

Poms & Associates

Insurance Brokers, Inc.

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Poms & Associates Dietary Supplement Practice Leader Greg Doherty Comments on Prop 65 Coverage

Greg Doherty is quoted in the *Natural Products Insider* article, "Poms Provides Prop 65 Coverage" discussing the increasing interest from the nutraceutical industry to seek Prop 65 protection from its suppliers. Online retailer BodyBuilding.com spurred the trend, asking suppliers to certify in writing that their products are Prop 65 compliant, or use the appropriate warning label.

According to Mr. Doherty, "Regular product liability insurance may not cover Prop 65 lawsuits," adding, "within the past 60 days an insurance product covering Prop 65 claims has indeed been introduced, and companies doing business with BB.com may want to back up their certification with liability insurance, as opposed to just their signature on a certification."

Mr. Doherty went on to state, "Prop 65 claims are covered under a broader umbrella clause called false advertising coverage, which before now has not been available at all. The new policy specifically defines what constitutes 'false advertising,' which will trigger the coverage."

According to the article, the average Prop 65 settlement cost, including attorney fees, exceeds \$100,000. To avoid these potential costly penalties, Mr. Doherty encourages companies with their own branded products sold in California to consider this new insurance option.



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