

Life Sciences Property Insurance for Undamaged Property

CHUBB®



In the fast moving, fiercely competitive Life Sciences industry, innovation is a must and companies face many risks. A strict regulatory environment creates even more challenges and complexity. Companies face potential loss scenarios in which property suffers a reduction in value despite not suffering direct physical loss or damage. Many insurance policies lack affirmative coverage grants for undamaged property, exposing companies to the risk of absorbing a costly uninsured loss

Loss scenario #1: Condemnation of undamaged stock

A small wastepaper basket fire in a pharmaceutical warehouse with \$20 million of stock is quickly extinguished by the facility's sprinkler system. While \$8 million of stock has been damaged by fire, water or smoke, testing shows that the remaining \$12 million of stock suffered no direct physical loss or damage. However, because the product is a biologic drug, the FDA condemns all of the stock. Since there

is no direct physical loss or damage to this \$12 million worth of stock, most property insurance policies would not respond.

Chubb's Insurance Solution

Regulators act out of caution in the interest of public safety, and you could find yourself in a situation where you are directed to dispose of undamaged stock after a partial loss. Chubb's Condemnation of Undamaged Stock insurance fills this potential insurance need. Limits of insurance are available up to the full value of your stock (you can match limits between Stock and Condemnation of Undamaged Stock), helping to insure your company against any losses.

Loss scenario #2: Failure to meet specifications

A brief power surge at a third-party medical device sterilization facility causes a twenty-second loss of electricity before power is restored. Artificial hearts undergoing sterilization at the time have to be discarded because of the deviation from the device master

record filed with the FDA. Because there was no physical damage to the products, most property policies would not insure the loss.

Chubb's Insurance Solution

Chubb's Failure to Meet Specifications insurance doesn't require any direct physical loss or damage to property. If your undamaged property loses value because it falls outside of specifications (acceptance criteria established prior to loss, and required by law) due to a covered peril, this coverage grant may apply.

Why Chubb?

- **Experience:** Chubb has been a leader in offering state-of-the-art property and casualty insurance protection to Life Sciences companies for more than 25 years.
- **Expertise:** We have dedicated Life Sciences underwriters, claims and loss control specialists focused exclusively on providing a broad range of global insurance solutions tailored for companies like yours.
- **Global reach:** We have offices in 54 countries, giving us knowledge of local business conditions and trends, and helping assure a fast, personal response to your claims anywhere in the world.

Contact Us

To learn more about how a Life Science Insurance Program can benefit your company, contact your broker or local Chubb Underwriter today.