

Risk Control

Consumer Product Safety Improvement Act of 2008

On Aug. 14, 2008, the Consumer Product Safety Improvement Act of 2008 (CPSI Act) was signed into law. This amendment to the 1972 Consumer Product Safety Act creates tighter requirements and accountability at all levels of commerce for consumer and children's products.

The new legislation includes new standards and enforcement for products testing and certification of United States manufactured and imported consumer and children's products. A significant change is that children's products must be tested by Consumer Product Safety Commission (CPSC) accredited labs. The legislation definition for children is 12 years of age or younger. The testing timetables and lists of accredited labs are listed on the CPSC web site at <http://www.cpsc.gov/>.

Some Key Provisions and Important Dates:

As of Nov. 12, 2008, General Conformity Certification is required for manufacturers and importers of consumer products to validate compliance with CPSC standards.

The limits on the amount of lead allowed in children's products will be progressively reduced over the course of three years. By Feb. 10, 2009, products designed or intended primarily for children may not contain more than 600 ppm of lead. Lead levels must be further reduced to 300 ppm by August 2009, with additional future reductions required if technically feasible.

As of Feb. 10, 2009, three phthalates, Di(2-ethylhexyl)phthalate (DEHP), Bi-n-butyl phthalate (DBP), and Benzyl butyl phthalate (BBP), have been permanently prohibited in concentrations of more than 0.1% in "children's toys" or "child care articles." A "children's toy" means a product intended for a child 12 years of age and younger for use when playing, and a "child care article" means a product for a child 3 years of age and younger to facilitate sleeping, feeding, sucking or teething. Three additional phthalates, diisodecyl phthalate (DIDP), diisononyl phthalate (DINP), and di-n-octyl phthalate (DnOP), have been prohibited, pending further study and review. This interim prohibition applies to child care articles and toys that can be placed in a child's mouth that contain a concentration of more than 0.1% of the above phthalates.

Products that exceed these limits for lead and phthalates are considered Hazardous Materials and cannot be distributed or sold.

As of Dec. 12, 2008, all internet ads for children's toys and games must include required "cautionary statements." For printed retail ads, "cautionary statements" for children's toys and games need to be in place by Feb. 10, 2009.

By August 2009, permanent, distinguishing marks will be required on children's products and their packaging to facilitate ascertaining the specific sources of the products. The product and package markings must contain certain information, including the source of the product, the date of manufacture, and detailed manufacturing information such as a batch or run number. Also, manufacturers of durable infant and toddler products will be required to

Risk Control

provide customers with registration documents. These documents will enable purchasers to register as product owners, which in turn will help facilitate product traceability and recalls.

Consumer products not in compliance with the CPSI Act cannot be sold at discount, given away or exported. Note that enforcement authority is now shared with all 50 State Attorneys General and fines have been greatly increased.

Managing Your Risk

Importers have the same product liability responsibilities as U. S. manufacturers. Due to the difficulty in litigating product liability issues against foreign manufacturers, importers may be held solely accountable for the safety of foreign made products.

To mitigate potential exposures and ensure compliance with these regulations, all business entities involved with consumer and children’s products should understand and implement the requirements of this new law, as well as continually monitor legal challenges and CPSC changes to enforcement priorities and guidelines. Coordination of your compliance efforts with suppliers, distributors and other business associates is encouraged. In addition, it can also be beneficial to develop contacts with law firms having consumer product expertise, CPSC accredited consumer product testing laboratories, and applicable industry associations.

For more information about the CPSI Act and recent changes and decisions, see:

<http://www.cpsc.gov/ABOUT/Cpsia/cpsia.html>

For more information, visit our Web site at travelers.com/riskcontrol, contact your Risk Control consultant or email Ask-Risk-Control@travelers.com.



The Travelers Indemnity Company
and its property casualty affiliates
One Tower Square
Hartford, CT 06183

.....
The information provided in this document is intended for use as a guideline and is not intended as, nor does it constitute, legal or professional advice. Travelers does not warrant that adherence to, or compliance with, any recommendations, best practices, checklists, or guidelines will result in a particular outcome. In no event will Travelers or any of its subsidiaries or affiliates be liable in tort or in contract to anyone who has access to or uses this information. Travelers does not warrant that the information in this document constitutes a complete and finite list of each and every item or procedure related to the topics or issues referenced herein. Furthermore, federal, state or local laws, regulations, standards or codes may change from time to time and the reader should always refer to the most current requirements. This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers, nor is it a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law.