



# **JAMES K. RUBLE SEMINAR**

## **Ruble Graduate Seminar**

Pennsylvania

June 11-12, 2024



**JAMES K. RUBLE SEMINAR**  
**Ruble Graduate Seminar**  
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### **A Letter from William J. Hold, President/CEO**

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Let's take the first step.

William J. Hold, M.B.A., CRM, CISR  
President/CEO





## James K. Ruble Seminar

*a proud member of The National Alliance for Insurance Education & Research*

### Section 1

# **Insuring the Building Project: Builders Risk and Installation Floater**



## Insuring the Building Project: Builders Risk and Installation Floater



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## Challenges in Insuring a Construction Project

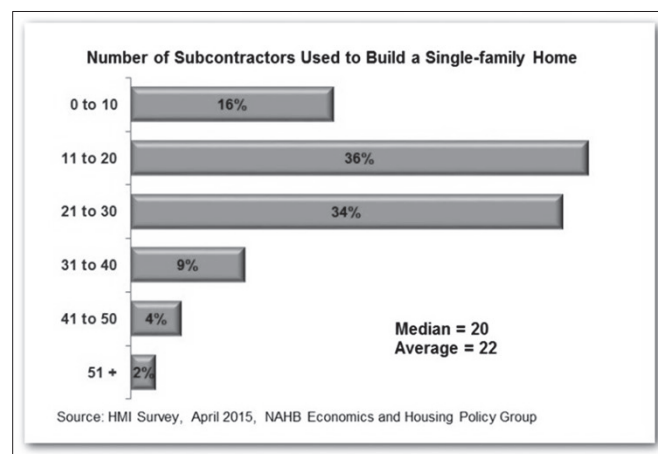
- Changing exposures
- Changing values
- Numerous parties involved
- Changing insurable interest

## Challenges in Insuring a Construction Project

### Numerous parties involved

- Project owner/developer
- Construction manager
- Architect
- Engineer
- General contractor
- Sub-contractors
- Material suppliers
- Lenders
- Others

## Parties in a Construction Project



## The Construction Contract

### **The American Institute of Architects (AIA)**

- Founded in 1857 by 13 architects to promote architects and architecture
- Documents Committee includes design, construction, law and insurance professionals.
- Catalog of nearly 200 forms and contracts
- Core documents are updated every 10 years (2017 forms are the most recent)

## The Construction Contract

### **ConsensusDOCS**

- A not-for-profit coalition of national associations representing diverse interests in the design and construction industry
- Documents were first released in 2007.
- Catalog of over 100 documents

### **Design-Build Institute of America (DBIA)**

- Advocates a single-source project delivery system that combines design and construction services
- Formed in 1993

## The Construction Contract

### **Engineers Joint Contract Documents Committee (EJCDC)**

- A joint venture of three major organizations of professional engineers
- Documents are prepared by a committee of project stakeholders including owners, contractors, funding entities, attorneys, professional liability insurers and sureties.
- EJCDC was formed in 1975, and the most recent documents were released in 2018.

### **Others**

**Standard contracts are often modified by the user.**

## General Considerations

- Each carrier's form is different.
- Know the needs of your customer.
  - Know the construction contract requirements
  - Know the requirements of other relevant contracts
  - Understand the project
- Discuss the customer's needs with your underwriter. Negotiate!
- Don't assume anything. Read all forms carefully!!!



## Who Can Be Covered Under BR?

- Named Insureds, Additional Insureds, Insureds, Loss Payees
- Possibilities include:
  - The project owner/developer
  - The general contractor
  - All subcontractors – “subcontractors of every tier”
  - Construction manager
  - Architects and engineers
  - Material suppliers
  - The lender
  - Others
  - Many forms include numerous parties by definition.

## Who Buys the Builders Risk Policy?

### **AIA Document A101 - 2017 Exhibit A**

#### §A.2.3 Required Property Insurance

##### §A.2.3.1

*...Unless this obligation is placed on the Contractor pursuant to Section A.3.3.2.1, the Owner shall purchase and maintain, from an insurance company...property insurance...*

### **EJCDC® C-700 (Rev. 1) – 2013**

#### 6.05 Property Insurance

*A. Builder's Risk: Unless otherwise provided in the Supplementary Conditions, Contractor shall purchase and maintain builder's risk insurance.....*

## Who Must be Covered? What Does the Contract Say?

### **SAMPLE CONTRACT LANGUAGE**

#### **AIA Document A101 - 2017 Exhibit A**

#### §A.2.3 Required Property Insurance

##### §A.2.3.1

*...This insurance shall include the interests of the Owner, Contractor, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.*

## Who Must be Covered? What Does the Contract Say?

### **SAMPLE CONTRACT LANGUAGE**

*This insurance shall include the Owner and Contractor as named insureds, and their respective members, partners, subsidiaries, affiliates, officers, directors, supervisors, staff, consultants, agents, subcontractors and employees, and any individuals or entities required by the Supplementary Conditions to be insured under such builder's risk policy, as insureds or named insureds.*

## Who Might Be Insured?

### Sample Policy Language

*If a signed construction contract requires they be included, and if the value of their work has been included in the contract value declared, the following are additional insureds:*

- *The principal and/or the principal's rep*
- *Architects*
- *Consulting engineer or designer*
- *Subcontractors and sub-subcontractors of every tier*

## Who Might Be Insured?

### 6. Named Insured

Any person or organization is included as a Named Insured when you have agreed in a written contract or written agreement, executed prior to loss, to name such person or organization as a Named Insured, but only to the extent of their financial interest in the Covered Property.

Any organization you newly acquire or form, other than a partnership or joint venture, of which you are the sole owner or in which you maintain the majority ownership interest, or any organization for which you are responsible for arranging insurance, but only with respect to their interest in the Covered Property, is included as a Named Insured ~~if there is no other insurance which provides similar coverage to that organization.~~

However, regardless of whether listed as a Named Insured in the Common Policy Declarations or included as a Named Insured under this Paragraph, the following are not Named Insureds:

- a. Any architect, engineer or other party or entity responsible for any design, specification or plan for the fabrication, erection or completion of Covered Property with respect to loss or damage that may be caused by such fault, defect, error or omission in such design, specification or plan; or
- b. Any contractor, manufacturer or supplier of machinery, equipment or other insured property that has agreed to remedy loss or damage under a guaranty or warranty.

## Whose Interests Can Be Covered?

### Sample Policy Language

*We cover the interest, which your subcontractors, your sub-subcontractors and your suppliers have in the Covered Property, but only while such property is situated at construction sites you have reported to us. This condition does not impair any right of subrogation we would otherwise have.*

**Note:** These additional entities are NOT insureds. Only their on-site interest is covered.

## Advantages to Including All as Insureds

- Provides coverage to various parties with insurable interest
- All parties have rights under the policy.
- Avoids having multiple policies responding to the loss
- Compliance with contract requirements
- Minimizes litigation/subrogation between the parties

## Waiver of Subrogation

### What does the contract say?

#### **AIA Document A201 - 2017**

*§11.3.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other; (2) the Architect and Architect's consultants; and (3) Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire, or other causes of loss, to the extent those losses are covered by property insurance required by the Agreement or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance. The Owner or Contractor, as appropriate, shall require similar written waivers in favor of the individuals and entities identified above from the Architect, Architect's consultants, Separate Contractors, subcontractors, and sub-subcontractors.*

## Waiver of Subrogation

### What does the contract say?

#### **AIA Document A201 - 2017 (continued)**

##### **§11.3.1**

*The policies of insurance purchased and maintained by each person or entity agreeing to waive claims pursuant to this section 11.3.1 shall not prohibit this waiver of subrogation. This waiver of subrogation shall be effective as to a person or entity (1) even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) even though that person or entity did not pay the insurance premium directly or indirectly, or (3) whether or not the person or entity had an insurable interest in the damaged property.*

## Waiver of Subrogation

### What does the contract say?

#### **AIA Document A201 - 2017 (continued)**

##### **§11.3.2**

*If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period to the extent permissible by such policies, the Owner waives all rights in accordance with the terms of Section 11.3.1 for damages caused by fire or other causes of loss covered by this separate property insurance.*

## Waiver of Subrogation

### What does the contract say?

#### **AIA Document A201 - 2017 (continued)**

##### **§11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance**

*The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Contractor and Architect for loss of use of the Owner's property, due to fire or other hazards however caused.*

## Waiver of Subrogation

### Good

- A Named Insured provision that includes the general contractor, all subcontractors, and others (where appropriate) as insureds
- Anti-subrogation rule - An insurer has no right of subrogation against its own insured for a claim arising from the very risk for which the insured was covered.

## Anti-Subrogation Rule

### Statutory Example

- Minn. Stat. § 60A.41(a) states that “[a]n insurance company ... may not proceed against its insured in a subrogation action where the loss was caused by the non-intentional acts of the insured.” Minn. Stat. § 60A.41(b) specifically prohibits an insurance company from subrogating “itself to the rights of its insured to proceed against another person ... insured for the same loss by the same company.”

### Common Law Example

- An insurer cannot pay a general contractor for its losses and then attempt to recover from a subcontractor who is named, directly, or indirectly, as an additional insured in the same policy. *Keystone Paper Converters, Inc. v Neemar, Inc.*, 562 F. Supp. 1046 (E.D. Pa. 1983).

## Waiver of Subrogation

### Better

A subrogation clause allowing the insured to waive recovery rights against others in writing prior to loss

### Best

A specific waiver of subrogation clause in favor of those covered by the policy and those protected in the contract

## Waiver of Subrogation – AAIS

### Subrogation Condition

*If “we” pay for a loss, “we” may require “you” to assign to “us” “your” right of recovery against others. “You” must do all that is necessary to secure “our” rights. We do not pay for a loss if “you” impair this right to recover.*

*“You” may waive “your” right to recover from others in writing before a loss occurs.*

**Note:** “You” means the persons organizations named as the insured on the declarations.



## Waiver of Subrogation – another approach

### Sample Language

*We will have no rights of subrogation against:*

- *any Named Insured*
- *any person or entity which is an Additional Insured under this Contract*
- *any other person or entity provided you have waived your rights of subrogation against them in writing prior to loss or damage but only to the extent of such written waiver.*

*You may not waive your rights of subrogation against any common carrier or public warehouseman for hire.*

**Note:** This form includes architects and engineers as Additional Insureds if a signed construction contract requires it.

## Waiver of Subrogation – yet another approach

### 11. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing prior to a loss under this Coverage Form.

You may waive your rights against another party after a loss under this Coverage Form only if, at time of loss, that party is one of the following:

- a. Someone insured by this insurance; or
- b. A business firm:
  - (1) Owned or controlled by you; or
  - (2) That owns or controls you; or
- c. Your tenant.

This will not restrict your insurance.

Any waiver under this Paragraph 11 to recover damages does not apply to:

- a. Any architect, engineer or other party or entity responsible for any design, specification or plan for the fabrication, erection or completion of Covered Property with respect to loss or damage that may be caused by such fault, defect, error or omission in such design, specification or plan; or
- b. Any contractor, manufacturer or supplier of machinery, equipment or other insured property that has agreed to remedy loss or damage under a guaranty or warranty.

## Disadvantages to Including All as Insureds

Who gets paid in the event of a claim?

- Most policies pay “You,” the Named Insured.
  - What if there is more than one Named Insured?
- Many policies allow the insurer to adjust losses with owners of damaged property if other than “you” and pay those owners.

Who gets paid?  
What does the contract say?

### AIA Document A201 - 2017

#### §11.5 Adjustment and Settlement of Insured Loss

*§11.5.1 A loss insured under the property insurance required by the Agreement shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The Owner shall pay the Architect and Contractor their just shares of insurance proceeds received by the Owner, and by appropriate agreements the Architect and Contractor shall make payments to their consultants and Subcontractors in similar manner.*

**Note:** Make sure policy language meets the contract requirements.

## Disadvantages to Including All as Insureds

Can the actions of one compromise coverage for others? Is there coverage for innocent insureds who do not breach policy conditions?

- Separation of Insured condition
- Does the form include this language?
- If not, can it be added?

### Sample Language

*This Policy shall apply as if a separate policy had been issued to each party provided that the total liability of the insurer to all parties collectively shall not exceed the sums insured and limits and sub-limits of liability specified in the Schedule or elsewhere in the Policy or endorsed thereto.*

Who is Covered?



What is Covered?

**Described project:**

100 Main Street, Anytown, USA - one-story fireproof building or structure to be occupied as a shopping center



### The Project Description

- Two story building being constructed at 100 Main Street, Wall Township, NJ
- Covered Property at Block 100, Lots 2,3,4, Wall Township, NJ
- Property of every kind and description and as included in the total project value - Contract #ABC123

## Property Generally Covered

### Permanent Works

- Building or structure under construction or being renovated
- Foundations
- Sitework - excavations, grading, filling
- Materials, supplies, machinery and equipment that will become a permanent part of described project
- Property owned by the insured and property of others for which the insured is liable



## Property Generally Covered

### Temporary Works

- e.g. scaffolding, construction forms, cribbing, falsework, temporary structures, temporary fencing
- Coverage may apply only on the described premises.
- Coverage often applies with a sublimit.
- The policy may include a separate coverage and sublimit to re-erect undamaged scaffolding and/or tower cranes.





## Property Covered

### **AAIS Form IM 7051 08 12**

*We" cover direct physical loss or damage caused by a covered peril to "buildings or structures" while in the course of construction, erection or fabrication.*

*"Buildings or structures" means:*

- a) buildings;*
- b) structures;*
- c) materials and supplies that will become a permanent part of the buildings or the structures; and*
- d) foundations, excavations, grading, filling, attachments, permanent fencing, and other permanent fixtures.*



## Property Covered

### Alternate Sample Language

1. Covered Property, as used in the Coverage Form, means:

Property which has been installed in, or is to be installed in any "commercial structure" or any one to four family dwelling, private garage or other structure that will be used to service the "commercial structure" or one to four family dwelling at the location which you have reported to us. This includes:

- a. Your property
- b. Property of others for which you are legally responsible;
- c. Paving, curbing, fences and outdoor fixtures;
- d. Trees, shrubs, plants and lawns installed by you or on your behalf;
- e. Completed single family dwelling which is being used as a Model Home when reported to us as such on monthly reports with an amount shown; and
- f. Foundations of buildings and foundations of structures in the course of construction

Note: "Commercial structure" means any structure other than a one to four family dwelling

## Property Usually Excluded

Land and Water (There should be a sitework exception.)

### Sample Language

*This policy excludes:*

- a. *Land and land values and the value of cut fill and backfill materials existing at the project site prior to project commencement; however, to the extent included in the contract bid documents and declared for premium purposes, the value of fill and backfill materials purchased for use in the completion of the project is not excluded. Notwithstanding the foregoing, labor and material charges incurred to move, remove, place or otherwise handle cut, fill and backfill materials, whether insured or uninsured in the foregoing, are covered to the extent such charges are included in the contract bid documents and declared for premium purposes;*
- d. *Water.....This exclusion does apply to loss of water contained in any process equipment, tank or pipe*





## Property Usually Excluded

- Contractors' tools and equipment
- Airborne or waterborne property
- Aircraft, watercraft, motor vehicles, trailers
- Maps, blueprints, plans
- Money and securities
- Existing buildings and structures



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- Maps, blueprints, plans
- Money and securities
- Existing buildings and structures

## Existing Buildings

### AAIS Form IM 7051 08 12

#### ***Standing Building Or Structure --***

*a. "We" do not cover any:*

- 1) standing "building or structure"; or*
- 2) part of a standing "building or structure"*

*that has been wholly or partially constructed, erected, or fabricated prior to the inception of this policy.*

*b. "We" do not cover any standing "building or structure" in the process of rehabilitation or renovation. Rehabilitation and renovation includes, but is not limited to, any additions, alterations, improvements, or repairs to an existing "building or structure".*

## Existing Buildings

### **Sample Language**

*We do not cover:*

- a. Existing buildings or structures to which improvements, alterations, repairs or additions are being made, unless we specify otherwise in writing*
- b. Buildings or structures in the course of construction that are more than 30% complete prior to the inception date of this policy unless we specify otherwise in writing; or*

## The Renovation/Rehabilitation Project

### Option #1

Insure existing structure and new work under a Commercial Property Policy (e.g. CP 00 10)

Pitfalls:

- Limited Named Insureds
- Property Not Covered (e.g. foundations, sitework)
- Limited Property off Premises
- Limited Property in Transit
- Cause of Loss Issues

## The Renovation/Rehabilitation Project

### Option #1

What about vacancy?

After 60 days, there is no coverage for loss by:

- |   |                           |
|---|---------------------------|
| ▪ Vandalism   | ▪ Building glass breakage |
| ▪ Sprinkler leakage (unless the system has been protected against freezing) | ▪ Water damage            |
|   | ▪ Theft                   |
|   | ▪ Attempted theft         |

Payment for any other covered cause is reduced by 15%.

Buildings under construction or renovation are not considered vacant.

## The Renovation/Rehabilitation Project

### Option #2

Insure existing structure and new work under a Builders Risk Policy.

- Existing structure coverage usually requires an endorsement.
- Valuation of existing structure is usually ACV.
  - Some insurers use stated value.
  - Does the contract require RC?
- If the business is being run during the renovation
  - Need Permission to Occupy
  - Business Income/Extra Expense Issues

## The Renovation /Rehabilitation Project

### Option #3

Insure the existing structure under a Property Policy, and the new work under a Builders Risk Policy.

- Claims settlement could be difficult, especially if different carriers are involved.
- The nature of the project could make this difficult (gut/rehab vs. adding a horizontal addition)
- **CP 14 20 Additional Property Not Covered** – Add to the property coverage to specify what is not be covered there.
- Two policies = two deductibles

## Property That May Be Excluded

- Underground pipes, flues drains, pilings; other underground works (e.g. wiring)
- Sidewalks and other paved surfaces (sometimes covered within a certain distance of the building)
- Landscaping materials, trees, shrubs, lawns, plants (There may be a giveback, often with a sublimit and limited perils.)

## Property Away from Jobsite

- Property in Transit/Property at a Temporary Storage Location
  - Form may require that property be specifically allocated to or identified with a covered project.
  - Form may not cover property at a contractor's premises if the contractor is an insured.
    - Contractor can insure as BPP on its property policy.
  - Form may cover only the Named Insured's property.
- Sub-limits normally apply.
- Contractor may be responsible under the construction contract for insuring the property before it reaches the jobsite.

## Coverage Territory

### Possibilities:

- US, its territories and possessions
- Canada
- Puerto Rico
- Continental US
- Worldwide
- Other

## When Does Coverage Begin?

- Policies cover property in the course of construction, erection, fabrication. (language varies)
- Consider pre-construction exposures
  - Off-site storage exposures
  - Transit exposures
  - Existing buildings



## When Does Coverage End?

Earliest of (common triggers)

- On expiration or cancellation date of policy
- The project has been abandoned.
  - with no intention to complete it
  - after a certain number of days of no work having been performed
- At completion of the job or within a specified number of days after completion (e.g. AAIS – 90 days)
- Named Insured's interest in the project ends.
- Project is accepted by the purchaser.
- Project is leased or rented to others.
  - watch the pre-construction lease/rent exposure
- Building is occupied for its intended purpose.

## Occupancy and Use

- When occupancy occurs, coverage ceases immediately or within a specified number of days.
- Permission to Occupy (usually for a certain number of days) can often be added by endorsement. Some forms include this automatically.
- The form may require that all planned fire protection and security systems are operational.
- Negotiate Permission to Occupy at the time you write the policy.

## Occupancy and Use

### Sample Language

*This coverage is void if, without “our” prior written consent:*

- 1. the building or structure described on the declarations is occupied in whole or in part; or*
- 2. the building or structure described on the declarations is put to its intended use.*

## Problem?

### Contract Language

The insurance must commence *before starting the Work* and must remain in effect until the earlier of (a) *until final payment has been made*, or (b) until no person or entity other than the Owner has an insurable interest in the property to be covered.

## The Policy Term

- Write coverage for at least as long as the expected length of the project.
- Don't count on being able to extend or renew the policy on favorable terms.
  - What if there have been claims?
  - What if market conditions have changed?
  - What will the rate look like on the extension or renewal?
- If you can't get coverage for the length of the project, try to negotiate a guaranteed extension or renewal.

## Covered Causes of Loss

- Open Perils coverage is the norm.
  - Coverage for direct physical loss to covered property applies unless otherwise excluded or limited.
- Named Perils coverage is less common.
- Construction contracts commonly require "All Risk" coverage.

## AIA A101 – 2017 Exhibit A

### **Required Property Insurance (§A.2.3.1)**

Unless this obligation is placed on the Contractor pursuant to Section A.3.3.2.1, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner's property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property Insurance shall be maintained until Substantial Completion and thereafter as provided in Section A.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Contractor, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.

## AIA A101 – 2017 Exhibit A

### **Causes of Loss (§A.2.3.1.1)**

The insurance required by this section A.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials.

## AIA A101 – 2017 Exhibit A

### **Specific Required Coverages (§A.2.3.1.2)**

The insurance required by this section A.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Contractor's services and expenses required as a result of such insured loss, including claim preparation expenses.

Sublimits, if any, are as follows:

.....

## AIA A101 – 2017 Exhibit A

### **Optional Extended Property Insurance (§A.2.4)**

- Loss of Use, Business Interruption, Delay in Completion
- Ordinance or Law Insurance
- Expediting Cost Insurance
- Extra Expense Insurance
- Civil Authority Insurance
- Ingress/Egress Insurance
- Soft Costs Insurance

## Causes of Loss - AAIS

*"We" cover risks of direct physical loss or damage unless the loss is limited or caused by a peril that is excluded.*

### Anti-Concurrent Causation Language

*"We" do not pay for loss or damage caused directly or indirectly by, or consisting of, one or more of the following excluded causes, events, or conditions. Such loss or damage is excluded regardless of other causes, events, or conditions that contribute in any sequence to or aggravate the loss, whether such causes, events, or conditions act to produce the loss before, at the same time as, or after the excluded causes, events, or conditions.*

AAIS IM 7051 08 12

## Causes of Loss

### Exclusions to which Anti-concurrent causation language often applies:

- Civil Authority/Governmental Action
- Earth Movement
- Flood and certain other water losses
- Fungus, Bacteria
- Nuclear Hazard
- Ordinance or Law
- War and Military Action

## Causes of Loss - AAIS

*"We" cover risks of direct physical loss or damage unless the loss is limited or caused by a peril that is excluded.*

### No Anti-Concurrent Causation Language

*"We" do not pay for loss or damage that is caused by or results from one or more of the following:*

**AAIS IM 7051 08 12**

**Note:** Some exclusions in both categories have ensuing loss exceptions for fire or other specified perils.

## Common Exclusions Dishonest or Criminal Acts

*We do not pay for loss or damage caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:*

- 1) *You*
- 2) *Others who have an interest in the property*
- 3) *Others to whom you entrust the property*
- 4) *Your partners, officers, directors, trustees, joint venturers, or your members or managers if you are a limited liability company; or*
- 5) *The employees or agents of 1), 2), 3), or 4) above, whether or not they are at work*

*This exclusion does not apply to acts of destruction by your employees, but we do not pay for theft by employees.*

*This exclusion does not apply to covered property in the custody of a carrier for hire.*

**AAIS IM 7051 08 12**

## Common Exclusions Civil Authority/Governmental Action

### **Civil Authority**

*Order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.*

*“We” do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.*

**AAIS IM 7051 08 12**

## Common Exclusions Damage to property in the open

### **Damage to property in the open by rain, ice etc.**

***Rain, Snow, Ice, or Sleet*** – *“We” do not pay for loss or damage caused by or resulting from rain, snow, ice, or sleet to property in the open that is not part of the permanent “building or structure.”*

*This exclusion does not apply to property in the custody of carriers for hire.*

**AAIS IM 7051 08 12**



## Common Exclusions

### e. Other Types of Losses

- (1) Wear and tear;
- (2) Rust or other corrosion, gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Frost or freezing;
- (4) Settling, cracking, shrinking or expanding of walls, floors, ceilings, foundations, pilings, patios, driveways or pavements;
- (5) Nesting or infestation or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

But if a Covered Cause of Loss results, we will pay for that resulting loss or damage caused by that Covered Cause of Loss.

