



Product Liability Insurance

CMF Global, Inc. holds products liability insurance policies, issued by major insurance carriers, covering damages arising from product failures caused by manufacturing/design defects of the products we supply.

These products liability insurance policies cover the AquaFuse System Products – High Density Polyethylene (HDPE) pipe, HDPE valves, HDPE fittings, HDPE fusible branch saddles, and AquaFuse branded swing joints.

The policies cover damages (including labor and material required to repair the damages) caused by a manufacturing/design product defect.

Damages covered include property, personal injury, material, death, etc.

One policy covers products liability within the USA. A second policy covers products liability outside the US (with the exception of a few blocked countries).

Each policy has a \$1 million limit “per occurrence” and a \$2 million aggregate limit.

Example: Let us say that a golf project has just been completed and is open for play and operational 3 months after the end of construction.

We assume that the cost to build one USGA specification, 6,000 sq. ft. green is \$75,000, from dirt to finish.

We assume that an irrigation system failure causes one half of the green to wash out. So that the green is unusable after that.

Of course, it is not immediately known what caused the irrigation system failure. It could be an installation error or it could be a manufacturing defect.

The Club needs the green fixed so the course can be played.

The Club brings back the contractor to fix the problem, because it is within the contractor’s warranty.

The contractor has to mobilize his repair crew, fix the leak, and rebuild the green.

The repairing the leak and rebuilding the green may cost \$100,000 or more in labor and materials.

As soon as the contractor suspects that the problem was caused by a failure of an AquaFuse product, it notifies CMF Global. CMF Global notifies the Insurance Company. The insurance company and the manufacturing plant investigate the cause of the failure.

If the product failure is determined to have been caused by a manufacturing/design defect in the product, the Insurance policy will pay the claim – the reasonable cost of repairing the leak and rebuilding the green, which may be as much as \$100,000 or more in labor and materials.

Benefit to the Club: The Club benefits because the cost of repairing golf course damage caused by a defective product is reimbursed by the insurance policy. When it purchases AquaFuse products from CMF Global, the Club knows that these products are backed not only by the AquaFuse 25 year limited warranty, but also by major insurance companies.

Benefit to the Contractor: The Contractor benefits because it is reimbursed for the reasonable costs of fixing the damaged green.

In short: The Club gets problem resolved by insurance claim, and the Contractor has no out of pocket expense from fixing the problem.



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