



# Insurance

Torts  
Eric E. Johnson  
ericejohnson.com



Konemark  
Most rights sharable


Some key things to know  
about insurance:

- Endorsements
- Incentives
- Regulation

## About endorsements ...

- An obligation to procure insurance
  - Can be worthless if breached.
  - To protect client interests, must get endorsement.

POLICY NUMBER: 10 CSE C 121E  
ENCL. #7

THE HARTFORD 

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY

ADDITIONAL INSUREDS - EMPLOYEES ENDORSEMENT

IT IS AGREED THAT THE "PERSONS INSURED" PROVISION IS AMENDED TO INCLUDE ANY EMPLOYEE OF THE NAMED INSURED WHILE ACTING WITHIN THE SCOPE OF HIS DUTIES AS SUCH.

THE INSURANCE AFFORDED BY THIS ENDORSEMENT ALSO APPLIES TO ANY STUDENT OR STUDENT TEACHER WHILE ACTING AT THE DIRECTION OF THE NAMED INSURED AT THE NAMED INSURED'S HEALTH CARE FACILITIES OR OTHERWISE ACTING ON BEHALF OF THE NAMED INSURED.

This endorsement does not change the policy except as shown. 2640028060

Form BH 12 01 11 88 Printed in U.S.A.

TG INTERNATIONAL INSURANCE BROKERAGE, INC.  
Policy GO-609

ENDORSEMENT #1  
NAMED PERILS PROGRAM CERTIFICATE

The above referenced certificate is hereby endorsed to include the following:

TRANSIT CLAUSE: Coverage attaches from the time the goods leave the origin designated on the certificate for the commencement of the transit, and continues until the goods are delivered to consignee, consignee's residence, or other final warehouse or place of storage at the destination named on the certificate.

- (A) Insurance coverage terminates on the date/time shipment is accessed.
- (B) Insurance coverage terminates immediately if any of the insured property is released from the Through Bill of Lading Household Goods Carrier to named insured or their designated representative while shipment is enroute to destination.
- (C) Does not cover goods while in storage.

All other terms and conditions of coverage remain unchanged.

EFFECTIVE DATE OF THIS ENDORSEMENT IS: August 8, 2002

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF THE CERTIFICATE.

BROKER: TG INTERNATIONAL INSURANCE BROKERAGE, INC.

ADDRESS: 27352 CALLE ARROYO, SAN JUAN CAPISTRANO, CA U.S.A.

DATE OF ISSUANCE: August 8, 2002

AUTHORIZED SIGNATURE: Sandra S Noonan  
Sandra S. Noonan

太阳能电池生产企业产品责任保险证明  
CERTIFICATE OF PRODUCTS LIABILITY  
INSURANCE

Ref No: SDCLP06000199S

有效期限	Valid to: May 7 <sup>th</sup> , 2010	产品型号	太阳能电池片, 太阳能
企业名称	浙江奇雷光伏科技有限公司	号	电池组件
Holder	Zhejiang Shuangrong Technology Co., Ltd.	Product	SOLAR CELL, SOLAR MODULE
生产基地	浙江省嘉兴经济技术开发区	追溯日期	
Manufacturing	Nanjiang Economic Development	Retrospective	From May 4 <sup>th</sup> , 2008
Plant	Zone, Xiaoshan Jiangsu, Zhejiang, China	Product of	
保证方式	产品责任保险	保险公司	Sun Alliance Insurance
Warranty	Products Liability Insurance	Insurer	(China) Limited
Style			

保险范围  
Scope of Cover (Liabilities which are insured)

Legally liable to pay in respect of claims made against the Insured arising from bodily injury to or illness or death of or loss of or damage to property of one or more persons using, consuming or handling the insured products or goods, or of any other persons consequent upon an occurrence taking place in the territory of coverage within the period of insurance caused by products or goods manufactured or sold by the Insured stated in the Schedule.

In respect of any claim covered under this Policy, the Company shall in addition indemnify the Insured against the relevant legal costs payable by the Insured and other expenses incurred in the above mentioned occurrence with the prior written consent of the Company.

备注  
上述列明企业生产、销售的产品已由以上海分公司提供产品责任保险。  
All the aforementioned products of the Holder are covered by the Products Liability Insurance Policy issued by the Insurer above.

日期: 2009.5.8  
Date: May 8<sup>th</sup>, 2009  
授权签署  
Authorized Signature  
Chief Account Manager

请立即下载或访问本保单在本网页的链接, 请至本公司官方网站查看 www.allianz.com.cn  
If you wish to find out more about the terms or a list of exclusions of this policy, please log onto our website at [www.allianz.com.cn](http://www.allianz.com.cn)

上海安联保险经纪有限公司 Allianz Insurance Brokers & Consultants Co., Ltd.  
194, Siping Road, No. 310, Pudong Avenue, Shanghai 200120, P. R. C. Tel: (86 21) 5175 5111 Fax: (86 21) 5176 4528

## About incentives ...

- Asymmetry of incentives and bargaining power
- Insurance companies have incentive to
  - Sell more policies
  - Avoid paying claims
- Insurance companies can do this by being clever about "fine print" and dragging feet on paying claims

## About incentives ...

- Insurance customers have incentive to
  - Not buy insurance until they need it
  - Avoid seeming risky
  - Take less care when insured
- IOW, both sides have incentives:
  - to hide what they know
  - otherwise take the risk out of risk

### **About regulation ...**

- Insurance is heavily regulated at state level
- Regulation limits "fine print" subversions of bargain by insurers
- Regulation forces insurers to pay claims without litigation

### **About regulation ...**

- Regulation may force customers to purchase insurance in order to:
  - Keep premiums affordable (e.g., auto insurance, original Affordable Care Act's individual mandate)
    - If only ultra-risky people buy insurance, premiums will be ultra high
  - Provide a source of payment for third parties (e.g., auto liability insurance)

### Review question:

- Hexetron Mfg's sales contract with Geno's General Store obligates Hexetron to add Geno's to its products liability policy with IIG Insurance Co.
- Hexetron never follows through on this.
- Geno's incurs a huge products liability judgment. And now Hexetron is insolvent. Can Geno's recover from IIG?

### Review question:

- Hexetron Mfg's sales contract with Geno's General Store obligates Hexetron to add Geno's to its products liability policy with IIG Insurance Co.
- Hexetron never follows through on this.
- Geno's incurs a huge products liability judgment. And now Hexetron is insolvent. Can Geno's recover from IIG?
- **NO. Geno's should have gotten the endorsement. Without it, Geno's is not insured and gets no benefit of insurance.**