Paragraph (6) of this exclusion does not apply to the extent coverage is provided under the Testing Coverage Extension.

## Common Exclusions Fungus

### **Fungus Exclusion**

*Except as provided under Coverage Extensions – Limited Fungus Coverage, the existence of or any activity of “fungus.”*

*But if “fungus” results in a “specified peril,” “we” cover loss or damage caused by that “specified peril.”*

*This exclusion does not apply to:*

- 1. Loss that results from fire or lightning; or*
- 2. Collapse caused by hidden decay*

**AAIS IM 7051 08 12**

### Fungus Coverage Extension

- Coverage applies if the fungus is a result of a specified peril (other than fire or lightning) or flood (if flood coverage is included.)
- Insured must have taken all reasonable steps to protect the property from additional damage at and after the occurrence
- \$15,000 aggregate limit

AAIS IM 7051 08 12

### Fungus Exclusion – Another approach

*Loss, damage or expense caused by or resulting from any form of fungus, however caused, including yeast, mold, mildew, smut, mushrooms, spores or any substance, product or by product produced by, released by or arising as a consequence of the past or current existence of fungus. Any expense to remediate the presence or effects of any of the foregoing shall also be excluded.*

*Provided a sublimit is entered in Sublimit of Liability (18) in the Risk Details, this exclusion shall not apply if such fungus results from loss or damage not excluded by this Section. [form had a \$100,000 limit]*

*This sublimit will apply within the Estimated Contract Value.*

## Common Exclusions

### Design Error/Faulty Work Exclusion

#### Sample Language

##### Defects, Errors and Omissions

*We do not pay for loss or damage caused by or resulting from an act, defect, error, or omission (negligent or not) relating to:*

- 1. design, specifications, construction, materials, or workmanship;*
- 2. planning, zoning, development, siting, surveying, grading, or compaction;*
- 3. maintenance, installation, renovation, remodeling, or repair;*

*But if an act, error or omission as described above results in a covered peril, we do cover that loss or damage caused by that covered peril.*



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## London Engineering Group (LEG)

### **LEG 1/96**

#### **Model “outright” Defects Exclusion**

“The Insurer(s) shall not be liable for

Loss or damage due to defects of material workmanship design plan or specification

## London Engineering Group (LEG)

### **LEG 2/96**

#### **Model “Consequences” Defects Wording**

“The Insurer(s) shall not be liable for

All costs rendered necessary by defects of material workmanship design plan specification and should damage occur to any portion of the Insured Property containing any of the said defects the cost of replacement or rectification which is hereby excluded is that cost which would have been incurred if replacement or rectification of the Insured Property had been put in hand immediately prior to the said damage.

For the purpose of this policy and not merely this exclusion it is understood and agreed that any portion of the Insured Property shall not be regarded as damaged solely by virtue of the existence of any defect of material workmanship design plan or specification

## London Engineering Group (LEG)

### LEG 3/06

#### Model “Improvement” Defects Wording

“The Insurer(s) shall not be liable for

All costs rendered necessary by defects of material workmanship design plan or specification and should damage (which for the purposes of this exclusion shall include any patent detrimental change in the physical condition of the Insured Property) occur to any portion of the Insured Property containing any of the said defects the cost of replacement or rectification which is hereby excluded is that cost incurred to improve the original material workmanship design plan or specification.

For the purpose of the policy and not merely this exclusion it is understood and agreed that any portion of the Insured Property shall not be regarded as damaged solely by virtue of the existence of any defect of material workmanship design plan or specification”.

## Collapse Exclusions

- There may be no Collapse exclusion.
- Collapse may be excluded, with limited coverage restored in an Additional Coverage.
- Coverage may apply only if collapse is due to certain specified causes of loss.
- Is an abrupt collapse required?
- Is there coverage for property in the “State of Imminent Collapse?”
  - e.g. In imminent danger of abruptly falling down or caving in or that suffers a substantial impairment of structural integrity with the result being that such property cannot be occupied for its intended purpose

## Collapse – Example 1

### Additional Coverage – Collapse

(1) *For the purpose of this Additional Coverage a. Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.*

(2) *We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy if such collapse is caused by one or more of the following:*

- a) Hidden building decay...*
- b) Hidden insect or vermin damage....*
- c) Defective material or methods of construction...*
- d) [Other specified perils]*

**Note:** This form excludes Collapse, except as provided in the additional coverage.

## Collapse – Example 2

### Additional Coverage - Collapse

*We will pay for direct physical loss or damage to Covered Property, caused by collapse of all or part of a building or structure insured under this Coverage form, if the collapse is caused by one or more of the following:*

- (1) Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riots; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; or "water damage", but only of the causes of loss are otherwise covered in this Coverage Form.*
- (2) Hidden decay;*
- (3) Hidden insect or vermin damage;*
- (4) Weight of people or personal property;*
- (5) Weight of rain that collects on a roof;*
- (6) Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation*

**Note:** This form excludes Collapse, except as provided in the Additional Coverage.

## Warranties and Guarantees Exclusion

### Sample Language

*This insurance does not apply to loss or damage caused by or resulting from any cause of loss or damage to the extent that such loss or damage is covered by any warranty or guarantee made by you or any contractor, subcontractor, manufacturer or supplier.*

vs.

*Loss or damage covered under any written or implied guarantee or warranty by any manufacturer or supplier, but only to the extent of recovery from such written or implied guarantee or warranty.*

## Common Exclusions

### Sample Language

#### Work Stoppage

*Cessation of the work, whether total or partial, unless such cessation has been directly occasioned by loss or damage covered under the policy. Cessation of the work, as used herein, shall not mean any period of time during which operations would not normally have been conducted such as Saturdays, Sundays or Holidays, nor shall it mean seasonal inactivity planned in advance or labor actions beyond the insured's control, provide the location of the Insured Project is maintained and protected against loss during such inactivity.*

## Other Common Exclusions

- War, nuclear
- Mysterious disappearance
- Voluntary parting, unauthorized transfer
- Temperature/humidity change
- Freezing (unless property is protected)
- Release of pollutants
- Latent defect/inherent vice

## Earth Movement Exclusion

### Sample Language

- 1) *Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.*
- 2) *Volcanic Action...*



## Earth Movement – Buyback

- When buying back coverage, are you buying back all Earth Movement or just Earthquake?
- Coverage may be subject to a sublimit.
  - Will this satisfy the contract?
- Coverage may have a different deductible. (flat or percentage)
- Limit may be an aggregate limit.

## Flood/Water Exclusion

### Sample Language

#### Water

- 1) *Flood, surface water, waves, tides, tidal waves, overflow of any body of water or their spray, all whether driven by wind or not.*
- 2) *[Interior Water Intrusion] (to be discussed separately)*
- 3) *Mudslide or mudflow*
- 4) *Water that backs up or overflows from a sewer, drain or sump, except as provided in the Back-Up or Overflow of Sewers, Drains or Sumps Additional Coverage*
- 5) *Water under the ground surface pressing on, or flowing or seeping through:*
  - a) *Foundations, walls, floors or paved surfaces;*
  - b) *Basements, whether paved or not; or*
  - c) *Doors, windows or other openings.*

*But if water, as described in e.(1) through e.(5) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.*

## Flood/Water – Buyback

- When buying back coverage, are you buying back everything the exclusion takes away or just Flood?
- Coverage may be subject to a sublimit.
  - Will this satisfy the contract?
- Coverage may have a different deductible. (flat or percentage)
- Limit may be an aggregate limit.

## Back up of Sewers and Drains Coverage

### Sample Language

*We will pay for loss or damage to Covered Property caused by water that backs up or overflows from a sewer, drain or sump from within the reported location.*

*The most we will pay under this Additional Coverage is the amount shown in the Supplemental Declarations for Back-Up Or Overflow Of Sewers, Drains Or Sumps.*

*No deductible applies to this Additional Coverage.*

## Water Intrusion – a closer look

### Sample Exclusion Language

*We will not pay for a loss or damage caused directly or indirectly by:*

#### ***Water...***

*The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:*

- (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or*
- (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure*

## Water Intrusion Coverage

### Sample Coverage Language

*The Company will pay for direct physical loss or damage to covered property arising from, contributed to, or resulting from rain, snow, sleet or ice, all whether wind driven or not, entering the interior of any building(s) or structure(s) when the roof and outside walls are incomplete...The insured agrees that it will take all appropriate precautions to avoid loss or damage to covered property from rain, snow, sleet or ice, all whether wind driven or not.*

## Equipment Breakdown Exclusions

Coverage forms may exclude one or more of the following:

- Explosion of steam boilers, steam pipes, steam turbines or steam engines
- Artificially generated electrical, magnetic or electromagnetic energy (e.g. electrical currents, arcing)
- Mechanical breakdown, including rupture or bursting caused by centrifugal force

Resultant damage by fire or other specified perils may be covered.

## Equipment Breakdown Coverage

- Can be added to some policies by endorsement
- Some forms do not exclude mechanical breakdown, artificially generated current, and explosion of steam equipment – as such, separate coverage may not be needed
- Coverage can also be purchased separately from an Equipment Breakdown insurer.

## Testing Exclusion

### Testing

- Loss occurring during testing of equipment may be excluded. If so, supplemental coverage may give a small amount of coverage.
- Loss by a resultant specified peril may not be excluded.
- Cold/operational/building start-up testing vs. hot testing
- Many policies exclude only hot testing.
- Hot testing coverage typically requires addition of an endorsement.



## Hot Testing

### Sample Definition

*“Hot testing” means any start-up, commissioning or other form of testing making use of any feedstock, including operational tests and performance tests performed in conjunction with “hot testing”. “Hot testing” includes the examination, experiment or trial of Covered Property such as ovens, boilers, turbines, generators, pumps, process equipment or equipment of a similar nature to prove their ability or function. “Hot testing” does not include the start-up and testing of building systems such as sprinkler systems, plumbing, piping systems, gas lines, air conditioning lines, elevators, or escalators.*

## Testing Exclusion

### Sample Language

*We will not pay for a loss or damage caused by or resulting from any of the following:*

*Testing, start-up, commissioning, examination or trial of Covered Property such as boilers, ovens, stoves, turbines, pumps, process equipment or equipment of a similar nature to prove their ability or function. This includes any form of testing making use of feedstock, including operational tests, performance tests, or other tests performed in conjunction with such testing. This exclusion does not apply to “electrical testing”, “mechanical testing”, “pneumatic testing” or “hydrostatic testing” used in the start-up and testing of building systems that are intended to service a building.*

## Common Additional Coverages

- Debris Removal
- Pollutant Clean Up and Removal
- Expediting Expenses
- Contract Penalties
- Valuable Papers
- Ordinance or Law
- Fire Protection Equipment Recharge
- Fire Department Service Charge
- Reward
- Preservation of Property/Emergency Removal
- Landscaping Materials
- Claims/Loss data preparation
- Green Building Coverage
- Property in Temporary Storage
- Property in Transit

## Debris Removal - AAIS

- “Debris removal means the costs for the demolition, clearing and removal of debris of covered property if such debris results from a covered peril.”
- Does not cover costs to extract pollutants or remove or restore polluted land or water
- Expenses must be reported within 180 days of the direct physical loss.
- Sublimit (25% of amount paid for direct physical loss) + an additional \$5,000 if needed



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## Debris Removal (Tropicana Claim - Policy Language)

### Debris Removal

*.....in the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay the following necessary and reasonable costs:*

- (1) costs to remove debris being an insured part of the property from the project location of the insured; and/or*
- (2) costs of cleanup, at the project location of the insured, made necessary as a result of such direct physical loss or damage.*

The sublimit was 25% of the amount of insured physical loss or damage.



Zurich Am. Ins. Co. v. Keating Bldg. Corp  
513 F. Supp. 2d 55 (2007)

**Court Ruled:**

Debris removal costs were limited to the costs of removing debris from the property and transporting it away from the project site. Demolition costs and other costs related to the demolition were not subject to the sublimit.

Debris removal costs did not include forensic debris removal costs associated with the investigation into the cause of the collapse.

**Result:** Change in Debris Removal language in AAIS and many other carrier forms. The older language is still in some forms.

## Common Additional Coverages

### **Pollutant Clean Up and Removal**

- Pays expenses, subject to a sublimit, to extract pollutants from land or water at the project site if the discharge or release of pollutants results from a covered cause of loss

### **Expediting Expenses**

- Pays expenses incurred, subject to a sublimit, to get a project back on schedule after a covered loss
- Typically includes costs to expedite the repair or reconstruction of covered property

## Common Additional Coverages Extra Expense and Expediting Expense

### Sample Language

#### **Contractor's Extra Expense:**

*In the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay the Extra Expense incurred as a result of direct physical loss or damage to the Insured Project hereunder.*

*Extra Expense shall be defined as the reasonable and necessary excess costs incurred during the period of restoration and repair that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred. Extra Expense shall include, but not be limited to equipment rental, emergency expenses, temporary use of property, demobilization and remobilization of equipment and facilities and expenses necessarily incurred to reduce loss.....*

## Common Additional Coverages Extra Expense and Expediting Expense

### Sample Language (continued)

#### **Expediting Expense:**

*In the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay, for the reasonable and necessary costs incurred to make temporary repairs and to expedite the permanent repair or replacement of the insured property which is damaged by a peril not otherwise excluded, including additional wages for overtime, night work, and work on public holidays and the extra costs of express freight or other rapid means of transportation.*

## Common Additional Coverages

### Contract Penalties

- A limited amount of coverage applies to contract penalties the insured contractor is required to pay as a direct result of a covered loss to the property.

### Valuable Papers

- A limited amount of coverage applies to the costs to research, restore or replace blueprints or other construction documents. Coverage may apply to electronic data.

## Common Additional Coverages Ordinance or Law

### Sample Language

#### g. Ordinance Or Law

- (1) In the event of covered direct physical loss of or damage to a building or structure that is Covered Property, the following coverages apply, but only with respect to that lost or damaged building or structure:

##### (a) Coverage A – Loss To The Undamaged Portion Of The Building Or Structure

We will pay under Coverage A for the loss in value of the undamaged portion of the building or structure as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building or structure.

Any payment under Coverage A is included within and does not increase the Limit of Insurance applicable to the covered building or structure.

##### (b) Coverage B – Demolition Cost

We will pay under Coverage B the cost to demolish the building or structure and clear the site of undamaged parts of the same building or structure, as a consequence of enforcement of an ordinance or law that requires demolition of such building or structure.

##### (c) Coverage C – Increased Cost Of Construction

We will pay under Coverage C the increased cost to:

- (i) Repair or reconstruct damaged portions of that building or structure; or
- (ii) Reconstruct or remodel undamaged portions of that building or structure, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

## Ordinance or Law Coverage Considerations

- Does coverage apply to ordinances or laws in effect at the time of the loss or when the insured applies for a building permit?
- Does a dollar limit apply to Coverage A – Loss to the Undamaged Portion of the Building?
- What dollar limits apply to Coverage B – Demolition Cost and Coverage C – Increased Cost of Construction?
- If Delay in Completion Coverage is added, does Ordinance or Law coverage apply to that as well? If so, for how long?

### **Sample Language**

*If applicable under the policy or endorsements thereto, the increase in the Delay In Completion coverage loss insured hereunder arising out of the additional time required to comply with the requirements of said ordinance or law. Such additional time will not exceed thirty (30) consecutive days.*

## Common Additional Coverages

### **Fire Protection Equipment Recharge**

- Covers the cost, up to the limit for this coverage, to refill fire protective systems discharged to control a covered cause of loss. Some forms respond in the event of an accidental discharge.

### **Fire Department Service Charge**

- Covers the insured's liability, up to the limit for this coverage, assumed by contract or agreement prior to the loss, for fire department services charges
- Charges must relate to covered property and be incurred to save or protect covered property from a covered cause of loss.

## Common Additional Coverages

### Reward

- Reimburses the insured, up to a specified amount, for rewards paid for information leading to the conviction of one responsible for a covered cause of loss and/or recovery of stolen property
- May be limited to certain causes of loss (e.g. arson, theft, vandalism)

### Preservation of Property/Emergency Removal

- Coverage applies on an “all risk” basis for a specified number of days if property is being moved or stored to prevent loss by a covered peril.

## Preservation of Property +

### Extension of Coverage - Removal

*We will pay for:*

- *Any direct physical loss or damage to contract works while it is being moved to or while stored at another location for up to 180 days; or*
- *The cost to remove contract works from the premises;*

*if you must move the contract works from the premises to preserve it from loss or damage caused by or resulting from a peril not otherwise excluded.*

## Common Additional Coverages

### Landscaping Materials (trees, shrubs, plants, lawn)

- There is often a sublimit per item.
- There is often a sublimit per occurrence.
- Coverage may apply only at the project site.
- Coverage may apply to specified perils only.
- Coverage typically doesn't apply to loss by disease, lack of moisture, freezing, weight of ice or snow.
- Wind or hail may be excluded.

## Common Additional Coverages

### Claims/Loss data preparation expenses

### Sample Language

#### **J. Professional Fees**

- 1) *We will pay the reasonable expenses you incur in preparing claim data when we require it to adjust a covered loss. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss.*
  - 2) *We will not pay for:*
    - a) *Any expenses incurred, directed, or billed by or payable to lawyers, insurance adjusters or public adjusters, or their associates or subsidiaries;*
    - b) *Any costs as provided in Loss Condition F.2. (Appraisal); or*
- ...



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Bank of America  
Tower  
One Bryant Park  
New York

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### Common Additional Coverages Green Building Coverage

- Indoor Air Quality  
Costs to reestablish indoor air quality in accordance with applicable standards
  
- Recycling Debris  
Costs to separate debris that is recyclable and to divert it to a recycling facility

## Common Additional Coverages Green Building Coverage

- **Recertification Costs**  
Costs to have building recertified according to applicable standards
  
- **Electricity or Water Replacement**  
Costs to purchase water or electricity from a public utility as a result of damage to renewable energy generating or water conservation equipment

## AIA A101- 2017 Exhibit A

### **Required Property Insurance (A.2.3.1)**

.....property insurance written on a builder's risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner's property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others.



## Valuation

- Replacement Cost, not to exceed the amount actually spent to repair, replace, rebuild
  - Construction contracts often require RC.
- Actual Cash Value at the time of loss
  - Deduction for physical depreciation
- 100% coinsurance commonly applies
  - Coinsurance basis is typically the completed value of the construction had no loss occurred.
- Coinsurance can often be waived.

## Replacement Cost

### Sample Language

**Replacement Cost** is the cost to replace Covered Property at the time of loss or damage without deduction for depreciation.

- 1) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- 2) We will not pay on a replacement cost basis for any loss or damage:
  - a) Until the lost or damaged property is actually repaired or replaced; and
  - b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage

## Replacement Cost

### Alternate Sample Language

#### Replacement Cost Means

- 1) the necessary and reasonable costs of materials and labor incurred to repair or replace, without deduction for depreciation, the part of the covered property that sustains direct physical loss or damage;*
- 2) the reasonable overhead and profit related to the covered property that sustains direct physical loss or damage but not to exceed the overhead and profit being charged for the construction, erection, or fabrication of a covered "building or structure" in accordance with the construction contracts; and*
- 3) other related construction costs and expenses that are re-incurred to repair or replace the part of the covered property that sustains direct physical loss or damage but only if such costs have been included as part of the "limit" for a covered "building or structure".*

## Architect and Engineer Fees

Forms treat these fees differently - options:

- Automatically covered as part of the replacement cost
- Included as an additional coverage with a sublimit
- Included as soft costs in an endorsement

## Setting Limits

Consider:

- Change orders
- Costs of labor and/or material may increase
- Cost of any temporary works covered by the policy and included in the limit

Some carriers offer enhancements or endorsements that increase the limit by a certain dollar amount or percentage to account for changes in construction specifications and labor or material cost increases.

## Limits

- Jobsite limit
- Catastrophe/Occurrence Limit
- Property in transit limit
- Temporary storage location limit
- Sublimits for various coverages
  - Be careful here. Check the construction contract which doesn't typically allow for sublimits.

## Deductible

- Usually a flat amount per occurrence
- Percentage deductibles are sometimes used.
  - Percentage of what? Limit, Loss Amount, Value at risk at time of loss (VARTOL)
- Separate deductibles may apply for flood, earthquake, water intrusion, wind or theft losses
- Policy conditions may state that the Named Insured is responsible for the deductible. Policy may be silent.
- The construction contract should address who is responsible.

**§A.2.3.1.4 Deductibles and Self-Insured Retentions.** If the insurance required by this Section A.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions.

AIA Document A101 – 2017 Exhibit A

## Warranties

- A warranty is a condition that forms part of the policy. The insured guarantees that something shall be done or shall not be done during the term of the policy.
- If a warranty is breached, there is no coverage.

## The Time Element Side of Things

### Delay in Completion/Delay in Opening

#### Delay in Completion Coverage

- Coverage trigger – A delay in the project's completion caused by damage by a covered peril
- Written for the benefit of the project owner
- Limits are usually separate from the hard costs limits
  - Hard costs are the costs to repair or replace damaged property.
- A time deductible/waiting period typically applies.

## Soft Costs (accounting)

- A construction industry accounting term
- Expenses that aren't a direct construction cost (not labor and materials)
- Also known as G&A (General & Administrative)
- Soft costs typically make up about 30% of the construction cost.

