat of litigation, life science companies often incur significant first party costs to address public concern over a product shortage. Berkley Life Sciences has created a novel insurance product to reimburse the insured for these first party costs, which can include such items as responding to the FDA; monitoring customers' health conditions throughout the shortage; and locating stolen or counterfeited product.

A Full Array of Coverage

Product Shortage Coverage further enhances the existing comprehensive array of insurance offered through LS Prime®. “The AMA has declared the growing unavailability of life saving and life enhancing products to be a ‘national public health emergency,’” commented Jill Wadlund, President of Berkley Life Sciences. “This pronouncement has spawned attempts by some law firms to hold the pharmaceutical and medical device industry responsible for critical product shortages. Berkley Life Sciences continues to pay close attention to the issues impacting our customers, and has responded by developing a life science-oriented, innovative coverage to address both the litigation risks and increased first party costs associated with a product shortage crisis.”

Learn More about this Coverage

To learn more about Product Shortage Coverage for life science companies, contact a Berkley Life Sciences underwriter today!

About Berkley Life Sciences, LLC

Berkley Life Sciences, LLC, a member company of W. R. Berkley Corporation, is solely dedicated to serving the needs of the life science industry, providing sophisticated, innovative insurance products and services to life science customers of all sizes.



About W. R. Berkley Corporation

Founded in 1967, W. R. Berkley Corporation is an insurance holding company that is among the largest commercial lines writers in the United States and operates in five segments of the property casualty insurance business: specialty insurance, regional property casualty insurance, alternative markets, reinsurance and international.

For more information about Berkley Life Sciences, visit www.berkleys.com or contact Emily Urban, SVP, at 609.844.7800 or eurban@berkleys.com.