

Insurance for the Life Science & Medical Device Industry



HUB International serves a diverse range of clients in the Life Science and Medical Device sector with research and operations in United States and worldwide. Our industry expertise allows us to adapt your [insurance and risk management program](#) to your business plan and management objectives, in turn, mitigating your overall exposure and cost of risk.

HUB's brokerage services uphold the following key qualities:

- Medical Device Industry specific expertise and commitment
- Substantial leverage in negotiations with specialty carriers
- Minimizing cost, yet maximizing client options and solutions to risk
- Working knowledge of the insurance marketplace and legal climate affecting placements
- Proactive engagement and ongoing client consultation
- Full international access and capabilities



CONTACT US

Medical Device & Life Science Firms face unique insurance concerns including:

Importance of Product Liability Insurance
Government Approval and Access to foreign insurance placements
[Clinical Trials Liability](#)
[Directors' & Officers' Liability](#)
[Research and Development and Interruption of Business](#)
[Patent Infringement](#)
[Professional Liabilities](#)
[Property Replacement](#)
[Key Employee Replacement Expenses](#)
[Pollution/Bio-contamination/Environmental Liability](#)
Manufacturers Errors and Omissions
Coverage for Change in Temperature/Spoilage
Product Recall

HUB can help you examine these risk management and insurance issues as well as provide effective solutions.

INDUSTRY EXPERIENCE IN MEDICAL DEVICE AND LIFE SCIENCES

HUB provides brokerage services for private and public companies and non-profit organizations involved in:

Medical Device Manufacturing & Distribution

To find out how we can assist your Medical Device or Life Sciences company, please contact:

Kevin Allgood, AAI, ARM
VP & Life Science Practice Leader
312.279.4628
kevin.allgood@hubinternational.com

Kevin Allgood has been insuring the property and casualty needs of medical device and life science companies for over 20 years. He specializes in invasive devices and global insurance placements.

Mr. Allgood works equally well with both established and start-up, private and public life science and medical device companies. His unique underwriter relationships and thorough understanding of the differences in policy terms and conditions makes him an accomplished client advocate.

A sample listing of the specialty carriers HUB International represents are shown below.

Medmarc[®]

Life Science Engineering and Development Firms
Medical Device Servicing Companies
Medical Technologies and Systems
Pharmaceutical, Drug and Neutraceutical Distributors and Manufacturers



PRODUCTS LIABILITY

Potential legal liabilities associated with products are always difficult to assess and forecast. Contractual relationships among manufacturers, distributors and customers can substantially influence legal liability for bodily injury or property damage involving products. HUB is experienced in clarifying contractual responsibilities of domestic and foreign manufacturers or distributors and minimizing the cost of financing/insuring these risks.



Issues we analyze with regard to product liability include:

- Adequacy of policy limits (per claim and policy aggregate)
- Treatment and control of defense costs
- Impact of deductibles
- Contractual risk transfer, including Hold Harmless/Indemnification Agreements
- Impact of foreign manufacturers on legal liability
- Contingent liability issues
- Vendors' extensions
- Implications of "claims made" policy form
- Discontinued product lines and legacy liability issues
- Regulatory clearances
- Quality control factors
- Punitive damages
- International courts jurisdictions



CLINICAL TRIALS LIABILITY

Clinical Trials coverage protects management and the organization from potential liabilities associated with sponsoring or conducting clinical trials. The coverage is excluded from the basic commercial liability insurance policy and there are only a limited number of insurers worldwide willing to underwrite the risk. Placing the risk requires a knowledgeable broker with access to negotiate and place coverage internationally.



DIRECTORS' AND OFFICERS' LIABILITY

Companies in a start-up or early development phase can find it more difficult to source [Directors' and Officers' \(D&O\) Liability Insurance](#). Your broker's ability to advocate the long term viability of your business to underwriters contributes to the availability and quality of D&O coverage you may obtain. In addition, HUB International understands the relationship between D&O insurance and Clinical Trials, IPO's, U.S. listings, Mergers and Acquisitions, intellectual property and various financing arrangements, and is able to maximize coverage while minimizing cost.



CORPORATE ENTITY COVERAGE

Many D&O policies do not provide coverage for the corporate entity. However, extending coverage to the corporate entity is important for securities claims and employment practices liability as the corporation is almost always named as a principal target defendant. HUB can demonstrate instances in which we have found innovative ways to add entity coverage to the policy, while maintaining robust coverage for the protection of the directors and officers.

RESEARCH AND DEVELOPMENT AND BUSINESS INTERRUPTION

Standard insurance policies do not normally cover the potentially substantial losses

related to the restoration of research and development project that has been impaired or destroyed in some way. Some of the variables that need to be considered in analyzing this exposure are such things as the projected cost of restoration, coverage limits, locations, back-ups, time periods established in contracts, and the reliance on key suppliers or customers.

HUB assesses and manages coverage to mitigate the impact of business interruption on business income including contract revenues, licensing fees, consulting fees, funding grants or progress payments that would have been earned by or awarded to your R & D operation.

PATENT INFRINGEMENT

Insurance solutions are available to address the legal costs associated with defending patent claims made against your organization, or to fund the legal pursuit of others allegedly infringing on your patent rights.

PROFESSIONAL LIABILITY

HUB is very experienced at assessing potential malpractice and professional liability exposures related to instructing and training physicians and manufacturers' representatives on the proper use and installation of products. HUB examines the policy language so that coverage is afforded for claims arising from "improper training or poor advice," which is a standard exclusion for all general liability policies.

PROPERTY REPLACEMENT

Damage to your building, contents, equipment or supplies is normally covered under property insurance policies. However, key issues unique to the Life Science Industry include:

- Contractual requirements for equipment supplied under special loans/financing;
- Electronic information/intangible property;
- Replacement cost of technologies;
- Contamination and spoilage perils (both on and off premises or in transit).

KEY EMPLOYEE REPLACEMENT EXPENSES

When a key employee is killed or permanently disabled, a firm may face significant business interruption costs as well as hiring, training and relocation expenses. HKMB HUB specializes in sourcing a form of business interruption coverage designed to pay such expenses.

POLLUTION/BIO-CONTAMINATION/ENVIRONMENTAL LIABILITY

Life Sciences and Bio-Tech companies can be subject to unique environmental exposures, such as biocontaminants, or refrigerant and radioactive contamination, that present significant loss potentials. In some cases, coverage is available for sudden and accidental discharge, dispersal, seepage, migration, release or escape of such contaminants at your premises.