

A large industrial facility, possibly a refinery or chemical plant, is engulfed in intense orange and yellow flames. Thick smoke billows from the burning structures, obscuring parts of the facility. The scene conveys a sense of a major industrial accident or fire.

optima

Public Liability Insurance (Act only)

Public Liability Insurance Act 1991 provides compensation to victims of an accident which occurs as a result of handling of any hazardous substance. The Act applies to all owners associated with the production or handling of any hazardous chemicals.

Public Liability Insurance (Act Only) covers the risk of compensation to be paid under the Act.

"Handling", in relation to any hazardous substance, means the manufacture, processing, treatment, package, storage, transportation by vehicle, use, collection, destruction, conversion, offering for sale, transfer or the like of such hazardous substance;

"Hazardous substance" means any substance or preparation which is defined as hazardous substance under the Environment (Protection) Act, 1986 (29 of 1986), and exceeding such quantity as may be specified, by notification, by the Central

It is important to understand who is the "**Owner**" as the Act directly makes them responsible for providing the accident relief. As per the Act the "**Owner**" means any person who owns, or has control over handling any hazardous substance at the time of accident and includes;

- (i) in the case of firm, any of its partners;
- (iii) in the case or a company, any of its directors, managers, secretaries or other officers who is directly in charge of & is responsible to the company for the conduct of the business of the company

As per the Act:

1. The Liability of the Owner, per accident, is equal to Paid Up Capital of the firm or company with maximum liability up to Rs. 5 Cr.
2. The Liability of the Owner, per year, is upto a maximum of Rs. 15 Cr.
3. In case of a claim by any Third Party, the claimant is not required to prove any negligence or fault of the owner.
4. Apart from death the Act also imposes penalty for "**Injury**" which includes permanent total or permanent partial disability or sickness resulting out of an accident.
5. The claim award and settling authority is the District Collector.

Some of the industries which have to Public Liability Insurance (Act Only) are:

1. Chemicals & fertilisers
2. Pharmaceuticals
3. Industries using bulk LPG in tanks like Engineering workshops, food manufacturing, textiles
4. Distilleries
5. Thermal Power plants
6. Refineries of various types,
7. LPG plants
8. Petroleum based industries
9. Industrial gas manufacturers and storage facilities
10. Logistics, storage & distributors handling any of the substances above
11. Glass & Ceramics mfg industries
12. Basic metals like Steel, Aluminium, Copper mfg
13. Cement mfg
14. Foundries
15. Coal handling & using plants
16. Paper & pulp
17. Synthetic rubber, resin & foam mfg
18. Vegetable oil
19. Manmade fibre mfg & leather tanning
20. Insecticides & pesticides
21. Paints & dyes

Does your business fall with the PLI (Act)? Please contact us if you would like to know more.