



LifeScienceRisk®

# LifeScienceRisk Proposition 65 Coverage

## OVERVIEW

LifeScienceRisk (LSR) has developed a first-of-its-kind Proposition 65 Insurance Coverage for the Dietary and Herbal Products industry.

## WHAT IS PROPOSITION 65?

In 1986, the state of California enacted "The Safe Drinking Water and Toxic Enforcement Act" commonly known as Proposition 65 (Prop 65). Prop 65 informs Californians of their exposure to chemicals that have the potential to cause cancer, birth defects or reproductive toxicity found in consumer products. Consumables subject to Prop 65 include Dietary and Herbal Products. Effective August 30th, 2018, California will implement new Proposition 65 warning label regulations. They are: 1) the label must identify at least one chemical element; 2) use of safe harbor wording; 3) use of new warning symbol (⚠️ yellow triangle with exclamation point). Failure to comply with these regulations may result in civil law suits.

## WHO SHOULD BUY COVERAGE?

- Manufacturers
- Contract Manufacturers
- Distributors and Formulators

## WHY COVERAGE IS NEEDED

Over 500 Dietary and Herbal companies that sell, distribute and/or manufacture products have received Notice of Violation letters to date. Companies found in violation of Prop 65 have incurred significant plaintiff settlements for civil penalties or payments in lieu of penalties, reimbursement of plaintiff costs and defense expenses. The average settlement involves two years of burdensome litigation; in some cases, suits have lasted longer than five years.

## COVERAGE HIGHLIGHTS

- Limits: \$500,000 or \$1,000,000
- Deductibles: \$5,000, \$10,000, \$25,000
- Claims Made Coverage for Civil Penalties and Defense Costs
- Rating Basis: California Revenue
- Specified Chemical Element Coverage for:
  - Lead
  - Cadmium
  - Arsenic
  - Mercury
  - Chromium
  - Dioxins and/or PCB's in Fish Oils
  - Pulegone
  - β-Myrcene
  - Goldenseal Root Powder
  - Aloe Vera Non-Decolorized whole leaf extract
  - Naphthalene
- Defense Panel Specializing in Proposition 65
- Completed, Signed and Dated Application Required

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