## Soft Costs (accounting)

Includes items such as:

- Architectural and design fees
- Inspection fees
- Land and real estate costs
- Construction equipment, rental and tools
- Loan interest and accounting fees
- Project management
- Construction insurance and professional dues
- Local and state taxes
- Advertising and promotion
- Additional works and studies

## Soft Costs Coverage

- Necessary and/or reasonable expenses that would not have been incurred except for a delay in the project
- The delay must be caused by damage to the project by a covered peril.
- What is covered as soft costs varies among policy forms, with most forms covering only specifically described soft costs.
- Limits can apply separately to each type of covered soft cost or on a blanket basis.
- Recovery during any 30 day period may be limited.

## Soft Cost Schedule - AAIS

Example	
AAIS IM 8015 01 12 Page 1 of 1	POLICY NUMBER
<b>SOFT COST SCHEDULE</b> <b>SINGLE JOBSITE – BUILDERS' RISK</b> <small>(The entries required to complete this schedule will be shown below or on the "schedule of coverages".)</small>	
Loc. No.	JOBSITE
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <b>ADDITIONAL SOFT COSTS</b>             The most "we" pay for soft cost expenses in any 30 day period is:         </div> <div style="width: 45%;"> <b>"LIMITS"</b>             \$ _____         </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;">           The most "we" pay in any one occurrence for soft cost expenses is:         </div> <div style="width: 45%;">           \$ _____         </div> </div>	

### Soft Costs – Commonly Covered Expenses

- Additional interest on construction loans – may include refinancing fees/renegotiation costs
- Advertising and promotional expenses
- Additional real estate taxes/assessments for the extended construction period
- Additional commissions from re-negotiations of leases and other contracts
- Additional design fees (e.g. architect/engineers/consultants)

### Soft Costs – Commonly Covered Expenses

- Additional professional fees (e.g. legal/accounting)
- Fees for licenses and permits
- Additional insurance premiums
- Project administration expenses (e.g. additional office space, clerical, security)
- Many insurers are open to covering other soft costs if asked. Talk to the insured!



## Soft Costs Coverage

### Sample Language

*We will pay the actual "soft costs" arising out of the "delay period" to the extent such expenses are actually and necessarily incurred by you to enable you to begin your operations in the manner originally planned. The "soft costs" must be incurred during the "delay period" and such "delay period" must be caused by or result from direct physical loss or damage by a Covered Cause of Loss:*

- 1) at or within 100 feet of the premises shown in the Declarations; or*
- 2) While in transit*

*This Additional Coverage applies only at those premises for which a Limit of Insurance for "Soft Costs" is shown in the declarations, unless otherwise stated.*

## Soft Costs Coverage

### Sample Language (continued)

*"Soft Costs" means reasonable expenditures which are necessarily incurred during the "delay period" that would not have been incurred by you if the "delay period" had not occurred, consisting of the following:*

*(list of covered soft costs follows)*

*"Delay period" means the period of time between the scheduled date of completion and the actual date on which operations or use and occupancy can begin with the exercise of due diligence and dispatch.*

## Period of Indemnity/Delay Period (based on our Sample Language)

**Start Date:** Anticipated completion date of the project had the builders risk loss not occurred

- The construction contract may be used to determine the date.
- This date may be shown in the policy.
- Multiple dates may apply if the project will be done in phases.

## Period of Indemnity/Delay Period

**End Date:** Forms vary. Possibilities include:

- The date when the property at the location you have reported to use should be repaired, rebuilt or replaced with reasonable speed and like kind and quality
- The actual date on which commercial operations or use and occupancy can commence with the exercise of due diligence and dispatch
- The earlier of 12 months or when construction is actually completed
- A number of days as stated in the policy

## Soft Costs - Area of Concern (based on our Sample Language)

**Projected Completion Date:**      **June 1, 2022**  
**Date of Fire:**                      **March 1, 2022**  
**Actual Completion Date:**        **September 1, 2022**

- The period of indemnity begins at the anticipated completion date (after the waiting period.)
- Additional expenses incurred between March 1 and June 1 are not incurred during the period of indemnity.
- Expense to Reduce Loss Coverage/Expediting Expenses Coverage/ Extra Expense Coverage may help in this case.

## Additional Coverages Expense to Reduce/Mitigate Loss

### Sample Language

*We will also pay any necessary expenses you incur that actually mitigate your "soft costs" (except expenses for which there is coverage elsewhere in this Coverage Form). We will pay for such expenses to the extent that they do not exceed the "soft costs" that otherwise would have been payable under this Coverage Form.*

## Additional Coverages Expense to Reduce/Mitigate Loss

### Alternate Language

*The Company shall also indemnify the Named Insured for expenditures that are necessarily incurred for the purpose of reducing any loss amount under this extension\*, but only to the extent that such loss amount otherwise payable under this extension is thereby reduced.*

\*Soft Costs/Rental Income/Gross Earnings

## Additional Coverages Civil Authority

### Sample Language

*We will also pay for "soft costs" when the delay in the completion date of the project is caused by the action of a civil authority that prohibits access to the Covered Property due to direct physical loss or damage to property away from the location you have reported to us, but only if such loss or damage is caused by or resulting from a Covered Cause of Loss. This coverage is extended for a period of three (3) consecutive weeks from the date of that action. However, this does not increase the "soft costs" Limit of Insurance.*

## Loss of Revenue

### Rental Income

- Projected loss of rental earnings

### Loss of Business Income

- Projected loss of other income

Actual loss sustained, subject to policy limit, approach is common

- Valued policies are less common

## Business Income - Area of Concern

<b>Projected Completion Date:</b>	<b>June 1, 2022</b>
<b>Date of Fire:</b>	<b>March 1, 2022</b>
<b>Actual Completion Date:</b>	<b>September 1, 2022</b>
<b>Date of full occupancy:</b>	<b>January 1, 2022</b>

- The period of indemnity begins at the anticipated completion date (after the waiting period.)
- Business Income applies to projected loss between June and September.
- Loss between September 1 and January 1 is not typically covered.

## Additional Exclusions

- Interference by strikers
- Suspension, lapse or cancellation of leases and contracts
- Unavailability of funds
- Unavailability of subcontractors
- Improvements to correct deficiencies in the original designs or construction
- Additional time to repair property as a result of adverse weather conditions
- Consequential losses

## Installation Floater



## Why does a contractor need an Installation Floater?

- Pitfalls in Commercial Property Policy
  - Limited coverage for property off premises
  - Limited coverage for property in transit
- Builders Risk may not apply to all projects.
- Builders Risk may be inadequate.
- To satisfy contract requirements

## Builders Risk and Installation Floater

### Other Insurance Clauses

### Sample Installation Floater Language

*If you have other insurance against loss or damage covered by this policy, we shall not pay any amount greater than the proportion that the applicable limit of Insurance shown in the Declarations bears to the total applicable limits of insurance covering the loss or damage.*

## Builders Risk and Installation Floater

### Other Insurance Clauses

#### Sample Installation Floater Language

*If there is another policy covering the same loss, other than that described above [another policy subject to the same terms as this policy,] “we” pay only for the amount of covered loss in excess of the amount due from that other policy, whether “you” can collect on it or not. But “we” do not pay more than the applicable “limit.”*

## Who is an Insured

- The contractor shown as the Named Insured
- Some forms expand coverage to include others.

#### Sample Language

*If you are a contractor and are required by a signed construction contract to insure project works against physical loss or damage for your benefit and for the benefit of*

- *The principal and/or the principal’s representative(s) or any architect, consulting engineer or designer...[they] are an Additional Insured...*
- *Your subcontractors and sub-subcontractors of every tier...[they] are Additional Insureds*



## Property Generally Covered

- The insured's materials, machinery and equipment which will become a permanent part of the project
- Property of others which will become a permanent part of the project
  - This property may be covered only at the project site

## AAIS

*"We" cover direct physical loss or damage caused by a covered peril to:*

- a. "your" materials, supplies, fixtures, machinery or equipment; and*
- b. similar property of others that is in "your" care, custody, or control*

*while at "your" jobsite and that "you" are installing, constructing or rigging as part of an "installation project"*

**AAIS IM 7100 08 10**

## AAIS

*“Installation project” means an installation or construction project including, but not limited to, a repair or maintenance project that involves the installation, construction, or rigging of materials, supplies, fixtures, machinery, or equipment.*

**AAIS IM 7100 08 10**

## Property Often Not Covered

- Property on a premises owned, leased or operated by the insured
  - May be covered if allocated to a particular project
- Money and securities
- Contractors machinery, tools and equipment
- Waterborne property
- Airborne property
- Trees, shrubs, plants and lawns

## Property Often Not Covered



## Where is Property Covered?

- At a jobsite
- At temporary storage locations
  - Can the contractor's own premises be a temporary storage location?
  - Can a manufacturer's or supplier's premises be a temporary storage location?
  - Limit may be lower than the jobsite limit.
- In transit
  - Limit may be lower than the jobsite limit.

## When Does Coverage End?

### Possible triggers

Earliest of:

- On expiration or cancellation date of policy
- The project has been abandoned
- Property is put to its intended use
- At completion of the job or within a specified number of days after completion
- Insured's interest in the property ends
- Property is accepted by the purchaser

## Covered Causes of Loss

- Open Perils coverage is the norm.
  - Coverage for direct physical loss to covered property applies unless otherwise excluded or limited.
  - Exclusions are similar to those in Builders Risk
- Named Perils coverage is less common.

## Rigging

Is rigging covered by the Installation Floater?



## Rigging in the Installation Floater

- Some policies affirmatively grant coverage
- Some policies are silent.
- Some policies exclude loss resulting from the weight of the load exceeding the required lifting capacity of the equipment used.
- Some policies exclude property that is airborne or waterborne.
- If the Installation Floater does cover rigging, it likely covers only direct damage.

## Other Rigging Solutions

Add coverage to the CGL by amending the exclusion for damage to personal property in the care, custody or control of the insured.

- There must be legal liability for coverage to apply.
- No coverage for property in transit
- Valuation of liability claims is typically ACV.
- Losses will erode the aggregate limits.

Rigger's Liability Coverage Form

## Rigger's Liability Endorsement to Installation Floater

### **A. Rigger's Liability Coverage Extension**

*The Optional Coverages, Additional Coverages and Coverage Extensions of the Installation Coverage Form do not apply to this Rigger's Liability Coverage Extension.*

*This insurance is extended to cover your legal liability for property of others in your care, custody or control for the purpose of rigging operations, up to the applicable Limit of Insurance for "loss" due to a Covered Cause of Loss. Rigging operations means rigging, hoisting, loading and unloading, assembling, dismantling, skidding and erection of Covered Property, including incidental transit, as described in the Schedule under Additional Coverage(s).*

### RIGGERS LIABILITY EXTENSION ENDORSEMENT

#### COMMERCIAL GENERAL LIABILITY INSURANCE

#### SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY is amended as follows:

2. Exclusions J., Damage to Property, subparagraphs (4) and (5) do not apply to "Property Damage" to the property of others in the Named Insured's care, custody or control but only while being raised, lowered or moved by the use of "mobile equipment" that is owned or used by, or rented or leased to the Named Insured.

Coverage afforded by this Endorsement does not apply to:

- a. Loss, damage, or expense caused by, or resulting from, wear and tear, mechanical breakdown, inherent vice, latent defect or gradual deterioration.
  - b. Loss, damage or expense caused by, or resulting from dishonesty of the Named Insured's employees or of persons to whom the property may be entrusted; or loss, damage or expense caused by the dishonesty of any attendant or attendants.
  - c. Unexplained loss, mysterious disappearance, or shortage disclosed upon taking inventory.
  - d. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, devise or false pretense.
2. The liability of the company afforded under this endorsement for "property damage" shall not exceed the limits specified below:

## Rigging Liability Coverage Form

### Sample Language

*We will pay all sums that you become legally obligated to pay as damages because of property damage to personal property of others in your care, custody or control to which this insurance applies.*

*This insurance applies only to property damage:*

- 1. That occurs during the policy period; and*
- 2. That is caused by an accident while you lift, lower or move the personal property of others; and*
- 3. That results from an accident occurring at a location described on the Declarations Page*

**Note:** This insurance does not apply to property damage arising out of a contract or agreement.

## Rigging Liability Coverage Form

### **Additional Coverage**

*When an accident causes property damage to personal property of others being lifted, lowered or moved by you, we will, subject to the Loss of Use Limit shown on the Declarations Page, pay all sums you become legally obligated to pay for loss of use of such property. The coverage provided is subject to all other conditions of this policy.*

## Valuation

- Actual Cash Value at the time of loss
- Replacement Cost, not to exceed the amount actually spent to repair, replace, rebuild
- Coinsurance commonly applies.



## Replacement Cost

*If covered property is repaired, replaced, or rebuilt, the value of covered property will be based on the reasonable and necessary costs and expenses “you” incur to repair, replace, or rebuild the covered property with materials of like kind and quality. The reasonable and necessary costs and expenses may include material, labor, reasonable overhead and profit, and delivery charges.*

vs.

*Lost or damaged covered property will be valued at the full cost to repair or replace it at the time of loss or damage, including customs duties incurred, but not more than you actually spend to repair or replace the covered property at the same or another location for the same use. There is no deduction for physical deterioration, depreciation, obsolescence or depletion.*

## Approaches to Writing Installation

### Individual Project

- Individual policy for each project
- Coverage is restricted to the named project
- Insure for 100% of the project value

## Approaches to Writing Installation

### Reporting Form

- One policy covers all reported work.
- Premium basis can be gross receipts, contract price or values at risk at a specific time.
- There is automatic coverage for new jobs if the reporting conditions are met.

## Coinsurance

### What is the coinsurance basis? Some possibilities:

- The full actual cash value of all covered property
- 100% of the total completed value at the largest insured installation site in progress on the date of loss
- Specified percentage of the value of the Covered Property at the time and location of the loss
- Something else

## Common Additional Coverages (similar to Builders Risk)

- Debris Removal
- Pollutant Clean Up and Removal
- Expediting Expenses
- Contract Penalties
- Valuable Papers
- Ordinance or Law
- Fire Protection Equipment Recharge
- Fire Department Service Charge
- Reward
- Preservation of Property/Emergency Removal
- Landscaping Materials
- Claims Data Expenses
- Green Building Coverage
- Property in Temporary Storage
- Property in Transit

## Additional Coverage Contract Penalties

### Sample Language

*If your construction contract contains a clause that requires you to pay a penalty as a direct result of loss or damage to Covered Property from a Covered Cause of Loss, we will pay that penalty.*

*The most we will pay under this Coverage Extension is \$25,000 unless otherwise stated in the Special Provisions section in the Declarations.*

## Possible Additional Coverage Cost Escalation

### Sample Language (continued)

*In the event of a total "loss" that exhausts the Limit of Insurance applicable to the site of your "installation operations" where the total "loss" occurs, we will pay up to an additional 5% of that Limit of Insurance, not to exceed \$100,000 in any one occurrence, to cover any increase in the cost of labor or materials.*

*Such costs must result from direct physical "loss" to Covered Property caused by or resulting from a Covered Cause of Loss at a site of your "installation operations" and will only be payable if no Coinsurance penalty is applicable to the "loss".*

## Possible Additional Coverage Soft Costs

### Sample Language

- 1) *If a limit of Insurance is shown as applicable in the Schedule, we will pay the actual and necessary "Soft Costs" you incur during the "period of restoration" as a result of a delay in the completion of your "installation operations". The delay must be caused by direct physical "loss" to Covered Property at a site of your "installation operations" caused by or resulting from a Covered Cause of Loss. This Optional Coverage only applies at a site of your "installation operations" for which a Limit of Insurance for "Soft Costs" is shown in the Schedule.*
- 2) *We will pay the necessary expenses you incur to reduce the amount of "Soft Costs" payable under this Optional Coverage. We will pay such expenses only to the extent that they do not exceed the amount that otherwise would have been payable under this "Soft Costs" Coverage....*

## Possible Additional Coverage Soft Costs

### Sample Language (continued)

***“Soft Costs” means:***

- a. Additional interest expense on money you borrowed to finance “installation operations”;*
- b. Additional real estate and property taxes;*
- c. Additional advertising and promotional fees;*
- d. Additional legal and accounting costs and fees;*
- e. Additional commissions, fees and administrative expenses for the renegotiation of leases;*
- f. Additional engineering, architect and consultant fees;*
- g. Additional building inspection fees and charges;*
- h. Additional administrative expenses;*
- i. Any other additional fees, charges or expenses added to this Optional Coverage by endorsement*

## Possible Additional Coverage Temporary Project Works

### Sample Language

*Scaffolding erection costs (but not scaffolding), formwork, falsework and temporary structures necessary for the completion of the installation project provided their full cost is charge to the project and included in the contract value declared to us.*

*Temporary project works does not mean...contractors’ or subcontractors’ equipment, machinery and tools, trailers, materials and supplies of a similar nature.....*

## Insuring the Building Project: Builders Risk and Installation Floater



Catherine Trischan, CIC, CRM, CPCU, ARM, AU, AAI, CRIS, MLIS, TRIP  
catherine.trischan@gmail.com



## James K. Ruble Seminar

*a proud member of The National Alliance for Insurance Education & Research*

### Section 2

# **Certificates of Insurance and Additional Insureds: Navigating the Maze**





# Certificates of Insurance and Additional Insureds: Navigating the Maze

Catherine Trischan, CIC, CRM, CPCU, ARM, AU, AAI, CRIS, MLIS, TRIP, CBIA  
[catherine.trischan@gmail.com](mailto:catherine.trischan@gmail.com)

## The Role of the Certificate

- Informational
- Does it change the policy?
- Disclaimer language

“Given the numerous limitations and exclusions that often encumber such policies, those who take such certificates at face value do so at their own risk.”

Via Net v. TIG Insurance Co., 211 S.W.3d 310 (Tex. 2006)

## Disclaimers ACORD 25 (2016/03)

		<b>CERTIFICATE OF LIABILITY INSURANCE</b>		DATE (MM/DD/YYYY)														
<p>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</p> <p>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</p>																		
PRODUCER	CONTACT NAME: _____ PHONE (A/C, No. Ext): _____ FAX (A/C, No.): _____ E-MAIL: _____ ADDRESS: _____																	
INSURED	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A:</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>				INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A:		INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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COVERAGES	CERTIFICATE NUMBER:	REVISION NUMBER:																
<p>THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</p>																		

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## Certificate Holder Expectations

I will get an accurate representation of coverage

- Certificate may include incorrect information
- Certificate may be issued on a cancelled policy
- Certificate may include language inconsistent with the policy
- Aggregate limits may be impaired

Any important restrictions or exclusions will be disclosed to me

- Policy exclusions are rarely listed on a certificate
- Exclusions may be added after the certificate is issued

## Certificate Holder Expectations

If the certificate says I'm additional insured, I am

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- A "Y" in the AI box gives little information
- Has an endorsement been issued?
- Has the proper endorsement been issued?
- Have the terms of the additional insured coverage been made clear?

I will be notified if the policy cancels

## Insured Misconceptions

If my broker issues a certificate, I'm in compliance with the requirements of the certificate holder

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Policies rarely conform exactly to contracts

- Outdated contract language
- Unrealistic requirements
- Required coverage is more than the insured carries

If the certificate holder accepts the certificate, I don't have to worry about the contract requirements

#### Common Contract Language:

Contractor shall not be obligated to review the Certificate of Insurance or other evidence of insurance, or to advise the Subcontractor of any deficiencies in such documents, and receipt thereof shall not relieve the Subcontractor from, nor be deemed a waiver of Contractor's right to enforce the terms of the Subcontractor's obligations hereunder.

#### **Producer Misconceptions**

- It's better to issue the certificate the way it's requested than to challenge the request
- It doesn't matter what I put on the certificate; it's informational only
- If I describe an entity as additional insured on the COI, it is an additional insured
- If the certificate holder accepts the certificate, my insured doesn't have to worry about contract requirements

## Acord 25 – Liability

- Issue forms in compliance with Acord's Forms Instruction Guide
- Do not use for auto/equipment lessors/finance companies

*To provide information to the owner of a leased motor vehicle or equipment, or the lender about both liability and physical damage or property coverages applying to a vehicle or equipment, use ACORD 23, Vehicle or Equipment Certificate of Insurance.*

## Acord 25 – Liability

- Insurer information

*The insurer's full legal company name(s) as found in the file copy of the policy...This is not the insurer's group name or trade name.*

- Insured information

*The named insured(s) as it/they will appear on the policy declarations page.*

## Acord 25 – Liability

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMPIOP AGG \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below					PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)						

## Acord 25 – Liability

### ■ Additional Insured - Y or N

Enter Y for a "Yes" response. Input N for "No" response.  
Indicates if the certificate holder has been named as an additional insured on the general liability policy.

### ■ Waiver of Subrogation- Y or N

Enter Y for a "Yes" response. Input N for "No" response.  
Indicates if subrogation has been waived on the general liability policy.



## **“Blanket” Additional Insured**

### **Commonly Used Language**

***XYZ is included as additional insured if required by written contract.***

**What do you think?**

## **“Blanket” Additional Insured**

**The NYDFS provides the following sample language to address “blanket” or “automatic” additional insured situations:**

"Named Entity is an additional insured to the extent covered by the CG 20 33 ADDITIONAL INSURED—OWNERS, LESSEES OR CONTRACTORS—AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU endorsement"

"ABC Company is an additional insured if required by written contract, per endorsement number XX XX XX (copy attached)" or

"ABC Company would be covered as an additional insured per endorsement X, to the extent provided therein."

**NOTE: This language may not be acceptable in all states. Know the COI law!**

## Acord 25 – Liability

- Policy Number
- Effective Dates

*The date on which the terms and conditions of the policy commence/ will expire.*

## Acord 25 – Liability

### Policy Limits

*e.g. The general liability, each occurrence limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.*

## Acord 25 – Liability

### CGL

- Claims Made/Occurrence
- Open options  
*Indicates other coverage not found on the form exists for the general liability policy.*
- How does the aggregate apply?  
- Is there an overall policy aggregate?

## Acord 25 – Liability

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b>					EACH OCCURRENCE \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR					DAMAGE TO RENTED PREMISES (Ea occurrence) \$
						MED EXP (Any one person) \$
						PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					PRODUCTS - COM/PROP AGG \$
	OTHER:					\$
	<b>AUTOMOBILE LIABILITY</b>					COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					PROPERTY DAMAGE (Per accident) \$
						\$
	<b>UMBRELLA LIAB</b>					EACH OCCURRENCE \$
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$
	DED <input type="checkbox"/> RETENTION \$					\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>					PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N <input type="checkbox"/>	N/A			E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

## Acord 25 – Liability

### Auto

- Which box(es) to check
- Leased/Financed Autos (use Acord 23)

### Excess Liability

- Umbrella or Excess Liability
- Claims Made or Occurrence
- Deductible or Retention

## Acord 25 – Liability

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b>					EACH OCCURRENCE \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR					DAMAGE TO RENTED PREMISES (Ea occurrence) \$
						MED EXP (Any one person) \$
						PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					PRODUCTS - COMP/OP AGG \$
	OTHER:					\$
	<b>AUTOMOBILE LIABILITY</b>					COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> OWNED AUTOS ONLY	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS ONLY	<input type="checkbox"/> NON-OWNED AUTOS ONLY				PROPERTY DAMAGE (Per accident) \$
						\$
	<b>UMBRELLA LIAB</b>	<input type="checkbox"/> OCCUR				EACH OCCURRENCE \$
	<b>EXCESS LIAB</b>	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$
	DED <input type="checkbox"/> RETENTION \$					\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>	<input type="checkbox"/> Y/N				PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> N/A				E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)						

## Acord 25 – Liability

### WC

- Per Statute or Other?
- Employers' Liability Limits
- Is anyone excluded?
- Is subrogation waived?

