

## WORLD NEWSPAPER

### **Babadoğan: The importance of Product Liability Insurances is rising**

Global companies have started to make the 'product liability insurances' necessary in their agreements. The recall of the car due to faulty parts, material and physical damages that can be caused by the products to the third parties, product recall and the financial loss due to the product recall this should all be taken under insurance guarantee.

Cenk Babadoğan, the chairman of board of directors of CNK Insurance and Reinsurance Broker Agent Limited Company, who consults to the production and manufacture sector, said that 'Anyhow product liability insurances became indispensable for automotive industry. If an auto. part fault is found after it is installed, all the vehicles which are ready for sale or which are already sold are collected due to the product recall plan. When a company that has a 'Product Recall Policy' faces a situation like this, it would be covered by this policy within its limits. The importance of 'product liability insurances' is increasing where export is spreading especially to Europe, North America and worldwide and showing variety and that this insurance has a different importance for the automotive industry. And he has added that the material and physical damages that can be caused by the products to the third parties, product recall and the financial loss due to the product recall should be taken under insurance guarantee in this competitive market. These types of damages are covered by Liability Policies.

Cenk Babadoğan said that a company which produces auto. parts would cover any damages to the third parties and/or to the properties that would be caused by the vehicle with Product Liability Insurance Policy when a technical problem occurs arisen from that auto. part.