Other Liability Policies

## Acord 25 – Liability

- Description of Operations/Locations/  
Vehicles

*The Certificate of Liability Insurance general remarks. The additional comments or special conditions that may exist upon the policy. Acord 101, Additional Remarks Schedule, may be attached if more space is required. As used here, records information necessary to identify the operations, locations and vehicles for which the certificate was issued.*

- Authorized Representative

## DOO – Let's Practice

Contractual Liability is included.

- Is this better? CGL contractual liability is per the terms of the CG 00 01 04 13 as modified by the CG 24 26 04 13.

The CGL policy covers residential work.

- Is this better? No endorsements that exclude coverage for residential work have been added to the CGL policy.

Umbrella/Excess is follow form.

- Is this better? The CGL, Business Auto and Employers Liability coverages above are included on the Umbrella/Excess schedule of underlying insurance.
- Is this better? (If the form calls itself follow form) Umbrella/Excess is follow form per the terms of coverage form XS 00 00 00 00.

30 days notice of cancellation will be provided.

- Is this better? Notice of cancellation will be provided per the terms of endorsement NC 00 00 00 00 (copy attached)

## Acord 24 – Property

- Provides evidence of property insurance to those with no direct interest in the policy
- Acord recommends not using this form for a mortgagee or lienholder

## Evidence of Property Insurance

- **Acord 27**

*Provides a coverage statement for mortgagees and loss payees who provide mortgages or loans on residential property, personal property or small commercial properties, and are named in the policy.*

- **Acord 28**

*Provides information to mortgagees and loss payees who provide mortgages or loans on real property or personal property insured under a Commercial Lines policy and more detail is required by the mortgagee or loss payee.*

## For all COIs/EPIs

Watch the Edition Dates!

The most current forms are:

- Acord 23 (2016/03)
- Acord 24 (2016/03)
- Acord 25 (2016/03)
- Acord 27 (2016/03)
- Acord 28 (2016/03)

## State COI Laws

What may be addressed:

- What can and can't be done
- Which COI forms can be used
- To whom the law applies
- What the penalties are

## Additional Insured Endorsements



## Pre 07/04

### Arising Out Of

*WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.*

**CG 20 10 11 85**

## 07/04 change

*Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:*

- 1. Your acts or omissions; or*
- 2. The acts or omissions of those acting on your behalf;*

*in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.*

**CG 20 10 07 04**

## 07/04 change

From ISO Circular—General Liability LI-GL-2004-147, "Multistate Revisions to Additional Insured Endorsements," filed March 12, 2004.

- *Some courts have ruled that, in the absence of specific language limiting coverage, the current additional insured endorsements do respond to injury or damage arising from the additional insured's sole negligence.*
- *Because the phrase "arising out of" has been interpreted broadly by some courts, we are revising several of the additional insured endorsements to add specific language **to provide an additional insured with coverage for their vicarious or contributory negligence only**. The additional insured will only have coverage for bodily injury, property damage or personal and advertising injury that is caused in whole or in part by the acts or omissions of either the named insured or those acting on behalf of the named insured. **A major effect of that wording will be to prevent any alleged coverage for the additional insured's sole negligence.***

## 04/13 Additional Insured Changes

- The insurance afforded the AI applies only to the extent permitted by law.
- If coverage is required by contract, the insurance afforded the AI will be no broader than the contract requires.
- If coverage is required by contract, the limits available to the AI will be no higher than the contract requires.

## **Does This Sound Familiar?**

### **Sample Contract Language**

Notwithstanding any contrary provisions contained in this Exhibit, Contractor and Subcontractor agree that the limits of coverage provided in this Exhibit are minimum coverages and shall not be construed to limit the coverage available to any additional insured to an amount less than the full limits of the policies required pursuant to this Exhibit.

## **Is this a problem?**

### **Sample Contract Language**

Contract requires that subcontractor carry \$1m CGL + \$5 m Umbrella and include general contractor as additional insured on both. Sub carries \$2m CGL + \$4m Umbrella. Additional insured coverage applies on both per standard current ISO language.

## 04/13 Additional Insured Changes

The professional liability exclusion in the additional insured endorsement applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured if the loss involved professional architectural, engineering or surveying services. Note: This language appears only in some AI forms.

## 12/19 Additional Insured Changes

- New endorsements added to the ISO library
- Various changes to existing AI endorsements
- Recognition of the fact that policy endorsements may change the limits

**C** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance**:  
 If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable ~~limits of insurance shown in the Declarations;~~ whichever is less. This endorsement shall not increase the applicable limits of insurance shown in the Declarations.

## Who Wants What and Why?

- **CG 20 10 11 85** – May defend/pay claims involving the sole negligence of the Additional Insured + covers ongoing and completed operations
- **CG 20 10 10 01** – May defend/pay claims involving the sole negligence of the Additional Insured
- **CG 20 10 07 04** – Named insured's acts or omissions (or the acts or omissions of one acting on the Named Insured's behalf) must have caused the loss, at least in part. Coverage is not limited to what a contract requires.
- **CG 20 10 04 13** – If there is a contract, coverage is limited to the breadth of coverage and the amount of coverage required in the contract.

**CG 20 10 11 85 or its equivalent**

## Additional Insured – Vendors – Automatic Status When Required in Agreement

### **CG 20 44 12 19**

*Section II - Who Is An Insured is amended to include as an additional insured any “vendor”, but only with respect to liability for “bodily injury” or “property damage” arising out of “your product” which is distributed or sold in the regular course of the “vendor’s” business.*

## Additional Insured – Vendors – Automatic Status When Required in Agreement

### CG 20 44 12 19

Vendor defined

- *Any person or organization who distributes or sells “your product” in the regular course of its business when you have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy*

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 15 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### ADDITIONAL INSURED – VENDORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

#### SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s) (Vendor)	Your Products
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

## **Additional Insured - Vendors**

### **CG 20 15 12 19**

- Scheduled vendors
- Scheduled products
- Products must be distributed or sold in the regular course of the vendor's business

## **Additional Insured – Vendors**

### **CG 20 44/CG 20 15 12 19 (additional exclusions)**

- Vendor's contractual liability
- Unauthorized express warranties
- Vendor's intentional physical or chemical change to the product
- Repackaging
- Vendor's failure to make inspections, adjustments, tests or servicing
- Demonstration, installation, servicing or repair except on the vendor's premises in connection with sale of the product
- Labeling, re-labeling or use as part of something else
- Sole negligence of the vendor

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 11 12 19

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MANAGERS OR  
LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designation Of Premises (Part Leased To You):
Name Of Person(s) Or Organization(s) (Additional Insured):
Additional Premium: \$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Additional Insured - Managers  
or Lessors of Premises

48

CG 20 11 12 19

*Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability or “bodily injury”, “property damage” or “personal or advertising injury” caused, in whole or in part, by you or those acting on your behalf in connection with the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule.....*



## Additional Insured - Managers or Lessors of Premises

49

### CG 20 11 12 19

*This insurance does not apply to:*

- 1. Any "occurrence" which takes place after you cease to be a tenant in that premises.*
- 2. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Schedule.*

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POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 24 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### ADDITIONAL INSURED – OWNERS OR OTHER INTERESTS FROM WHOM LAND HAS BEEN LEASED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SCHEDULE

Name Of Person(s) Or Organization(s)	Designation Of Land (Part Leased To You)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

## **Additional Insured - Owners or Other Interests from Whom Land Has Been Leased**

### **CG 20 24 12 19**

*Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by you or those acting on your behalf in connection with the ownership, maintenance or use of that part of the land leased to you and shown in the Schedule.*

## **Additional Insured - Owners or Other Interests from Whom Land Has Been Leased**

### **CG 20 24 12 19**

*This insurance does not apply to:*

- 1. Any "occurrence" which takes place after you cease to lease that land;*
- 2. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Schedule.*

## **Additional Insured – Lessor of Leased Equipment**

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Additional Insured - Lessor of Leased Equipment

- CG 20 28 12 19

Additional Insured - Lessor of Leased Equipment – Automatic Status When Required in Lease Agreement With You

- CG 20 34 12 19

## **Additional Insured - Lessor of Leased Equipment**

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- *...only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).*
- *...This insurance does not apply to any "occurrence" which takes place after the equipment lease expires.*

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 18 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name(s) Of Person(s) Or Organization(s)	Designation Of Premises
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**Additional Insured - Mortgagee,  
Assignee or Receiver****CG 20 18 12 19**

*A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of the premises by you and shown in the Schedule.*

*B. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.*

## CG 20 10 11 85

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – (FORM B)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

#### SCHEDULE

Name of Person or Organization:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

## Sample Insurer Form

#### A. Ongoing Operations

**Section II – Who Is An Insured** is amended to include as an additional insured:

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under Paragraph A. ends when your operations for the person or organization described in Paragraph A.1. are completed.

#### B. Completed Operations

**Section II – Who Is An Insured** is amended to include as an additional insured:

1. Any person or organization when you and such person or organization have agreed in a written contract or written agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" performed for that additional insured under the written contract or written agreement and included in the "products-completed operations hazard".

## Sample Insurer Form (cont'd)

### C. Conform to Contract Provisions

With respect to the insurance afforded to any additional insured under this endorsement, the following applies:

#### 1. Ongoing Operations

When an additional insured under Paragraph A.1. of this endorsement requires in the written contract or written agreement between you and that additional insured that additional insured coverage is to be the equivalent of that provided by:

a. Additional Insured -- Owners, Lessees Or Contractors -- Scheduled Person Or Organization CG 20 10 10 01 or CG 20 10 03 97; or

b. Additional Insured -- Owners, Lessees Or Contractors (Form B) -- CG 20 10 10 93 or CG 20 10 11 85;

or if such written agreement requires you to provide additional insured coverage *arising out of your ongoing operations*, then the phrase *caused, in whole or in part by* in Paragraph A. of this endorsement is replaced by the phrase *arising out of*.

#### 2. Completed Operations

When an additional insured under Paragraph B.1. of this endorsement requires in the written contract or written agreement that additional insured coverage is to be the equivalent of that provided by:

a. Additional Insured -- Owners, Lessees Or Contractors -- Completed Operations -- CG 20 37 10 01;

b. Additional Insured -- Owners, Lessees Or Contractors (Form B) -- CG 20 10 11 85;

or if such written agreement requires you to provide additional insured coverage *arising out of "your work"*, then the phrase *caused, in whole or in part by* in Paragraph B. of this endorsement is replaced by the phrase *arising out of*.

## Sample Insurer Form (cont'd)

### E. Conditions and Limitations

1. Coverage under Paragraph B. **Completed Operations** and Paragraph 2. **Completed Operations** under Paragraph C. **Conform to Contract Provisions** does not apply unless the written contract or written agreement described in Paragraph B.1. of this endorsement requires you to provide coverage for completed operations.

2. Coverage afforded to an additional insured under this endorsement applies only to the extent permitted by law and will not be broader than that required by the written contract or written agreement described in Paragraph A.1. or B.1. of this endorsement between you and such additional insured.

3. With respect to the insurance afforded to an additional insured under this endorsement, the following is added to **Section III – Limits of Insurance**:

The most we will pay on behalf of an additional insured afforded coverage under this endorsement is the amount of insurance:

a. Required by the written contract or written agreement described in Paragraph A.1. or B.1. of this endorsement; or

b. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

# CG 20 10 12 19

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 10 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

## Additional Insured - Owners, Lessees or Contractors – Scheduled Person or Organization

### CG 20 10 12 19

A. *Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:*

1. *Your acts or omissions; or*
2. *The acts or omissions of those acting on your behalf;*

*in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.*

04/13 language is included.

### **Additional Insured - Owners, Lessees or Contractors – Scheduled Person or Organization**

#### **CG 20 10 12 19**

*This insurance does not apply to "bodily injury" or "property damage" occurring after:*

- 1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or*
- 2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.*

### **Additional Insured - Owners, Lessees or Contractors – Automatic Status When Required in a Written Construction Agreement With You**

#### **CG 20 33 12 19**

*Section II – Who Is An Insured is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy.*



**Additional Insured - Owners, Lessees or Contractors –  
Automatic Status When Required in a Written Construction  
Agreement With You**

**CG 20 33 12 19**

- Named Insured must be performing operations for the Additional Insured
- Contract must be between Named Insured and Additional Insured (privity of contract issue)
  - Note: This has been interpreted differently in different jurisdictions
- Ongoing operations coverage only
- Professional Liability exclusion applies
- 07/04 and 04/13 language is included

**Additional Insured - Owners, Lessees or Contractors –  
Automatic Status When Required in a Written Construction  
Agreement With You**

**CG 20 33 12 19**

*This insurance does not apply to:*

1. *"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:*
  - a. *The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or*
  - b. *Supervisory, inspection, architectural or engineering activities.*

**Additional Insured - Owners, Lessees or Contractors –  
Automatic Status When Required in a Written Construction  
Agreement With You**

**CG 20 33 12 19**

*This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.*

**CG 20 38 12 19 – a better choice**

**Additional Insured - Owners, Lessees or Contractors-  
Automatic Status For Other Parties When Required in a  
Written Construction Agreement**

(paragraph 1) CG 20 33 12 19 +

*(paragraph 2) Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above....*

*In the performance of your ongoing operations for the additional insured described in Paragraph 1. or 2.*

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**Additional Insured - Owners, Lessees or Contractors- Automatic  
Status For Other Parties When Required in a Written Construction  
Agreement – CG 20 38 04 13**

**A. Section II – Who Is An Insured** is amended to include as an additional insured:

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

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**Additional Insured - Owners, Lessees or Contractors- Automatic  
Status For Other Parties When Required in a Written Construction  
Agreement – CG 20 38 12 19**

**A. Section II – Who Is An Insured** is amended to include as an additional insured:

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured described in Paragraph 1. or 2. above.

**Additional Insured - Owners, Lessees or Contractors- Automatic Status For Other Parties When Required in a Written Construction Agreement**

**CG 20 38 12 19**

- Ongoing operations coverage only
- Professional Liability exclusion applies
- 07/04 and 04/13 language is included.
- ISO says (Circular GL-2018-OFR18)  
*“to reinforce that the additional insured status provided by this endorsement extends to the person or organization described in Paragraph A.2. even when the named insured’s ongoing operations are only performed for the person or organization described in Paragraph A.1.”*

*“There is no impact on coverage.”*

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 37 12 19

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

## Additional Insured - Owners, Lessees or Contractors – Completed Operations

### CG 20 37 12 19

*Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".....*

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 41 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS SUBJECT TO THE GENERAL AGGREGATE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

## Additional Insured - Owners, Lessees or Contractors – Completed Operations Subject to the General Aggregate (CG 20 41 12 19)

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A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule of this endorsement, but only with respect to liability for:

1. "Bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) shown and described in the Schedule of this endorsement; or

2. "Bodily injury" or "property damage" caused, in whole or in part, by "your work", other than that described in A.1., at the location(s) shown and described in the Schedule of this endorsement performed for the additional insured(s).

...



Ongoing  
operations!



Completed  
operations!

## Additional Insured - Owners, Lessees or Contractors 76 – Automatic Status When Required in Written Construction Agreement With You (Completed Operations)

### CG 20 39 12 19

*Section II – Who Is An Insured is amended to include as an additional insured any person or organization for whom you have performed operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy.*

Completed Operations version of the CG 20 33 12 19

**Additional Insured - Owners, Lessees or Contractors – 77**  
**Automatic Status When Required in Written**  
**Construction Agreement With You (Completed**  
**Operations)**

**CG 20 39 12 19**

- Named Insured must have performed operations for the Additional Insured
- Contract must be between Named Insured and Additional Insured (privity of contract issue)
- Completed operations coverage only
- Professional Liability exclusion applies
- 7/04 and 04/13 language is included

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**CG 20 40 12 19 – a better choice**

**Additional Insured - Owners, Lessees or Contractors-**  
**Automatic Status For Other Parties When Required in Written**  
**Construction Agreement (Completed Operations)**

(paragraph 1) CG 20 39 12 19 +

*(paragraph 2) Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above....*

*....caused in whole or in part by “your work” performed for the additional insured described in Paragraph 1. or 2. above and included in the “products-completed operations hazard”.*

Completed Operations version of the CG 20 38 12 19

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**Additional Insured - Owners, Lessees or Contractors- Automatic  
Status For Other Parties When Required in a Written Construction  
Agreement (Completed Operations) – CG 20 40 12 19**

**A. Section II – Who Is An Insured** is amended to include as an additional insured:

1. Any person or organization for whom you have performed operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" performed for the additional insured described in Paragraph 1. or 2. above and included in the "products-completed operations hazard".

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**Additional Insured - Owners, Lessees or Contractors –  
Automatic Status For Other Parties When Required in  
Written Construction Agreement With You (Completed  
Operations)**

**CG 20 40 12 19**

- Named Insured must have performed operations for **any** Additional Insured
- Completed operations coverage only
- Professional Liability exclusion applies
- 7/04 and 04/13 language is included



POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 42 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – AUTOMATIC STATUS FOR  
DESIGNATED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
SCHEDULE

Description Of Operation(s):

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Additional Insured – Automatic Status for  
Designated Operations****CG 20 42 12 19***Section II – Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) for whom you have agreed to add under any contract or agreement, but only with respect to liability for:*

1. "Bodily injury" or "property damage" not included in the "products-completed operations hazard"; or
2. "Personal and advertising injury";

*caused by, in whole or in part, your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your operations as described in the Schedule above.*

Note: Professional exclusion applies

**Additional Insured – Automatic Status When  
Required in Written Contract Or Agreement -  
CG 20 43 12 19**

83

A. **Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) for whom you have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy. Such person(s) or organization(s) is an additional insured only with respect to liability for:

1. "Bodily injury" or "property damage" not included in the "products-completed operations hazard"; or
2. "Personal and advertising injury";  
caused by, in whole or in part, your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your operations.

Note: Professional exclusion applies

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 12 12 19

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – STATE OR GOVERNMENTAL  
AGENCY OR SUBDIVISION OR POLITICAL  
SUBDIVISION – PERMITS OR AUTHORIZATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

State Or Governmental Agency Or Subdivision Or Political Subdivision:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Additional Insured – State or Governmental Agency or Subdivision or Political Subdivision – Permits or Authorizations**

**CG 20 12 12 19**

*Section II – Who Is An Insured is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following provisions:*

- 1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.*

**Additional Insured – State or Governmental Agency or Subdivision or Political Subdivision – Permits or Authorizations**

**CG 20 12 12 19**

- 2. This insurance does not apply to:*
  - a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or*
  - b. "Bodily injury" or "property damage" included within the "products-completed operations hazard".*

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 13 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – STATE  
OR GOVERNMENTAL AGENCY OR SUBDIVISION  
OR POLITICAL SUBDIVISION – PERMITS  
OR AUTHORIZATIONS RELATING TO PREMISES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

State Or Governmental Agency Or Subdivision Or Political Subdivision:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Additional Insured – State or Governmental Agency  
or Subdivision or Political Subdivision – Permits or  
Authorizations Relating to Premises**

**CG 20 13 12 19**

*Section II – Who Is An Insured is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following provisions:*

*This insurance applies only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:*

**Additional Insured – State or Governmental Agency  
or Subdivision or Political Subdivision – Permits or  
Authorizations Relating to Premises**

**CG 20 13 12 19**

1. *The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures; or*
2. *The construction, erection or removal of elevators; or*
3. *The ownership, maintenance or use of any elevators covered by this insurance.*

**Additional Insured – Engineers, Architects or  
Surveyors**

**CG 20 07 12 19**

*Section II – Who Is An Insured is amended to include as an additional insured any architect, engineer, or surveyor engaged by you, but only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:*

1. *In connection with your premises; or*
2. *In the performance of your ongoing operations.*

Note:

- No contract is required to trigger coverage
- Professional liability exclusion applies

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 32 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – ENGINEERS, ARCHITECTS OR  
SURVEYORS NOT ENGAGED BY THE NAMED INSURED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name(s) Of Additional Insured Engineer(s), Architect(s) Or Surveyor(s) Not Engaged By The Named Insured:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Additional Insured – Engineers, Architects or  
Surveyors Not Engaged by the Named Insured****CG 20 32 12 19**

*Section II – Who Is An Insured is amended to include as an additional insured the architects, engineers or surveyors shown in the Schedule, but only with respect to liability for “bodily injury”, “property damage”, or “personal and advertising injury” caused, in whole or in part, by:*

- 1. Your acts or omission; or*
- 2. The acts or omissions of those acting on your behalf*

*In the performance of your ongoing operations performed by you or on your behalf.*

*Such architects, engineers or surveyors, while not engaged by you, are contractually required to be added as an additional insured to your policy.*

**Note:** Professional liability exclusion applies

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 26 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Additional Insured – Designated Person or  
Organization - CG 20 26 12 19**

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable limits of insurance;
- whichever is less.

This endorsement shall not increase the applicable limits of insurance.

## **Automatic Additional Insured Endorsements**

### **Potential Dangers**

- Manuscript language
- Is there a written contract? With whom?
- Nature of interest
- Assumptions

## **Automatic Additional Insured Endorsements**

### **Potential Advantages**

- Less chance of forgetting to add the additional insured
- Administrative Ease
- Cost



## Automatic AI - Considerations

Who is covered? Possibilities:

- Only the entity that signed the contract with the Named Insured, if the Named Insured is performing operations for that entity (privity of contract issue)
- Parties for which the Named Insured is performing operations if the contract requires that they be covered
- Other parties that the Named Insured is required to include as Additional Insured if the contract requires that they be covered
- Something else

## Automatic AI - Considerations

What is the scope/breadth of coverage? Possibilities:

- Does “arising out” language apply if required? (usually in a written contract or agreement)
- Must the loss be caused in whole or in part from the Named Insured’s acts or omissions?
- Is negligence of the Named Insured required?
- Is the breadth of coverage limited to what the contract requires?
- Is an Additional Insured covered only for its vicarious liability?
- Something else

## Automatic AI - Considerations

Is coverage primary? Possibilities:

- The endorsement might include primary and noncontributory wording.
- Coverage may be excess unless the contract requires that it be primary.
- Coverage may be primary if the contract requires that it be primary.
- Coverage is usually still excess over coverage the Additional Insured has under another's policy.
- Coverage may always be excess.

## Automatic AI - Considerations

What triggers coverage? Possibilities:

- Written contract
- Written agreement
- Permit
- Oral agreement
- Executed contract
- Something else

## Automatic AI - Considerations

What triggers coverage?

Something else example

*WHO IS AN INSURED is amended to include as an additional insured any of your vendors located in the United States of America (including its territories and possessions), Puerto Rico and Canada with whom you have agreed in writing in a contract or agreement or received a written request or written insurance specifications, including email or fax, to add them as an additional insured on your policy.*

## Automatic AI - Considerations

- Ongoing and/or completed operations?
- Is a certificate required?
- Are limits available to the AI limited to what the contract requires?
- Does the AI have additional duties? e.g.
  - Notify the carrier
  - Tender the claim and defense
  - Notify its own carrier
- Do additional exclusions apply to the AI?

## Sample AI exclusion

Any insurance provided to the additional insured shall only apply with respect to a claim made or a “suit” brought for damages for which you are provided coverage.

Any insurance provided to the additional insured shall only apply with respect to a claim made or a “suit” brought for damages for which you are provided coverage.

## Sample AI exclusion

With respect to the insurance afforded by this endorsement, exclusion I. Damage to Your Work.....is relaced by the following

### I. Damage To Your Work

“Property damage” to “your work” arising out of it or any part of it and included in the “products-completed operations hazard”.

## Reviewing Contracts

Should agents review contracts?

- Have a clear position and be consistent
- Should you decide to offer the service:
  - ✓ Know what you're doing
  - ✓ Make sure you have the entire contract
  - ✓ Limit the review to insurance issues and be clear about that
  - ✓ What if the insured wants a COI with the coverage he has?

## !!! BE CLEAR !!!

- State which portions were reviewed
- Make it clear you are reviewing only to determine if the insurance program meets the requirements of the contract
- Summarize changes needed to comply
- Note the items that cannot be part of the insurance program
- Be clear that you are not offering a legal opinion
- Refer the insured to an attorney
- Know that even if you refer the insured to an attorney, you can still be responsible for any misrepresentation

### **Communicate with Insured (even if not reviewing a contract)**

107

- State that the certificate represents coverage in force which doesn't necessarily comply with the requirements of the contract
- Let the insured know that you'll only issue accurate certificates in accordance with company and state guidelines
- Do not warrant coverage!

### **Issuing the Certificate**

108

Considerations:

- Who is requesting the certificate?
  - Document the request
- Who is issuing the certificate?
- What if the account is in cancellation?

## Issuing the Certificate

- Always confirm coverage before issuing
- Always represent coverage accurately
- If an endorsement is needed, be sure it will be approved – be sure the insured agrees to pay for it - then request it!
- Check state or carrier directives
- Don't consider certificates "nuisance" paperwork

## Issuing the Certificate

- Never issue a non-standard or modified certificate without carrier approval. This assumes the non-standard COI is allowed under the state COI law.
- Have agency procedures and be consistent

## Primary and Noncontributory

### *CG 00 01 04 13 Other Insurance Clause*

- a. Primary Insurance. This insurance is primary except when Paragraph b. below applies.....*
- b. Excess Insurance - This insurance is excess over:....(2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured*

## CG 20 01 12 19 - Endorsement

### *Primary and Noncontributory Insurance*

*This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:*

- (1) The additional insured is a Named Insured under such other insurance; and*
- (2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.*



## Primary – What About the Excess/Umbrella?

### ISO CGL Other Insurance Clause

- a. *Primary Insurance. This insurance is primary except when Paragraph b. below applies.....*
- b. *Excess Insurance - This insurance is excess over:....(2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.*

## NEW FROM ISO!

COMMERCIAL GENERAL LIABILITY  
CG 24 56 12 23

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCESS INSURANCE PROVISION –  
ORDER OF RESPONSE – WHEN YOU ARE AN  
ADDITIONAL INSURED ON OTHER INSURANCE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph b.(1)(b) of Paragraph 4, Other Insurance of Section IV – Commercial General Liability Conditions is replaced by the following:

**4. Other Insurance**

**b. Excess Insurance**

(1) This insurance is excess over:

(b) Any other insurance available to you, whether primary, excess, contingent or on any other basis, covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

## **Primary – What About the Excess/Umbrella?**

### **Myth – Excess/Umbrella is Follow Form**

#### **Reality - CU 00 01 04 13**

*This insurance is excess over, and shall not contribute with any of the other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.*

There is no provision for sharing of limits with another policy

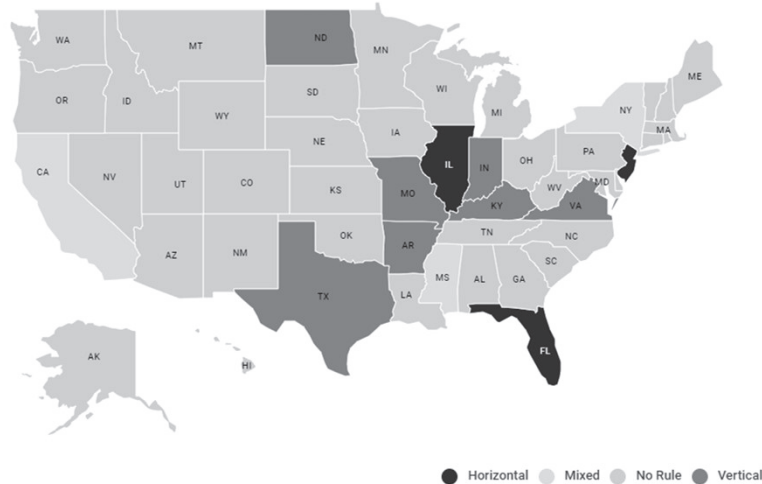
## **GC is AI on Sub's Policies**

### **Horizontal Exhaustion**

- 1st – Sub's CGL
- 2nd – GC's CGL
- 3rd – The Excess Liability policies

### **Vertical Exhaustion**

- 1st – Sub's CGL
- 2nd – Sub's Excess Liability
- 3rd – GC's CGL
- 4th – GC's Excess Liability



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## Sample Non-Standard Language

*With respect to Insuring Agreement A only, if you have agreed in a written contract with another...that this policy shall be primary and non-contributory with such other person or entity's coverage...other insurance of that person or organization will apply as excess and non-contributory to the insurance afforded by this policy.*

## NEW FROM ISO!

### Noncontributory and Order of Response

**CU 24 77 12 23**

**CX 24 32 12 23**

- (2) The insurance provided under this Coverage Part will apply before any other insurance available to the additional insured shown in the Schedule, whether such other insurance is primary, excess, contingent or on any other basis, and will not seek contribution from such other insurance available to that additional insured, provided that:
- (a) The additional insured is a Named Insured under such other insurance; and
  - (b) You have agreed in writing in a contract or agreement that this insurance would:
    - (i) Apply before any other insurance available to the additional insured; and
    - (ii) Not seek contribution from any other insurance available to the additional insured.

## Waiver of Subrogation

CG 00 01 04 13

### Transfer Of Rights Of Recovery Against Others To Us

*If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing **after loss** to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.*

## **Waiver of Subrogation CG 24 04 05 09**

121

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions**:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

## **Waiver of Subrogation CG 24 04 12 19 (Specific)**

122

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions**:

We waive any right of recovery against the person(s) or organization(s) shown in the Schedule above because of payments we make under this Coverage Part. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person(s) or organization(s) prior to loss. This endorsement applies only to the person(s) or organization(s) shown in the Schedule above.

**Waiver of Subrogation  
CG 24 53 12 19  
Automatic**

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions**:

We waive any right of recovery against any person or organization, because of any payment we make under this Coverage Part, to whom the insured has waived its right of recovery in a written contract or agreement. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person or organization prior to loss.

**Contractual Liability Exclusion  
CG 00 01 04 13 (Coverage A)**

*"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.*

*This exclusion does not apply to liability for damages:*

*1) That the insured would have in the absence of the contract or agreement; or*

*2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement.....*

## Insured Contract – CG 00 01 04 13

### ***“Insured Contract”***

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";*
- b. A sidetrack agreement;*
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;*
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;*
- e. An elevator maintenance agreement;*

## Insured Contract

### LEASE

Lease

Easement

An obligation to indemnify a  
Municipality

Sidetrack

Elevator Maintenance  
Agreement

## Insured Contract

*That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for “bodily injury” or “property damage” to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.*

## Insured Contract

Exceptions:

1. Indemnification of a railroad for operations within 50 feet of railroad property
2. Indemnification regarding an architect, engineer or surveyor’s professional liability



## Railroads

- **CG 24 17 10 01** Contractual Liability – Railroads
- **CG 24 27 04 13** Limited Contractual Liability – Railroads
- **CA 20 70 10 13** Coverage for Certain Operations in Connection with Railroads

## Endorsements Affecting Contractual Liability

COMMERCIAL GENERAL LIABILITY  
CG 21 39 10 93

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### CONTRACTUAL LIABILITY LIMITATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the DEFINITIONS Section is replaced by the following:

"Insured contract" means:

- |  |   |
|--|---|
| <p>a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";</p> | <p>b. A sidetrack agreement;</p> <p>c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;</p> <p>d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;</p> <p>e. An elevator maintenance agreement.</p> |
|--|---|

## Amendment of Insured Contract Definition

CG 24 26 04 13

*f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, **provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law.** Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.*

## Old COI Cancellation Clause

Should any of the above described policies be cancelled before the expiration date thereof, the issuing insurer will endeavor to mail \_\_\_\_\_ days written notice to the certificate holder named to the left, but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

## Current COI Cancellation Clause

Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

## Cancellation Notice

- Will the carrier add a NOC endorsement?
- Will it apply if insured initiates cancellation?
- Will it apply to non-pay cancellation?

**Thank You for  
Being Here!**

**ACORD 25 (2016/03) - Certificate of Liability Insurance**

ACORD 25, Certificate of Liability Insurance, is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed on the certificate.

The purpose of the certificate is to provide information to an interested third party regarding insurance that is in force at the time of certificate issuance. Although many companies provide notice of cancellation to certificate holders, they are not obligated to do so unless such requirement is set forth in the policy itself directly or by endorsement to the policy.

If the receiver of the certificate has no direct interest in the policy but wants to verify that liability coverage exists on a policy at the time of certificate issuance, use ACORD 25. If the receiver of the certificate does have a verifiable interest in the policy, such as an additional insured, the liability policy must name the receiver of the certificate as an additional insured directly or by endorsement to provide the appropriate coverage for the interested party prior to issuing a certificate of insurance.

ACORD 25 was designed to collect policy information based on commercial lines programs. It addresses both Claims Made and Occurrence policies and can be used for large and small contracting or manufacturing risks, lessor/lessee agreements, or other areas of liability certification.

To provide information to the owner of a leased motor vehicle or equipment, or the lender about both liability and physical damage or property coverages applying to a vehicle or equipment, use ACORD 23, Vehicle or Equipment Certificate of Insurance.

The ACORD Certificate should be issued only in compliance with company instructions.

**IMPORTANT:**

ACORD is required to file certificates, on behalf of form users, in a number of states. Please access the Forms Filing Requirements page on the ACORD website for details. ACORD certificates of insurance contain statements that are reflective of what is generally required by state laws and regulations.

**Form Page 1**

Section Name	Field Name	Description
IDENTIFICATION SECTION	Date	Enter date: The date on which the form is completed. (MM/DD/YYYY)
IDENTIFICATION SECTION	Producer	Enter text: The full name of the producer / agency.
IDENTIFICATION SECTION		Enter text: The mailing address line one of the producer / agency.
IDENTIFICATION SECTION		Enter text: The mailing address line two of the producer / agency.
IDENTIFICATION SECTION		Enter text: The mailing address city name of the producer / agency.
IDENTIFICATION SECTION		Enter code: The mailing address state or province code of the producer / agency.
IDENTIFICATION SECTION		Enter code: The mailing address postal code of the producer / agency.

<b>IDENTIFICATION SECTION</b>	<b>Contact Name</b>	Enter text: The name of the individual at the producer's establishment that is the primary contact.
<b>IDENTIFICATION SECTION</b>	<b>Phone (A/C, No, Ext)</b>	Enter number: The producer's contact person's phone number. If applicable, include the area code and extension.
<b>IDENTIFICATION SECTION</b>	<b>Fax No. (A/C, No, Ext)</b>	Enter number: The fax number of the producer / agency.
<b>IDENTIFICATION SECTION</b>	<b>E-Mail Address</b>	Enter text: The producer's contact person's e-mail address.
<b>IDENTIFICATION SECTION</b>	<b>Insured</b>	Enter text: The named insured(s) as it / they will appear on the policy declarations page.
<b>IDENTIFICATION SECTION</b>		Enter text: The named insured's mailing address line one.
<b>IDENTIFICATION SECTION</b>		Enter text: The named insured's mailing address line two.
<b>IDENTIFICATION SECTION</b>		Enter text: The named insured's mailing address city name.
<b>IDENTIFICATION SECTION</b>		Enter code: The named insured's mailing address state or province code.
<b>IDENTIFICATION SECTION</b>		Enter code: The named insured's mailing address postal code.
<b>INSURERS AFFORDING COVERAGE</b>	<b>Insurer A</b>	Enter text: The insurer's full legal company name(s) as found in the file copy of the policy. Use the actual name of the company within the group to which the policy has been issued. This is not the insurer's group name or trade name. As used here, this is Insurer A.
<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>	Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer A.
<b>INSURERS AFFORDING COVERAGE</b>	<b>Insurer B</b>	Enter text: The insurer's full legal company name(s) as found in the file copy of the policy. Use the actual name of the company within the group to which the policy has been issued. This is not the insurer's group name or trade name. As used here, this is Insurer B.
<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>	Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer B.
<b>INSURERS AFFORDING COVERAGE</b>	<b>Insurer C</b>	Enter text: The insurer's full legal company name(s) as found in the file copy of the policy. Use the actual name of the company within the group to which the policy has been issued. This is not the insurer's group name or trade name. As used here, this is Insurer C.
<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>	Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer C.
<b>INSURERS AFFORDING COVERAGE</b>	<b>Insurer D</b>	Enter text: The insurer's full legal company name(s) as found in the file copy of the policy. Use the actual name of the company within the group to which the policy has been issued. This is not the insurer's group name or trade name. As used here, this is Insurer D.
<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>	Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer D.

<b>INSURERS AFFORDING COVERAGE</b>	<b>Insurer E</b>	Enter text: The insurer's full legal company name(s) as found in the file copy of the policy. Use the actual name of the company within the group to which the policy has been issued. This is not the insurer's group name or trade name. As used here, this is Insurer E.
<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>	Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer E.
<b>INSURERS AFFORDING COVERAGE</b>	<b>Insurer F</b>	Enter text: The insurer's full legal company name(s) as found in the file copy of the policy. Use the actual name of the company within the group to which the policy has been issued. This is not the insurer's group name or trade name. As used here, this is Insurer F.
<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>	Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer F.
<b>COVERAGE INFORMATION</b>	<b>Certificate Number</b>	Enter identifier: The producer assigned number for the certificate.
<b>COVERAGES</b>	<b>Revision Number</b>	Enter number: The producer assigned revision number for the certificate.
<b>COVERAGE INFORMATION</b>	<b>Insr Ltr</b>	Enter code: The Company Letter of the insurer, as identified in the "Insurer(s) Affording Coverage" form section, associated with the general liability policy.
<b>COVERAGE INFORMATION</b>	<b>Commercial General Liability</b>	Check the box (if applicable): Indicates the claims made or occurrence option applies for the general liability policy.
<b>COVERAGE INFORMATION</b>	<b>Other General Liability Coverages - Claims-Made</b>	Check the box (if applicable): Indicates the "claims made" option applies on the general liability policy.
<b>COVERAGE INFORMATION</b>	<b>Occur</b>	Check the box (if applicable): Indicates the general liability policy, occurrence basis applies.
<b>COVERAGE INFORMATION</b>	<b>Check Box</b>	Check the box (if applicable): Indicates other coverage not found on the form exists for the general liability policy.
<b>COVERAGE INFORMATION</b>	<b>Field Box</b>	Enter text: The description of other coverage (not the limit) on the general liability policy. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>Check Box</b>	Check the box (if applicable): Indicates other coverage not found on the form exists for the general liability policy.
<b>COVERAGE INFORMATION</b>	<b>Field Box</b>	Enter text: The description of other coverage (not the limit) on the general liability policy. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>General Aggregate Limit Applies Per: - Policy</b>	Check the box (if applicable): Indicates the general liability policy, general aggregate limit applies per policy.
<b>COVERAGE INFORMATION</b>	<b>Project</b>	Check the box (if applicable): Indicates the general liability policy, general aggregate limit applies per project.

<b>COVERAGE INFORMATION</b>	<b>Loc</b>	Check the box (if applicable): Indicates the general liability policy, general aggregate limit applies per location.
<b>COVERAGE INFORMATION</b>	<b>Other checkbox</b>	Check the box (if applicable): Indicates the general liability policy, general aggregate limit applies to option is other than those listed on the form.
<b>COVERAGE INFORMATION</b>	<b>Other Description</b>	Enter text: The description of the other option to which the general liability policy, general aggregate limit applies.
<b>COVERAGE INFORMATION</b>	<b>Add Insd</b>	Enter Y for a "Yes" response. Input N for "No" response. Indicates if the certificate holder has been named as an additional insured on the general liability policy.
<b>COVERAGE INFORMATION</b>	<b>Subr Wwd</b>	Enter Y for a "Yes" response. Input N for "No" response. Indicates if subrogation has been waived on the general liability policy.
<b>COVERAGE INFORMATION</b>	<b>Policy Number</b>	Enter identifier: The identifier assigned by the insurer to the general liability policy, or submission, being referenced exactly as it appears on the policy, including prefix and suffix symbols. If required for self-insurance, the self-insured license or contract number.
<b>COVERAGE INFORMATION</b>	<b>Policy Eff (MM/DD/YYYY)</b>	Enter date: The effective date of the general liability policy. The date that the terms and conditions of the policy commence.
<b>COVERAGE INFORMATION</b>	<b>Policy Exp (MM/DD/YYYY)</b>	Enter date: The date on which the terms and conditions of the general liability policy will expire.
<b>COVERAGE INFORMATION</b>	<b>Limits - Each Occurrence \$</b>	Enter limit: The general liability, each occurrence limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>Damage to Rented Premises \$</b>	Enter limit: The general liability, damage to rented premises each occurrence limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>Med Exp \$</b>	Enter limit: The general liability, medical expense each person limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>Personal &amp; Adv Injury</b>	Enter limit: The general liability, personal and advertising injury limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>General Aggregate \$</b>	Enter limit: The general liability, general aggregate limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.



<b>COVERAGE INFORMATION</b>	<b>Products- Comp/Op Agg \$</b>	Enter limit: The general liability, products and completed operations aggregate limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>Other Limits</b>	Enter text: The description of other coverage (not the limit) on the general liability policy. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>Other Occurrence \$</b>	Enter limit: The general liability, other coverage limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>Insr Ltr</b>	Enter code: The Company Letter of the insurer, as identified in the "Insurer(s) Affording Coverage" form section, associated with the policy.
<b>COVERAGE INFORMATION</b>	<b>Automobile Liability - Any Auto</b>	Check the box (if applicable): Indicates the commercial vehicle policy covers any auto. As used here, complete this section only if you are certifying automobile liability. Check all appropriate boxes to correspond with the covered auto symbols found on the policy declarations page. If the certificate is being issued to the owner of a leased vehicle, DO NOT USE THIS FORM. Use ACORD 23, Vehicle or Equipment Certificate of Insurance.
<b>COVERAGE INFORMATION</b>	<b>All Owned Autos</b>	Check the box (if applicable): Indicates the commercial vehicle policy covers owned autos only.
<b>COVERAGE INFORMATION</b>	<b>Hired Autos</b>	Check the box (if applicable): Indicates the vehicle policy covers hired autos only.
<b>COVERAGE INFORMATION</b>	<b>Other Covered Auto</b>	Check the box (if applicable): Indicates the vehicle policy covers autos other than those listed.
<b>COVERAGE INFORMATION</b>	<b>Other Covered Auto Description</b>	Enter text: The description of the other covered autos.
<b>COVERAGE INFORMATION</b>	<b>Scheduled Autos</b>	Check the box (if applicable): Indicates the vehicle policy covers scheduled autos.
<b>COVERAGE INFORMATION</b>	<b>Non- Owned Autos</b>	Check the box (if applicable): Indicates the vehicle policy covers non-owned autos only.
<b>COVERAGE INFORMATION</b>	<b>Other Covered Auto</b>	Check the box (if applicable): Indicates the vehicle policy covers autos other than those listed.
<b>COVERAGE INFORMATION</b>	<b>Other Covered Auto Description</b>	Enter text: The description of the other covered autos.
<b>COVERAGE INFORMATION</b>	<b>Add Insd</b>	Enter Y for a "Yes" response. Input N for "No" response. Indicates if the certificate holder has been named as an additional insured on the automobile liability policy.
<b>COVERAGE INFORMATION</b>	<b>Subr Wvvd</b>	Enter Y for a "Yes" response. Input N for "No" response. Indicates if subrogation has been waived on the automobile policy.
<b>COVERAGE INFORMATION</b>	<b>Policy Number</b>	Enter identifier: The identifier assigned by the insurer to the automobile liability policy, or submission, being referenced exactly as it appears on the policy, including prefix and suffix symbols. If required for self-insurance, the self-insured license or contract number.
<b>COVERAGE INFORMATION</b>	<b>Policy Eff (MM/DD/YYYY)</b>	Enter date: The effective date of the automobile liability policy. The date that the terms and conditions of the policy commence.

<b>COVERAGE INFORMATION</b>	<b>Policy Exp (MM/DD/YYYY)</b>	Enter date: The date on which the terms and conditions of the automobile liability policy will expire.
<b>COVERAGE INFORMATION</b>	<b>Combined Single Limit \$</b>	Enter limit: The vehicle combined single limit liability each accident amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>Bodily Injury (Per Person) \$</b>	Enter limit: The vehicle policy, bodily injury per person limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>Bodily Injury (Per Accident) \$</b>	Enter limit: The vehicle policy, bodily injury per accident limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>Property Damage</b>	Enter limit: The vehicle policy, property damage per accident limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>Other Description</b>	Enter text: The description of the coverage.
<b>COVERAGE INFORMATION</b>	<b>Other Limit</b>	Enter limit: The limit amount of the other coverage.
<b>COVERAGE INFORMATION</b>	<b>Insr Ltr</b>	Enter code: The Company Letter of the insurer, as identified in the "Insurer(s) Affording Coverage" form section, associated with the commercial excess or umbrella liability policy.
<b>COVERAGE INFORMATION</b>	<b>Umbrella Liab</b>	Check the box (if applicable): Indicates the type of policy is umbrella. As used here, if evidencing an umbrella coverage, underlying policy number(s), term(s) and line(s) of business may be listed on an ACORD 101.
<b>COVERAGE INFORMATION</b>	<b>Excess Liab</b>	Check the box (if applicable): Indicates the type of policy is excess. As used here, if evidencing an excess coverage, underlying policy number(s), term(s) and line(s) of business may be listed on an ACORD 101.
<b>COVERAGE INFORMATION</b>	<b>Type of Insurance - Excess/Umbrella Liability - Occur</b>	Check the box (if applicable): Indicates "coverage trigger" is on an occurrence basis on an excess or umbrella liability policy.
<b>COVERAGE INFORMATION</b>	<b>Claims-Made</b>	Check the box (if applicable): Indicates the "coverage trigger" is on a claims-made basis on an excess or umbrella liability policy.
<b>COVERAGE INFORMATION</b>	<b>Deductible</b>	Check the box (if applicable): Indicates a deductible amount applies to the excess or umbrella liability policy.
<b>COVERAGE INFORMATION</b>	<b>Retention</b>	Check the box (if applicable): Indicates a retention amount applies to the excess or umbrella liability policy.
<b>COVERAGE INFORMATION</b>	<b>\$ Field Box</b>	Enter deductible: The excess or umbrella liability deductible or retention amount.

<b>COVERAGE INFORMATION</b>	<b>Add Insd</b>	Enter Y for a "Yes" response. Input N for "No" response. Indicates if the certificate holder has been named as an additional insured on the umbrella/excess liability policy. Place a "Y" next to each coverage where an additional insured endorsement has been issued or for umbrella / excess where there is an additional insured on the underlying primary policy and this umbrella / excess is follow form.
<b>COVERAGE INFORMATION</b>	<b>Subr Wvrd</b>	Enter Y for a "Yes" response. Input N for "No" response. Indicates if subrogation has been waived on the excess policy. For umbrella / excess, place a "Y" next to each coverage where subrogation has been waived on the underlying primary policy and this umbrella / excess is follow form.
<b>COVERAGE INFORMATION</b>	<b>Policy Number</b>	Enter identifier: The identifier assigned by the insurer to the excess liability policy, or submission, being referenced exactly as it appears on the policy, including prefix and suffix symbols. If required for self-insurance, the self-insured license or contract number.
<b>COVERAGE INFORMATION</b>	<b>Policy Eff (MM/DD/YYYY)</b>	Enter date: The effective date of the excess liability policy. The date that the terms and conditions of the policy commence.
<b>COVERAGE INFORMATION</b>	<b>Policy Exp (MM/DD/YYYY)</b>	Enter date: The date on which the terms and conditions of the excess liability policy will expire.
<b>COVERAGE INFORMATION</b>	<b>Limits - Each Occurrence \$</b>	Enter limit: The excess or umbrella liability each occurrence limit. As used here, the limit should be listed as a whole dollar amount, as governed by the policy. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>Aggregate \$</b>	Enter limit: The excess or umbrella liability aggregate limit should be listed as whole dollar amount, as governed by the policy. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>Field Box</b>	Enter text: The description of other coverage (not the limit) on the excess or umbrella liability policy. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>\$ Field Box</b>	Enter limit: The excess or umbrella liability other coverage limit should be listed as a whole dollar amount, as governed by the policy. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>Insr Ltr</b>	Enter code: The Company Letter of the insurer, as identified in the "Insurer(s) Affording Coverage" form section, associated with the commercial workers compensation and employers liability policy.
<b>COVERAGE INFORMATION</b>	<b>Type of Insurance - Workers Compensation and Employers' Liability - Any Proprietor/Partner/Executive/ Officer/Member Excluded?</b>	Enter Y for a "Yes" response. Input N for "No" response. Indicates whether the workers compensation and employers liability policy excludes any proprietor, partner, executive officer, or member. As used here, the DESCRIPTION OF OPERATIONS section is available, if needed, to provide details of any "Yes" response. In NH, if "Yes" response is indicated, it is mandatory to provide corresponding details in the DESCRIPTION OF OPERATIONS section.
<b>COVERAGE INFORMATION</b>	<b>Subr Wvrd</b>	Enter Y for a "Yes" response. Input N for "No" response. Indicates if subrogation has been waived on the workers compensation policy.

<b>COVERAGE INFORMATION</b>	<b>Policy Number</b>	Enter identifier: The identifier assigned by the insurer to the workers' compensation and employers liability policy, or submission, being referenced exactly as it appears on the policy, including prefix and suffix symbols. If required for self-insurance, the self-insured license or contract number.
<b>COVERAGE INFORMATION</b>	<b>Policy Eff (MM/DD/YYYY)</b>	Enter date: The effective date of the workers' compensation and employers liability policy. The date that the terms and conditions of the policy commence. .
<b>COVERAGE INFORMATION</b>	<b>Policy Exp (MM/DD/YYYY)</b>	Enter date: The date on which the terms and conditions of the workers' compensation and employers liability policy will expire.
<b>COVERAGE INFORMATION</b>	<b>Limits - Per Statute</b>	Check the box (if applicable): Indicates that workers compensation coverage is per statute.
<b>COVERAGE INFORMATION</b>	<b>Limits - Other</b>	Check the box (if applicable): Indicates that additional coverage above the workers compensation statutory limits applies (permitted in some states).
<b>COVERAGE INFORMATION</b>	<b>Field Box</b>	Enter text: The description of other coverage (not the limit) on the workers compensation and employers liability policy. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the DESCRIPTION OF OPERATIONS section is available if more space is required.
<b>COVERAGE INFORMATION</b>	<b>E.L. Each Accident \$</b>	Enter limit: The workers compensation and employers liability policy, employers liability each accident limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>E.L. Disease- EA Employee \$</b>	Enter limit: The workers compensation and employers liability policy, employers liability disease each employee limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>E.L. Disease- Policy Limit \$</b>	Enter limit: The workers compensation and employers liability policy, employers liability disease policy limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s).
<b>COVERAGE INFORMATION</b>	<b>Insr Ltr</b>	Enter code: The Company Letter of the insurer, as identified in the "Insurer(s) Affording Coverage" form section, associated with the other policy.
<b>COVERAGE INFORMATION</b>	<b>Type of Insurance - Other</b>	Enter text: The description of the other policy not listed on the form.
<b>COVERAGE INFORMATION</b>	<b>Add Insd</b>	Enter Y for a "Yes" response. Input N for "No" response. Indicates if the certificate holder has been named as an additional insured on the other policy.
<b>COVERAGE INFORMATION</b>	<b>Subr Wvd</b>	Enter Y for a "Yes" response. Input N for "No" response. Indicates subrogation has been waived on the other policy.
<b>COVERAGE INFORMATION</b>	<b>Policy Number</b>	Enter identifier: The other policy number exactly as it appears on the policy, including prefix and suffix symbols.
<b>COVERAGE INFORMATION</b>	<b>Policy Eff (MM/DD/YYYY)</b>	Enter date: The date on which the terms and conditions of the other policy commence.

<b>COVERAGE INFORMATION</b>	<b>Policy Exp (MM/DD/YYYY)</b>	Enter date: The date on which the terms and conditions of the other policy expires.
<b>COVERAGE INFORMATION</b>	<b>Coverage Code</b>	Enter code: The coverage code for the other policy.
<b>COVERAGE INFORMATION</b>	<b>Limits</b>	Enter limit: The other policy, coverage limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>Coverage Code</b>	Enter code: The coverage code for the other policy.
<b>COVERAGE INFORMATION</b>	<b>Limits</b>	Enter limit: The other policy, coverage limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>Coverage Code</b>	Enter code: The coverage code for the other policy.
<b>COVERAGE INFORMATION</b>	<b>Limits</b>	Enter limit: The other policy, coverage limit amount. Any questions about appropriate limits or applicable policy coverage(s) should be answered by the issuing insurer(s). As used here, the limit should be listed as a whole dollar amount, as governed by the policy.
<b>COVERAGE INFORMATION</b>	<b>Description of Operations / Locations / Vehicles</b>	Enter text: The Certificate Of Liability Insurance general remarks. The additional comments or special conditions that may exist upon the policy. ACORD 101, Additional Remarks Schedule, may be attached if more space is required. As used here, records information necessary to identify the operations, locations and vehicles for which the certificate was issued.
<b>CERTIFICATE HOLDER</b>	<b>Certificate Holder Name &amp; Address</b>	Enter text: The certificate holder's full name.
<b>CERTIFICATE HOLDER</b>		Enter text: The certificate holder's mailing address line one.
<b>CERTIFICATE HOLDER</b>		Enter text: The certificate holder's mailing address line two.
<b>CERTIFICATE HOLDER</b>		Enter text: The certificate holder's mailing address city name.
<b>CERTIFICATE HOLDER</b>		Enter code: The certificate holder's mailing address state or province code.
<b>CERTIFICATE HOLDER</b>		Enter code: The certificate holder's mailing address postal code.
<b>SIGNATURE</b>	<b>Authorized Representative</b>	Sign here: Accommodates the signature of the authorized representative (e.g., producer, agent, broker, etc.) of the company(ies) listed on the document. This is required in most states.



# VEHICLE OR EQUIPMENT CERTIFICATE OF INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

This form is used to report coverages provided to a single specific vehicle or equipment. Do not use this form to report liability coverage provided to multiple vehicles under a single policy. Use ACORD 25 for that purpose.

PRODUCER	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
	PRODUCER CUSTOMER ID #:	
	INSURER(S) AFFORDING COVERAGE	
INSURED	INSURER A :	
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	

## DESCRIPTION OF VEHICLE OR EQUIPMENT

YEAR	MAKE / MANUFACTURER	MODEL	BODY TYPE	VEHICLE IDENTIFICATION NUMBER
DESCRIPTION			VEHICLE / EQUIPMENT VALUE \$	SERIAL NUMBER

## COVERAGES

## CERTIFICATE NUMBER:

## REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICY(IES) OF INSURANCE LISTED BELOW HAS/HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD(S) INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICY(IES) DESCRIBED HEREIN IS/ARE SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICY(IES).

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
		VEHICLE LIABILITY				COMBINED SINGLE LIMIT	\$
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE	\$
		GENERAL LIABILITY				EACH OCCURRENCE	\$
		OCCURRENCE				GENERAL AGGREGATE	\$
		CLAIMS MADE					\$
INSR LTR	LOSS PAYEE	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS / DEDUCTIBLE	
		VEH COLLISION LOSS				<input type="checkbox"/> ACV <input type="checkbox"/> AGREED AMT	\$ LIMIT
						<input type="checkbox"/> STATED AMT	\$ DED
		VEH COMP <input type="checkbox"/> VEH OTC				<input type="checkbox"/> ACV <input type="checkbox"/> AGREED AMT	\$ LIMIT
						<input type="checkbox"/> STATED AMT	\$ DED
		EQUIPMENT				<input type="checkbox"/> ACV <input type="checkbox"/> AGREED AMT	\$ LIMIT
		BASIC <input type="checkbox"/> BROAD				<input type="checkbox"/> RC <input type="checkbox"/> STATED AMT	\$ DED
		SPECIAL <input type="checkbox"/>				<input type="checkbox"/>	\$

REMARKS (INCLUDING SPECIAL CONDITIONS / OTHER COVERAGES) (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

## ADDITIONAL INTEREST

## CANCELLATION

<b>Select one of the following:</b>			<b>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</b>		
<input type="checkbox"/> The additional interest described below has been added to the policy(ies) listed herein by policy number(s). <input type="checkbox"/> A request has been submitted to add the additional interest described below to the policy(ies) listed herein by policy number(s).					
VEHICLE / EQUIPMENT INTEREST:			DESCRIPTION OF THE ADDITIONAL INTEREST		
NAME AND ADDRESS OF ADDITIONAL INTEREST			ADDITIONAL INSURED <input type="checkbox"/> LOSS PAYEE <input type="checkbox"/>		
			LENDER'S LOSS PAYABLE <input type="checkbox"/>		
			LOAN / LEASE NUMBER		
			AUTHORIZED REPRESENTATIVE		

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# CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

PRODUCER	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
	PRODUCER CUSTOMER ID:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
INSURED	INSURER A :	
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

## COVERAGES

## CERTIFICATE NUMBER:

## REVISION NUMBER:

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS	
	<input type="checkbox"/>	PROPERTY				<input type="checkbox"/>	BUILDING	\$
	CAUSES OF LOSS					<input type="checkbox"/>	PERSONAL PROPERTY	\$
	<input type="checkbox"/>	BASIC				<input type="checkbox"/>	BUSINESS INCOME	\$
	<input type="checkbox"/>	BROAD					EXTRA EXPENSE	\$
	<input type="checkbox"/>	SPECIAL				<input type="checkbox"/>	RENTAL VALUE	\$
	<input type="checkbox"/>	EARTHQUAKE					BLANKET BUILDING	\$
	<input type="checkbox"/>	WIND				<input type="checkbox"/>	BLANKET PERS PROP	\$
	<input type="checkbox"/>	FLOOD				<input type="checkbox"/>	BLANKET BLDG & PP	\$
	<input type="checkbox"/>					<input type="checkbox"/>		\$
	<input type="checkbox"/>					<input type="checkbox"/>		\$
	<input type="checkbox"/>	INLAND MARINE	TYPE OF POLICY			<input type="checkbox"/>		\$
	CAUSES OF LOSS		<input type="checkbox"/>				\$	
	<input type="checkbox"/>	NAMED PERILS	POLICY NUMBER			<input type="checkbox"/>		\$
	<input type="checkbox"/>					<input type="checkbox"/>		\$
	<input type="checkbox"/>	CRIME				<input type="checkbox"/>		\$
	TYPE OF POLICY					<input type="checkbox"/>		\$
	<input type="checkbox"/>					<input type="checkbox"/>		\$
	<input type="checkbox"/>	BOILER & MACHINERY / EQUIPMENT BREAKDOWN				<input type="checkbox"/>		\$
	<input type="checkbox"/>					<input type="checkbox"/>		\$
						<input type="checkbox"/>		\$
						<input type="checkbox"/>		\$

SPECIAL CONDITIONS / OTHER COVERAGES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

## CERTIFICATE HOLDER

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
	INSURER A :	
	INSURER B :	
	INSURER C :	
	INSURER D :	
INSURER E :		
INSURER F :		

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b>						EACH OCCURRENCE \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
							MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$
	OTHER:						\$
	<b>AUTOMOBILE LIABILITY</b>						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident) \$
							\$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR						EACH OCCURRENCE \$
	<b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$
	DED <input type="checkbox"/> RETENTION \$						\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>						<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y / <input type="checkbox"/> N / A						E.L. EACH ACCIDENT \$
	(Mandatory in NH)						E.L. DISEASE - EA EMPLOYEE \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**CERTIFICATE HOLDER****CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE





## EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY	PHONE (A/C, No, Ext):	COMPANY	
FAX (A/C, No):	E-MAIL ADDRESS:		
CODE:	SUB CODE:		
AGENCY CUSTOMER ID #:		LOAN NUMBER	POLICY NUMBER
INSURED		EFFECTIVE DATE	EXPIRATION DATE
			<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:			

### PROPERTY INFORMATION

LOCATION/DESCRIPTION

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

### COVERAGE INFORMATION

PERILS INSURED

BASIC

BROAD

SPECIAL

COVERAGE / PERILS / FORMS

AMOUNT OF INSURANCE

DEDUCTIBLE

### REMARKS (Including Special Conditions)

### CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

### ADDITIONAL INTEREST

NAME AND ADDRESS	ADDITIONAL INSURED	LENDER'S LOSS PAYABLE	<input type="checkbox"/> LOSS PAYEE
	MORTGAGEE		
	LOAN #		
AUTHORIZED REPRESENTATIVE			



# EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)

THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

PRODUCER NAME, CONTACT PERSON AND ADDRESS		PHONE (A/C, No, Ext):	COMPANY NAME AND ADDRESS		NAIC NO:
FAX (A/C, No):		E-MAIL ADDRESS:	IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH		
CODE:		SUB CODE:	POLICY TYPE		
AGENCY CUSTOMER ID #:					
NAMED INSURED AND ADDRESS			LOAN NUMBER	POLICY NUMBER	
			EFFECTIVE DATE	EXPIRATION DATE	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
ADDITIONAL NAMED INSURED(S)			THIS REPLACES PRIOR EVIDENCE DATED:		

**PROPERTY INFORMATION** (ACORD 101 may be attached if more space is required) ☐ BUILDING OR ☐ BUSINESS PERSONAL PROPERTY

LOCATION / DESCRIPTION

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

**COVERAGE INFORMATION**

PERILS INSURED

BASIC

BROAD

SPECIAL

COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$

DED:

	YES	NO	N/A	
<input type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> RENTAL VALUE				If YES, LIMIT: Actual Loss Sustained; # of months:
BLANKET COVERAGE				If YES, indicate value(s) reported on property identified above: \$
TERRORISM COVERAGE				Attach Disclosure Notice / DEC
IS THERE A TERRORISM-SPECIFIC EXCLUSION?				
IS DOMESTIC TERRORISM EXCLUDED?				
LIMITED FUNGUS COVERAGE				If YES, LIMIT: DED:
FUNGUS EXCLUSION (If "YES", specify organization's form used)				
REPLACEMENT COST				
AGREED VALUE				
COINSURANCE				If YES, %
EQUIPMENT BREAKDOWN (If Applicable)				If YES, LIMIT: DED:
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg				If YES, LIMIT: DED:
- Demolition Costs				If YES, LIMIT: DED:
- Incr. Cost of Construction				If YES, LIMIT: DED:
EARTH MOVEMENT (If Applicable)				If YES, LIMIT: DED:
FLOOD (If Applicable)				If YES, LIMIT: DED:
WIND / HAIL INCL <input type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:				If YES, LIMIT: DED:
NAMED STORM INCL <input type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:				If YES, LIMIT: DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS				

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

**ADDITIONAL INTEREST**

<input type="checkbox"/> CONTRACT OF SALE	<input type="checkbox"/> LENDER'S LOSS PAYABLE	<input type="checkbox"/> LOSS PAYEE	LENDER SERVICING AGENT NAME AND ADDRESS
<input type="checkbox"/> MORTGAGEE			
NAME AND ADDRESS			AUTHORIZED REPRESENTATIVE

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – ENGINEERS, ARCHITECTS OR SURVEYORS**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Section II – Who Is An Insured** is amended to include as an additional insured any architect, engineer or surveyor engaged by you, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In connection with your premises; or
2. In the performance of your ongoing operations.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

2. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services by or for you.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

- C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

SAMPLE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

<b>Designation Of Premises (Part Leased To You):</b>
<b>Name Of Person(s) Or Organization(s) (Additional Insured):</b>
<b>Additional Premium:     \$</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by you or those acting on your behalf in connection with the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable limits of insurance;
- whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION – PERMITS OR AUTHORIZATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**State Or Governmental Agency Or Subdivision Or Political Subdivision:**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following provisions:

1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

2. This insurance does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
- b. "Bodily injury" or "property damage" included within the "products-completed operations hazard".

- B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION – PERMITS OR AUTHORIZATIONS RELATING TO PREMISES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

**State Or Governmental Agency Or Subdivision Or Political Subdivision:**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

1. The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures; or
2. The construction, erection or removal of elevators; or
3. The ownership, maintenance or use of any elevators covered by this insurance.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – VENDORS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s) (Vendor)	Your Products
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) (referred to throughout this endorsement as vendor) shown in the Schedule of this endorsement, but only with respect to liability for "bodily injury" or "property damage" arising out of "your products" shown in the Schedule of this endorsement which are distributed or sold in the regular course of the vendor's business.

However:

1. The insurance afforded to such vendor only applies to the extent permitted by law; and
2. If coverage provided to the vendor is required by a contract or agreement, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.

**B.** With respect to the insurance afforded to these vendors, the following additional exclusions apply:

1. The insurance afforded the vendor does not apply to:
  - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

- b. Any express warranty unauthorized by you;
- c. Any physical or chemical change in the product made intentionally by the vendor;
- d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (1) The exceptions contained in Subparagraphs **d.** or **f.**; or
- (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

C. With respect to the insurance afforded to these vendors, the following is added to **Section III – Limits Of Insurance**:

If coverage provided to the vendor is required by a contract or agreement, the most we will pay on behalf of the vendor is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

SAMPLE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

<b>Name(s) Of Person(s) Or Organization(s)</b>	<b>Designation Of Premises</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – OWNERS OR OTHER INTERESTS FROM WHOM LAND HAS BEEN LEASED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Land (Part Leased To You)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by you or those acting on your behalf in connection with the ownership, maintenance or use of that part of the land leased to you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease that land;

2. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Schedule.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – ENGINEERS, ARCHITECTS OR SURVEYORS NOT ENGAGED BY THE NAMED INSURED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Name(s) Of Additional Insured Engineer(s), Architect(s) Or Surveyor(s) Not Engaged By The Named Insured:**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the architects, engineers or surveyors shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations performed by you or on your behalf.

Such architects, engineers or surveyors, while not engaged by you, are contractually required to be added as an additional insured to your policy.

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services, including:

1. The preparing, approving, or failing to prepare or approve, maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
2. Supervisory, inspection or engineering services.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

SAMPLE



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – AUTOMATIC STATUS WHEN  
REQUIRED IN A WRITTEN CONSTRUCTION  
AGREEMENT WITH YOU**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Section II – Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
  - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

2. "Bodily injury" or "property damage" occurring after:

- a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement you have entered into with the additional insured; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

SAMPLE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT – AUTOMATIC STATUS WHEN REQUIRED IN LEASE AGREEMENT WITH YOU

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) from whom you lease equipment when you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy. Such person(s) or organization(s) is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

**B.** With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement you have entered into with the additional insured; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – AUTOMATIC STATUS FOR OTHER  
PARTIES WHEN REQUIRED IN WRITTEN  
CONSTRUCTION AGREEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Section II – Who Is An Insured** is amended to include as an additional insured:

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured described in Paragraph 1. or 2. above.

However, the insurance afforded to such additional insured described above:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for the person or organization described in Paragraph 1. above are completed.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
  - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

2. "Bodily injury" or "property damage" occurring after:
  - a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

2. Available under the applicable limits of insurance;  
whichever is less.

This endorsement shall not increase the applicable limits of insurance.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement described in Paragraph **A.1.**; or

SAMPLE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – AUTOMATIC STATUS WHEN  
REQUIRED IN WRITTEN CONSTRUCTION AGREEMENT  
WITH YOU (COMPLETED OPERATIONS)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Section II – Who Is An Insured** is amended to include as an additional insured any person or organization for whom you have performed operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" performed for that additional insured and included in the "products-completed operations hazard".

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:**

This insurance does not apply to:

"Bodily injury" or "property damage" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

2. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

**C. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement you have entered into with the additional insured; or
  2. Available under the applicable limits of insurance;
- whichever is less.

This endorsement shall not increase the applicable limits of insurance.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – AUTOMATIC STATUS FOR OTHER  
PARTIES WHEN REQUIRED IN WRITTEN  
CONSTRUCTION AGREEMENT (COMPLETED  
OPERATIONS)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Section II – Who Is An Insured** is amended to include as an additional insured:

1. Any person or organization for whom you have performed operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" performed for the additional insured described in Paragraph 1. or 2. above and included in the "products-completed operations hazard".

However, the insurance afforded to such additional insured described above:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to:

"Bodily injury" or "property damage" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
2. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.



C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement described in Paragraph **A.1.**; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

SAMPLE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS SUBJECT TO THE GENERAL AGGREGATE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule of this endorsement, but only with respect to liability for:

1. "Bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) shown and described in the Schedule of this endorsement; or

2. "Bodily injury" or "property damage" caused, in whole or in part, by "your work", other than that described in **A.1.**, at the location(s) shown and described in the Schedule of this endorsement performed for the additional insured(s).

However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
- (2) If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

SAMPLE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – AUTOMATIC STATUS FOR DESIGNATED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

<b>Description Of Operation(s):</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) for whom you have agreed to add under any contract or agreement, but only with respect to liability for:

1. "Bodily injury" or "property damage" not included in the "products-completed operations hazard"; or

2. "Personal and advertising injury";

caused by, in whole or in part, your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your operations as described in the Schedule above.

**B.** The insurance afforded to such additional insured described in Paragraph **A.** above:

1. Only applies to the extent permitted by law; and

2. Will not be broader than any coverage requirement in a contract or agreement to provide for such additional insured.

**C.** With respect to insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" due to rendering of or failure to render any professional service. This includes but is not limited to:

1. Legal, accounting or advertising services;

2. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications;

3. Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;

4. Engineering services, including related supervisory or inspection services;

5. Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;

6. Any health or therapeutic service treatment, advice or instruction;

7. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;

8. Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, bodybuilding or physical training programs;

9. Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

10. Body piercing services;

11. Services in the practice of pharmacy;

12. Law enforcement or firefighting services; and

13. Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional service.

**D. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement described in Paragraph **A.** above; or

2. Available under the applicable limits of insurance;  
whichever is less.

This endorsement shall not increase the applicable limits of insurance.

SAMPLE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – AUTOMATIC STATUS WHEN REQUIRED IN WRITTEN CONTRACT OR AGREEMENT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) for whom you have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy. Such person(s) or organization(s) is an additional insured only with respect to liability for:

1. "Bodily injury" or "property damage" not included in the "products-completed operations hazard"; or

2. "Personal and advertising injury";

caused by, in whole or in part, your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your operations.

**B.** The insurance afforded to such additional insured described in Paragraph **A.** of this endorsement:

1. Only applies to the extent permitted by law; and

2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**C.** With respect to insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" due to rendering of or failure to render any professional service. This includes but is not limited to:

1. Legal, accounting or advertising services;

2. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications;

3. Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;

4. Engineering services, including related supervisory or inspection services;

5. Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;

6. Any health or therapeutic service treatment, advice or instruction;

7. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;

8. Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, bodybuilding or physical training programs;

9. Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

10. Body piercing services;

11. Services in the practice of pharmacy;

12. Law enforcement or firefighting services; and

13. Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional service.

D. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement described in Paragraph **A.**; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

SAMPLE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – VENDORS – AUTOMATIC STATUS WHEN REQUIRED IN AGREEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. Section II – Who Is An Insured** is amended to include as an additional insured any "vendor", but only with respect to liability for "bodily injury" or "property damage" arising out of "your product" which is distributed or sold in the regular course of the "vendor's" business.

However, the insurance afforded to such "vendor":

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such "vendor".

- B. With respect to the insurance afforded to any "vendor", the following additional exclusions apply:**

1. The insurance afforded the "vendor" does not apply to:
  - a. "Bodily injury" or "property damage" for which the "vendor" is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the "vendor" would have in the absence of the contract or agreement;
  - b. Any express warranty unauthorized by you;
  - c. Any physical or chemical change in the product made intentionally by the "vendor";
  - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - e. Any failure to make such inspections, adjustments, tests or servicing as the "vendor" has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- f. Demonstration, installation, servicing or repair operations, except such operations performed at the "vendor's" premises in connection with the sale of the product;

- g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the "vendor"; or

- h. "Bodily injury" or "property damage" arising out of the sole negligence of the "vendor" for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (1) The exceptions contained in Subparagraphs d. or f.; or

- (2) Such inspections, adjustments, tests or servicing as the "vendor" has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

- C. With respect to the insurance afforded to these "vendors", the following is added to **Section III – Limits Of Insurance:****

The most we will pay on behalf of the "vendor" is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.



This endorsement shall not increase the applicable limits of insurance.

**D.** The following definition is added to the **Definitions** section:

"Vendor" means any person or organization who distributes or sells "your product" in the regular course of its business when you have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy.

SAMPLE





## James K. Ruble Seminar

*a proud member of The National Alliance for Insurance Education & Research*

### Section 3

# **Steering The Business Auto Coverage Form**



## STEERING THE BUSINESS AUTO COVERAGE FORM



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# **Steering the Business Auto Coverage Form**

## **I. INTRODUCTION**

## **II. ELIGIBILITY**

Eligibility for Business Auto Coverage (BAC)

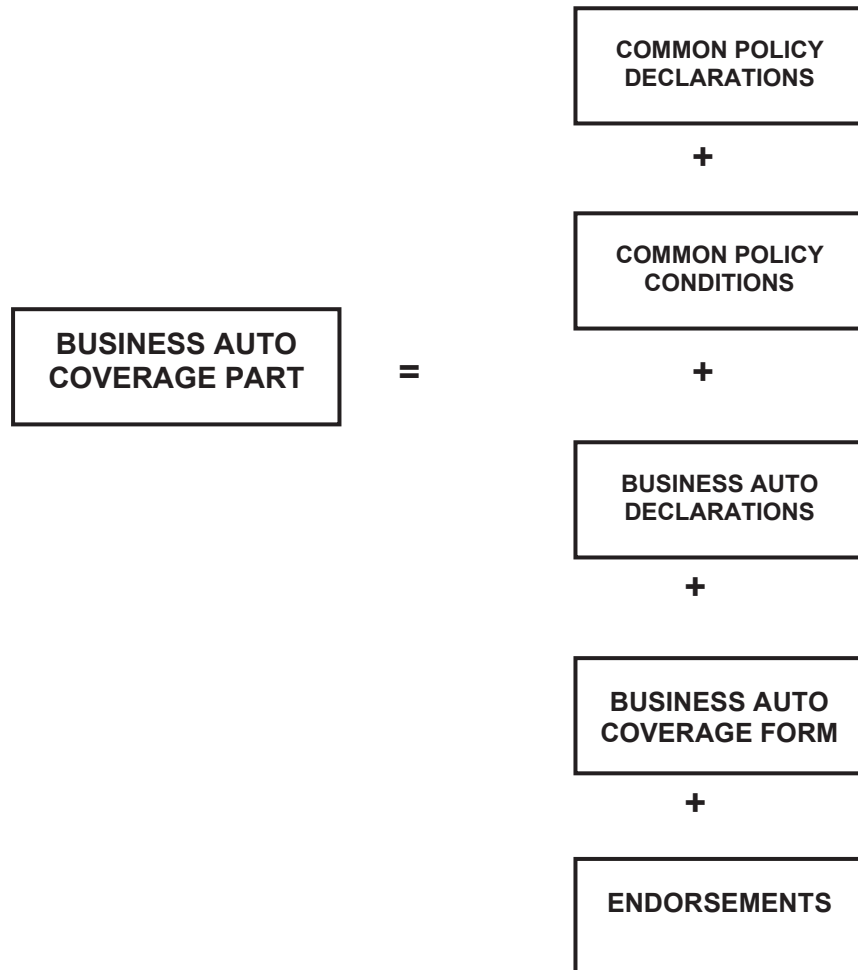
- A. BAC provides coverage for most business risks
- B. Motor Carrier Coverage Form provides coverage for businesses that transport materials, commodities, and goods of others as well as their own
- C. Auto Dealers Coverage Form provides coverage for auto dealers and trailer dealers

## **III. BUSINESS AUTO COVERAGES**

- A. Policy Coverages
  - 1. Liability
  - 2. Physical Damage
- B. Endorsement Coverages
  - 1. Medical Payments or State Specific No-fault Coverage
  - 2. Uninsured/Underinsured Motorists
  - 3. Others

# **Steering the Business Auto Coverage Form**

## **IV. BUSINESS AUTO POLICY STRUCTURE**



# Steering the Business Auto Coverage Form

POLICY NUMBER:

IL DS 00 09 08

## COMMON POLICY DECLARATIONS

COMPANY NAME AREA	PRODUCER NAME AREA
NAMED INSURED: _____	
MAILING ADDRESS: _____	
POLICY PERIOD: FROM _____ TO _____ AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE	
BUSINESS DESCRIPTION	

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
	PREMIUM
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART	\$ _____
COMMERCIAL AUTOMOBILE COVERAGE PART	\$ _____
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$ _____
COMMERCIAL INLAND MARINE COVERAGE PART	\$ _____
COMMERCIAL LIABILITY UMBRELLA	\$ _____
COMMERCIAL PROPERTY COVERAGE PART	\$ _____
CRIME AND FIDELITY COVERAGE PART	\$ _____
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART	\$ _____
EQUIPMENT BREAKDOWN COVERAGE PART	\$ _____
FARM COVERAGE PART	\$ _____
LIQUOR LIABILITY COVERAGE PART	\$ _____
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART	\$ _____
POLLUTION LIABILITY COVERAGE PART	\$ _____
	\$ _____
	<b>TOTAL: \$ _____</b>
Premium shown is payable: \$ _____ at inception. \$ _____	

<b>FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):</b> _____
---

### NOTE

OFFICERS' FACSIMILE SIGNATURES MAY BE INSERTED HERE, ON THE POLICY COVER OR ELSEWHERE AT THE COMPANY'S OPTION.

IL DS 00

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Page 1 & 2 combined



# **Steering the Business Auto Coverage Form**

## **V. COMMON POLICY DECLARATIONS FORM**

- A. Named Insured
- B. Mailing Address
- C. Policy Period
- D. Business Description
- E. Coverage Parts/Premium
- F. Form Applicable

# **Steering the Business Auto Coverage Form**

IL 00 17 11 98

## **COMMON POLICY CONDITIONS**

All Coverage Parts included in this policy are subject to the following conditions.

### **A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### **B. Changes**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### **C. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### **D. Inspections And Surveys**

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### **E. Premiums**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### **F. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

# **Steering the Business Auto Coverage Form**

## **VI. COMMON POLICY CONDITIONS**

- Establishes part of the “ground rules” for the relationship between the insurer and the insured.

### **A. Common to all coverage parts**

1. Cancellation – 10 days non-pay; 30 days any other reason
  - **CA 04 22 - EARLIER NOTICE OF CANCELLATION PROVIDED BY US**
  - **STATE SPECIFIC ENDORSEMENTS**
  - **COMPANY SPECIFIC ENDORSEMENTS**
2. Changes
3. Examination of your books and records during policy period/three years
4. Inspection and surveys
5. Premiums
6. Transfer of your rights and duties under this policy

### **B. (Concept of First Named Insured)**

- \*
  1. Authorized to cancel policy
  2. Receive notice of cancellation
- \*
  3. Authorized to make changes in the terms of policy with insurer’s consent
  4. Responsible for payment of all premiums
  5. Payee for return premiums

**(\*CAUTION: LETTER OF AUTHORIZATION RECOMMENDED)**

# **Steering the Business Auto Coverage Form**

POLICY NUMBER:

COMMERCIAL AUTO  
CA DS 03 11 20

## **BUSINESS AUTO DECLARATIONS**

### **ITEM ONE**

<b>Company Name:</b>	
<b>Producer Name:</b>	
<b>Named Insured:</b>	
<b>Mailing Address:</b>	
<b>Policy Period</b>	
<b>From:</b>	
<b>To:</b>	At 12:01 AM Standard Time at your mailing address shown above
<b>Previous Policy Number:</b>	

<b>Form Of Business:</b>	
<input type="checkbox"/> Corporation	<input type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Partnership	<input type="checkbox"/> Individual
	<input type="checkbox"/> Other:

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this Policy.

<b>Premium Shown Is Payable At Inception: \$</b>	
<b>Audit Period</b> (if applicable):	<input type="checkbox"/> Annually <input type="checkbox"/> Semiannually <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly

<b>Endorsements Attached To This Policy</b>
IL 00 17 – Common Policy Conditions (IL 01 46 in Washington)
IL 00 21 – Broad Form Nuclear Exclusion (not applicable in New York) (IL 01 98 in Washington)

# **Steering the Business Auto Coverage Form**

## **VII. BUSINESS AUTO DECLARATIONS**

### **A. Item One**

1. Named Insured
2. Mailing Address
3. Policy Period
4. Form of Business
5. Premium
6. Endorsements

# Steering the Business Auto Coverage Form

## ITEM TWO

### Schedule Of Coverages And Covered Autos

This Policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos section of the Business Auto Coverage Form next to the name of the coverage.

Coverages	Covered Autos	Limit Or Deductible	Premium
<b>Covered Autos Liability</b>		\$	\$
<b>Personal Injury Protection (Or Equivalent No-fault Coverage)</b>		<b>Separately Stated In Each Personal Injury Protection Endorsement Minus</b> \$ <b>Deductible</b>	\$
<b>Added Personal Injury Protection (Or Equivalent Added No-fault Coverage)</b>		<b>Separately Stated In Each Added Personal Injury Protection Endorsement</b>	\$
<b>Property Protection Insurance (Michigan Only)</b>		<b>Separately Stated In The Property Protection Insurance Endorsement Minus</b> \$ <b>Deductible For Each Accident</b>	\$
<b>Auto Medical Payments</b>		\$ <b>Each Insured</b>	\$
<b>Medical Expense And Income Loss Benefits (Virginia Only)</b>		<b>Separately Stated In The Medical Expense And Income Loss Benefits Endorsement</b>	\$
<b>Uninsured Motorists</b>		\$	\$
<b>Underinsured Motorists (When Not Included In Uninsured Motorists Coverage)</b>		\$	\$
<b>Physical Damage Comprehensive Coverage</b>		\$ <b>Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism</b> (A maximum deductible may also apply. Refer to Coverage Form for details.) \$ <b>Deductible For All Perils For Each Covered Auto</b> (A maximum deductible may also apply. Refer to Coverage Form for details.) See Item Four for Hired or Borrowed Autos.	\$
<b>Physical Damage Specified Causes Of Loss Coverage</b>		\$ <b>Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism</b> (A maximum deductible may also apply. Refer to Coverage Form for details.) \$ <b>Deductible For All Perils For Each Covered Auto</b> (A maximum deductible may also apply. Refer to Coverage Form for details.) See Item Four for Hired or Borrowed Autos.	\$
<b>Physical Damage Collision Coverage</b>		\$ <b>Deductible For Each Covered Auto</b> See Item Four for Hired or Borrowed Autos.	\$
<b>Physical Damage Towing And Labor</b>		\$ <b>For Each Disablement Of A Private Passenger Auto, Light or Medium Truck</b>	\$
<b>Premium For Endorsements</b>			\$
<b>Estimated Total Premium</b>			\$
<b>*This Policy may be subject to final audit.</b>			

# **Steering the Business Auto Coverage Form**

B. ITEM TWO of the Business Auto Declarations shows the schedule of autos that are covered autos

1. Coverages
2. Numerical symbols 1-10 and 19 are used to designate covered autos
3. Limits Or Deductibles
4. Premium
5. Policy may be subject to final audit

# Steering the Business Auto Coverage Form

## ITEM THREE

### Schedule Of Covered Autos You Own

Covered Auto Number:						
Town And State Where The Covered Auto Will Be Principally Garaged:						
Covered Auto Description						
Year:		Model:		Trade Name:		
Body Type:				Serial Number(s):		
Vehicle Identification Number (VIN):						
Classification						
Original Cost New	Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVWR, GCW Or Vehicle Seating Capacity	Age Group	Secondary Rating Classification	Code
\$						
Except For Towing And Labor, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below According To Their Interests In The Auto At The Time Of The Loss:						
<b>Coverages – Premiums, Limits And Deductibles</b> (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding Item Two column applies instead.)						
Coverages	Limit Or Deductible				Premium	
Covered Autos Liability	\$				\$	
Personal Injury Protection	Stated In Each Personal Injury Protection Endorsement Minus \$ Deductible				\$	
Added Personal Injury Protection	Stated In Each Added Personal Injury Protection Endorsement				\$	
Property Protection Insurance (Michigan Only)	Stated In The Property Protection Insurance Endorsement Minus \$ Deductible				\$	
Auto Medical Payments	\$ Each Insured				\$	
Medical Expense And Income Loss Benefits (Virginia Only)	Stated In The Medical Expense And Income Loss Benefits Endorsement For Each Person				\$	
Comprehensive	\$ Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)  \$ Deductible For All Perils For Each Covered Auto (A maximum deductible may also apply. Refer to Coverage Form for details.)				\$	
Specified Causes Of Loss	\$ Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)  \$ Deductible For All Perils For Each Covered Auto (A maximum deductible may also apply. Refer to Coverage Form for details.)				\$	
Collision	\$ Deductible				\$	
Towing And Labor	\$ Per Disablingment				\$	



## **Steering the Business Auto Coverage Form**

C. ITEM THREE of the Business Auto Declarations shows a Schedule Of Owned Covered Autos

1. Place of garaging should be verified periodically
2. Business use should be determined by actual use

# Steering the Business Auto Coverage Form

## ITEM FOUR

### Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums

Covered Autos Liability Coverage – Cost Of Hire Rating Basis For Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)			
Covered Autos Liability Coverage	State	Estimated Annual Cost Of Hire For Each State	Premium
Primary Coverage		\$	\$
Excess Coverage		\$	\$
Total Hired Auto Premium			\$

For "autos" **NOT** used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

Physical Damage Coverages – Cost Of Hire Rating Basis For All Autos (Other Than Mobile Or Farm Equipment)				
Coverage	State	Limit Of Insurance	Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)	Premium
Comprehensive		\$ Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)	\$	\$
Specified Causes Of Loss		\$ Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)	\$	\$
Collision		\$ Deductible For Each Covered Auto	\$	\$
Total Hired Auto Premium			\$	\$

For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any "auto" that is leased, hired, rented or borrowed with a driver.

# **Steering the Business Auto Coverage Form**

D. ITEM FOUR of the Business Auto Declarations indicates a Schedule of Hired or Borrowed Covered Autos

1. Exposure is greater than rental of autos; also includes borrowed
2. Should be provided for all policies
3. Should never be written by endorsement to a CGL Policy or a BOP

# Steering the Business Auto Coverage Form

## ITEM FIVE

### Schedule For Non-ownership Covered Autos Liability

Named Insured's Business	Rating Basis	Number	Premium
Other Than Auto Service Operations, Partnerships Or LLCs	Number Of Employees		\$
	Number Of Volunteers		\$
Garage Auto Service Operations	Number Of Employees Whose Principal Duty Involves The Operation Of Autos		\$
	Number Of Volunteers		
	Number Of Partners Or LLC Members		\$
Partnerships Or LLCs	Number Of Employees		\$
	Number Of Volunteers		\$
	Number Of Partners (Active And Inactive) Or LLC Members		\$
Total Non-ownership Covered Autos Liability Premium			\$

## ITEM SIX

### Schedule For Gross Receipts Or Mileage Basis

<b>Address Of Business Headquarters Location:</b>	
Type Of Risk (Check one):	<input type="checkbox"/> Public Autos <input type="checkbox"/> Leasing Or Rental Concerns
Rating Basis (Check one):	<input type="checkbox"/> Gross Receipts (Per \$100) <input type="checkbox"/> Mileage (Per Mile)
<b>Estimated Yearly (Gross Receipts Or Mileage):</b>	
<b>Premiums</b>	
Covered Autos Liability	\$
Personal Injury Protection	\$
Added Personal Injury Protection	\$
Property Protection Insurance (Michigan Only)	\$
Auto Medical Payments	\$
Medical Expense And Income Loss Benefits (Virginia Only)	\$
Comprehensive	\$
Specified Causes Of Loss	\$
Collision	\$
Towing And Labor	\$

# **Steering the Business Auto Coverage Form**

E. ITEM FIVE of the Business Auto Declarations indicates the Schedule For Non-ownership Liability

1. Exposure is greater than employees' use of autos
2. Should be provided for all policies
3. Should never be written by endorsement to a CGL Policy or a BOP

F. ITEM SIX of the Business Auto Declarations indicates the Schedule For Gross Receipts of Mileage Basis

# **Steering the Business Auto Coverage Form**

## **VIII. BUSINESS AUTO COVERAGE FORM (CA 00 01) – INTRODUCTION**

### ***Introduction***

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this Policy the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we”, “us” and “our” refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **V** – Definitions.

- A. Restricts broadness
- B. Defines how the named insured and insurer will be identified in the Coverage Form
- C. Indicates how words and phrases with special meaning will be identified

## **IX. BUSINESS AUTO COVERAGE FORM – SECTION I – COVERED AUTOS**

### ***Description of SECTION I – COVERED AUTOS***

#### **SECTION I – COVERED AUTOS**

Item Two of the Declarations shows the “autos” that are covered “autos” for each of your coverages. The following numerical symbols describe the “autos” that may be covered “autos”. The symbols entered next to a coverage on the Declarations designate the only “autos” that are covered “autos”.

- Numerical symbols describe the autos that are covered autos
- Triggered from entry on BAP Declarations

# **Steering the Business Auto Coverage Form**

## **A. Description of Covered Auto Designation Symbols**

### **1. Symbol 1 Description**

1 = Any "Auto".

- a. Represents broadest coverage available under the BAP
- b. Reserved for liability coverage only
- c. Symbol of choice for most insureds
- d. BAP issued to individual named insured could be called upon to provide liability insurance for autos insured under PAP
  - 1) Exposure
  - 2) Approach

- **CA 99 40 - EXCLUSION OR EXCESS COVERAGE  
HAZARDS OTHERWISE INSURED**

EXCLUDE - "ALL AUTOS INSURED UNDER PAP"

### **2. Symbol 2 Description**

2 = Owned "Autos" Only. Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the Policy begins.

- a. Refers to automobiles the named insured owns
- b. May be used to designate liability insurance, physical damage, medical payments/PIP, uninsured/underinsured motorists
- c. May provide insurance protection for autos not even on the schedule in BAP declarations

# **Steering the Business Auto Coverage Form**

## 3. *Symbol 3 Description*

3 = Owned Private Passenger "Autos" Only. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the Policy begins.

- a. Refers to private passenger autos the named insured owns
- b. May be used to designate liability insurance, physical damage, medical payments/PIP, uninsured/underinsured motorists
- c. Limits coverage to a specific type of auto

## 4. *Symbol 4 Description*

4 = Owned "Autos" Other Than Private Passenger "Autos" Only. Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the Policy begins.

- a. Refers to autos other than private passenger autos the named insured owns – trucks/truck tractors/buses/taxis/motorcycle trailers/emergency vehicles
- b. May be used to designate liability insurance, physical damage, medical payments/PIP, uninsured/uninsured motorists
- c. Limits coverage to a specific type of auto

## 5. *Symbol 5 Description*

5 = Owned "Autos" Subject To No-fault. Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the Policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.

- a. Refers to autos the named insured owns for a particular coverage required by the jurisdiction
- b. Not to be used where no-fault coverage is optional or can be rejected



# **Steering the Business Auto Coverage Form**

## 6. *Symbol 6 Description*

6 = Owned "Autos" Subject To A Compulsory Uninsured Motorist Law. Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the Policy begins provided they are subject to the same state uninsured motorists requirement.

- a. Refers to autos the named insured owns for a particular coverage required by the jurisdiction
- b. Not to be used where uninsured motorists/underinsured motorists coverage can be rejected

## 7. *Symbol 7 Description*

7 = Specifically Described "Autos". Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).

- a. Designates a specific insurance coverage only applies to selected autos
- b. May be used to designate liability insurance, physical damage insurance, medical payments/PIP, uninsured/underinsured motorists
- c. Would not normally be the Symbol of choice for the named insured

## 8. *Symbol 8 Description*

8 = Hired "Autos" Only. Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

- a. Can be used to activate coverage for leased, hired, rented or borrowed autos.
- b. May be used to designate liability insurance or physical damage

# Steering the Business Auto Coverage Form

## 9. *Symbol 9 Description*

9 = Non-owned "Autos" Only. Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are in a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

- a. Can be used to activate coverage for autos the named insured does not own, lease, hire, rent or borrow
- b. May be used to designate liability insurance for the named insured
  - 1) Exposure for an employee
  - 2) Approach
    - **CA 99 33 - EMPLOYEES AS INSURED**
    - "IN YOUR BUSINESS OR YOUR PERSONAL AFFAIRS"
    - NOTE: OTHER INSURANCE CLAUSE WILL MAKE COVERAGE PROVIDED EXCESS**

## 19. *Symbol 19 Description*

19 = Mobile Equipment Subject To Compulsory Financial Responsibility Or Other Motor Vehicle Insurance Law Only. Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this Policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

- a. Designed to trigger liability coverage for land vehicles that would ordinarily be classified as mobile equipment EXCEPT for the fact that they are subject to a motor vehicle insurance laws where licensed or principally garaged
- b. Makes no reference to ownership of the vehicle
- c. Real need is when Symbol 7 is used for triggering liability coverage
- d. How about jurisdictions where golf carts and other low-speed vehicles that are NOT subject to "financial responsibility" and coverage is desired?
  - **CA 04 45 GOLF CARTS AND LOW-SPEED VEHICLES**

# Steering the Business Auto Coverage Form

## 10. Symbol 10 Description

CA 99 54 Endorsement – partial copy

### COVERED AUTO DESIGNATION SYMBOL

**Section I – Covered Autos** in the Business Auto and Motor Carrier Coverage Forms and **Section I – Covered Autos Coverages** in the Auto Dealers Coverage Form are amended by adding the following:

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols may be used (in addition to the numerical symbols described in the Coverage Form) to describe the "autos" that may be covered "autos". The entry of one of these symbols next to a coverage on the Declarations will designate the only "autos" that are covered "autos".

Symbol	Description Of Covered Auto Designation Symbols	
For use with the Business Auto Coverage Form		
10	=	

- a. Not part of Business Auto Coverage Form; added by endorsement
  - **CA 99 54 - COVERED AUTO DESIGNATION SYMBOL**
- b. Symbol 10 allows for negotiated description of covered autos to meet a particular need of the named insured
- c. This Symbol almost always will be used in conjunction with other Symbols and may be used to either limit the insurance coverage being provided or broaden the insurance coverage being provided
- d. Symbol 10 could be used by itself to describe which autos are covered autos

# Steering the Business Auto Coverage Form

## B. Owned Autos The Named Insured Acquires After The Policy Begins

### 1. *Symbols 1-6 and 19*

#### B. Owned Autos

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for “autos” that you acquire after the policy period begins of the type described for the remainder of the policy period.

- a. Named insured has automatic coverage on newly acquired autos of the same type for the remainder of the policy period
- b. Does not necessitate immediate notice to the insurance company

### 2. *Symbol 7*

2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an “auto” you acquire after the policy period begins will be a covered “auto” for that coverage **only if**:

- a. We already cover all “autos” that you own for that coverage or it replaces an “auto” you previously owned that had the coverage; and
- b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

- a. Any “automatic coverage” is limited to a potential maximum of 30 days **AND**
- b. Additional requirements apply
- c. **Extreme caution must be exercised!!!!!!!!!!**

### 3. *Clarification of what is an owned auto*

3. An “auto” that is leased or rented to you without a driver, under a written agreement for a continuous period of at least six months that requires you to provide primary insurance covering such “auto”, will be considered a covered “auto” you own.

# **Steering the Business Auto Coverage Form**

## **C. Certain Trailers, Mobile Equipment and Temporary Substitute Autos**

### ***Extension of Coverage***

#### **C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos**

If Covered Autos Liability Coverage is provided by this coverage form, the following types of vehicles are also covered “autos” for Covered Autos Liability Coverage.

- ***Liability insurance coverage only***

1. Trailers

#### ***Liability Extension***

1. “Trailers” with a registered Gross Vehicle Weight Rating of 3,000 pounds or less designed primarily for travel on public roads.

- a. No legal requirement to affix load capacity but Title 49 C.F.R. Section 567.4 mandates that manufacturers permanently affix the Gross Vehicle Weight Rating (GVWR) to all trailers
- b. Without this extension, there is a possibility that liability insurance protection would not be available for this particular type of vehicle – but only applies if registered
- c. Example – If Symbol 7 is used, coverage is only applicable to specifically described autos

2. Mobile Equipment

#### ***Liability Extension***

2. “Mobile equipment” while being carried or towed by a covered “auto”.

- a. BAP definition of auto specifically excludes mobile equipment
- b. BUT CGL Policy excludes BI/PD arising out of the transportation of mobile equipment by an auto owned or operated by or rented or loaned to any insured

# **Steering the Business Auto Coverage Form**

## 3. Nonowned Temporary Substitute

### *Liability Extension*

3. Any “auto” you do not own while used with the permission of its owner as a temporary substitute for a covered “auto” you own that is out of service because of its:

- a. Breakdown;
- b. Repair;
- c. Servicing;
- d. “Loss”; or
- e. Destruction.

- a. Without this extension there is a possibility that liability insurance protection would not be available for this particular type of vehicle
- b. Example – If Symbol 2 or Symbol 7 is used, the named insured would have to purchase hired auto liability coverage for temporary substitute autos to have liability coverage

## **X. BUSINESS AUTO COVERAGE FORM – SECTION II – COVERED AUTOS LIABILITY COVERAGE**

- SECTION II is one of the two sections to address specific coverage provided by the BAP
- Divided into subsections:
  - Insuring Agreement
  - Who Is An Insured
  - Coverage Extensions
  - Exclusions
  - Limit of Insurance

# Steering the Business Auto Coverage Form

## A. Insuring Agreement

### *Insuring Agreement*

#### **SECTION II – LIABILITY COVERAGE**

##### **A. Coverage**

We will pay all sums an “insured” legally must pay as damages because of “bodily injury” or “property damage” to which this insurance applies, caused by an “accident” and resulting from the ownership, maintenance or use of a covered “auto”.

We will also pay all sums an “insured” legally must pay as a “covered pollution cost or expense” to which this insurance applies, caused by an “accident” and resulting from the ownership, maintenance or use of covered “autos”. However, we will only pay for the “covered pollution cost or expense” if there is either “bodily injury” or “property damage” to which this insurance applies that is caused by the same “accident”.

We have the right and duty to defend any “insured” against a “suit” asking for such damages or a “covered pollution cost or expense”. However, we have no duty to defend any “insured” against a “suit” seeking damages for “bodily injury” or “property damage” to which this insurance does not apply. We may investigate and settle any claim or “suit” as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

- Outlines insurer’s promise to pay in first two paragraphs
- Coverage will be subject to the policy terms and conditions
- Contractual duty to defend
- No coverage, no defense
- Control of defense/settlement with insurer
- Amount of insurer’s payment limited

#### 1. Definition of Insured

##### *Definition*

#### **SECTION V – DEFINITIONS**

**G.** “Insured” means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or “suit” is brought.

# Steering the Business Auto Coverage Form

- Three types of persons or entities may qualify for protection against liability claims (subject to other policy terms and conditions)
  - Named insured
  - Automatic insured – permissive users, **EXCEPT**
  - Automatic insured – those vicariously responsible
  - Non-automatic insured – those added by endorsement
- The insurance coverage applies for a claim brought by one insured against another insured – provides severability of interests - example

## **1. Who Is An Insured**

The following are “insureds”:

**a. You** for any covered “auto”.

**b.** Anyone else **while using with your permission** a covered “auto” you own, hire or borrow **except:**

**(1)** The owner or anyone else from whom you hire or borrow a covered “auto”.

This exception does not apply if the covered “auto” is a “trailer” connected to a covered “auto” you own.

**(2)** Your employee if the covered “auto” is owned by that employee or a member of his or her household.

**(3)** Someone using a covered “auto” while he or she is working in a business of selling, servicing, repairing, parking or storing “autos” unless that business is yours.

**(4)** Anyone other than your “employees”, partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their “employees”, while moving property to or from a covered “auto”.

**(5)** A partner (if you are a partnership), or a member (if you are a limited liability company) for a covered “auto” owned by him or her or a member of his or her household.

**c.** Anyone liable for the conduct of an “insured” described above but only to the extent of that liability.



# **Steering the Business Auto Coverage Form**

NAMED	Named insured is an insured for any covered auto
AUTOMATIC	Permissive users of covered autos the named insured owns, hires or borrows EXCEPT..... <b>there are five exceptions</b>
AUTOMATIC	Anyone vicariously responsible for the conduct of an insured
NON-AUTOMATIC	<b>Who Is An Insured</b> may be modified by endorsement

- **CA 20 01 - LESSOR - ADDITIONAL INSURED AND LOSS PAYEE**  
Adds the lessor's interest to the named insured's policy for the leased auto described in the endorsement, or a substitute or replacement of that auto. The endorsement also provides loss payee status to the lessor as well as notice of cancellation.
- **CA 20 48 - DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE**  
Provides vicarious liability coverage for an individual or organization named in the endorsement provided the person or organization qualifies as an insured under the Who Is An Insured provision of the Coverage Form – "Seinfeld endorsement"
- **CA 20 54 - EMPLOYEE HIRED AUTOS**  
Extends coverage for both liability and physical damage to employees while operating a hired or rented auto with the named insured's permission and performing duties related to the conduct of the named insured's business. Clarifies that any employee is an insured when the contract is written in an employee's name.
- **CA 99 10 - DRIVE OTHER CAR COVERAGE – BROADENED COVERAGE FOR NAMED INDIVIDUALS**  
Affords excess liability protection for the individual named in the schedule (and resident spouse) for the personal use of a vehicle the named insured does not own, rent or borrow. All family members need to be named on the endorsement. Coverage can be extended to medical payments, uninsured motorists and physical damage.
- **CA 99 16 - HIRED AUTOS SPECIFIED AS COVERED AUTOS YOU OWN**  
Adds the lessor as an additional insured for the auto described in the schedule. The lessor does not have to be named on the endorsement. The described auto is covered as an owned auto. Endorsement does not provide coverage for replacement or substitute autos or notice of cancellation to the lessor.
- **CA 99 17 - INDIVIDUAL NAMED INSURED**  
Extends coverage for family members of the named insured for their personal use of rented or borrowed autos. Deletes co-employee exclusion. Endorsement may only be utilized when the Named Insured is an "individual" and coverage is afforded for a private passenger auto.

# Steering the Business Auto Coverage Form

- **CA 99 33 - EMPLOYEES AS INSURED**

Adds all employees of the named insured as insureds for the use of their personal autos in the named insured's business.

- **CA 99 47 - EMPLOYEE AS LESSOR**

Extends coverage for the employee who leases his or her auto to the named insured. The scheduled auto is considered an owned auto.

- **CA 05 24 - NON-OWNERSHIP LIABILITY COVERAGE FOR VOLUNTEERS**

Adds volunteers of the named insured, while they are either engaged in the specific activities described in the Schedule or acting on the named insured's behalf if no activity is described in the schedule, as insureds for the use of autos for transportation purposes. Furnisher of auto is also an insured.

- **CA 05 25 - PARTNERS OR MEMBERS AS INSURED**

Adds partners or members of LLCs as insureds while using a covered auto owned by them or a member of their household in the named insured's business affairs.

## 2. Bodily Injury

### *Definition*

**C.** "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

- Physical harm to the body should be a requirement
- May include mental anguish – "zone of danger"

## 3. Property Damage

### *Definition*

**M.** "Property damage" means damage to or loss of use of tangible property.

- Direct damage and loss of use are both included
- Verbiage is broad enough to include diminution in value claims

# Steering the Business Auto Coverage Form

## 4. Accident

### *Definition*

**A.** “Accident” includes continuous or repeated exposure to the same conditions resulting in “bodily injury” or “property damage”.

- Fortuitous events
- Important as relates to the application of Limits Of Insurance and application of deductibles

## 5. Auto

### *Definition*

**B.** “Auto” means:

1. A land motor vehicle, “trailer” or semitrailer designed for travel on public roads; **or**
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, “auto” does not include “mobile equipment”.

- Verbiage land motor vehicle, trailer or semitrailer eliminates watercraft and aircraft from definition – eliminates certain types of land vehicles as well
- Distinguishes vehicles of this type from mobile equipment – coordinates with coverage provided by CGL Policy

## 6. Trailer

### *Definition*

**P.** “Trailer” includes semitrailer.

# Steering the Business Auto Coverage Form

## 7. Mobile Equipment

### Definition

- K.** “Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:
- 1.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - 2.** Vehicles maintained for use solely on or next to premises you own or rent;
  - 3.** Vehicles that travel on crawler treads;
  - 4.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - a.** Power cranes, shovels, loaders, diggers or drills; or
    - b.** Road construction or resurfacing equipment such as graders, scrapers or rollers.
  - 5.** Vehicles not described in paragraphs **1.**, **2.**, **3.**, or **4.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - a.** Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment; or
    - b.** Cherry pickers and similar devices used to raise or lower workers.
  - 6.** Vehicles not described in Paragraph **1.**, **2.**, **3.** or **4.** above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not “mobile equipment” **but will be considered “autos”**.
    - a.** Equipment designed primarily for:
      - (1) Snow removal;
      - (2) Road maintenance, but not construction or resurfacing; or
      - (3) Street cleaning;
    - b.** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - c.** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

However, “mobile equipment” does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered “autos”.

# Steering the Business Auto Coverage Form

- Definition of “mobile equipment” in paragraph 6. excludes certain types of vehicles **that will be considered autos**
- Mobile equipment does not include land vehicles subject to a compulsory or financial responsibility laws or other motor vehicle insurance law – **these are considered autos**
- Locomotion/operations exposure of paragraph 6. a. must be covered under the Business Auto Coverage Form
- Locomotion exposure of 6. b. and 6. c. must be covered under Business Auto Coverage Form.
- Locomotion exposure of land vehicles subject to a compulsory or financial responsibility law or other vehicle insurance law must be covered under Business Auto Coverage Form.
- By specific **exclusion, 9. Operations**, “bodily injury” or “property damage” arising out of the operation of any equipment listed in paragraphs 6. b. or 6. c. is not provided by the BAP; operations exposure of any equipment listed in paragraphs 6. b. and 6. c. to be covered by CGL Policy
- By specific **exclusion, 9. Operations**, “bodily injury” or “property damage” arising out of the operations of any land vehicles that would be mobile equipment except for compulsory or financial law or other motor vehicle insurance law is not provided by the BAP; operations exposure of this equipment to be covered by CGL Policy

# **Steering the Business Auto Coverage Form**

## **8. Covered Pollution Cost or Expense**

### *Definition*

**D.** "Covered pollution cost or expense" means any cost or expense arising out of:

- 1.** Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- 2.** Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

**a.** That are, or that are contained in any property that is:

- (1)** Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
- (2)** Otherwise in the course of transit by or on behalf of the "insured"; or
- (3)** Being stored, disposed of, treated or processed in or upon the covered "auto";

**b.** Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

**c.** After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1)** The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2)** The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a)** The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b)** The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

# Steering the Business Auto Coverage Form

- Outlines what expenses will be covered by the insuring agreement and clarifies what expenses will not be the subject of insurance coverage
- Cleanup is covered if a result of fuel or fluids used by covered auto EXCEPT as a result of the operation of the autos listed in paragraph 6.b. or 6.c. of the definition of mobile equipment
- Cleanup is covered if a result of accidents away from the insured's premises for pollutants not in or upon a covered auto
- Designed for "non-cargo" exposure
- BUT there must be bodily injury or property damage caused by same accident

## 9. Pollutants

### *Definition*

**L.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- Definition is very broad
- The materials must be an irritant or contaminant

## 10. Suit

### *Definition*

**N.** "Suit" means a civil proceeding in which:

1. Damages because of "bodily injury" or "property damage"; or
2. A "covered pollution cost or expense", to which this insurance applies, are alleged.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" submits with our consent.

- Clarifies the term includes alternative dispute resolutions

# **Steering the Business Auto Coverage Form**

## **B. Coverage Extensions**

- Provision delineates between two categories of payments the insurer will make in addition to the Limit of Insurance – Supplementary Payments AND Out-of-State Coverage Extensions

### *Supplementary Payments*

#### **2.Coverage Extensions**

##### **a. Supplementary Payments**

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

- Enumerates the types and amounts of payments the insurer will make in addition to the Limit of Insurance
- Missing from the BAP Supplementary Payments is a provision found in the CGL Coverage Form for the payment of prejudgment interest



# Steering the Business Auto Coverage Form

## **b. Out-of-state Coverage Extensions.**

While a covered “auto” is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered “auto” is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicle by the jurisdiction where the covered “auto” is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

- Except with respect to limits specified by any law governing motor carriers of passengers or property, the policy will respond to meet limits specified by a compulsory or financial responsibility law
- Speaks to the insurance coverage required of a jurisdiction where the covered auto is being used, e.g., no-fault

## **C. Exclusions Applicable To Section II**

- This insurance does not apply to: (***exclusions narrow and shape the coverage to be provided***)

1. Expected Or Intended Injury

### *Exclusion*

This insurance does not apply to:

#### **1. Expected Or Intended Injury**

“Bodily injury” or “property damage” expected or intended from the standpoint of the “insured”.

- Unlike the CGL Coverage Form, there is no exception for bodily injury resulting from the use of reasonable force to protect persons or property

# Steering the Business Auto Coverage Form

## 2. Contractual

### *Exclusion*

This insurance does not apply to:

#### **2. Contractual**

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an “insured contract” provided the “bodily injury” or “property damage” occurs subsequent to the execution of the contract or agreement; or
- b. That the “insured” would have in the absence of the contract or agreement.

- No “blanket contractual” from insured’s perspective
- **EXCEPTION** – coverage provided for oral, written or implied “insured contracts” by stated exception
  - Bodily injury/property damage must occur after contract or agreement is executed
- **EXCEPTION** – coverage provided for liability damages the insured would have in the absence of the contract or agreement by stated exception
  - Lessee agrees to be responsible (in a contract or agreement) for own negligence arising out of ownership, maintenance or use of owned automobiles – would have that obligation even if a contract did not exist

# Steering the Business Auto Coverage Form

## *Insured Contract - Definition*

### H. "Insured contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

- Key to insurance provided for contractual liability is definition of "insured contract"
- Similar to CGL Policy definition BUT no elevator maintenance agreement and addition of auto rental agreement
  - CGL – **LEASE** +
  - BAP – **REALS** +
- Assumption of responsibility assumed by insured may be broader than insurance coverage provided
- Other exclusions (where no exceptions are made) apply to contractual liability coverage, e.g., pollution, completed operations, etc.

# Steering the Business Auto Coverage Form

## *Insured Contract - Definition*

An “insured contract” does not include that part of any contract or agreement.

- a. That indemnifies a railroad for “bodily injury” or “property damage” arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; or
- b. That pertains to the loan, lease or rental of an “auto” to you or any of your “employees”, if the “auto” is loaned, leased or rented with a driver; or
- c. That holds a person or organization engaged in the business of transporting property by “auto” for hire harmless for your use of a covered “auto” over a route or territory that person or organization is authorized to serve by public authority.

- Indemnification involving railroad construction operations excluded
  - **CA 20 70 – COVERAGE FOR CERTAIN OPERATIONS IN CONNECTION WITH RAILROAD**
  - May need **Railroad Protective Liability Insurance Coverage Form**
- Named insured has no control over the operation of the auto rented with driver; owner should bear responsibility
- Indemnification of common carrier is excluded

### 3. Worker’s Compensation

#### *Exclusion*

This insurance does not apply to:

#### **3. Workers’ Compensation**

Any obligation for which the “insured” or the “insured’s “ insurer may be held liable under any workers’ compensation, disability benefits or unemployment compensation law or any similar law.

- Excludes statutory responsibility for certain types of employee benefits
- Exposures must be covered by other types of insurance

# **Steering the Business Auto Coverage Form**

## 4. Employee Indemnification And Employer's Liability

### *Exclusion*

This insurance does not apply to:

#### **4. Employee Indemnification And Employer's Liability**

"Bodily injury" to:

**a.** An "employee" of the "insured" arising out of and in the course of:

(1) Employment by the "insured"; or

(2) Performing the duties related to the conduct of the "insured's" business; or

**b.** The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **a.** above.

This exclusion applies:

(1) Whether the "insured" may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

- **Subject of Workers Compensation And Employers Liability Insurance Policy**

- Excludes consequential bodily injury
- Excludes dual capacity suits
- Excludes third party complaints

**EXCEPTION** – coverage provided by stated exception for liability assumed by the insured under an "insured contract"

- **CA 23 25 - INJURY TO A LEASED WORKER**

# Steering the Business Auto Coverage Form

## 5. Fellow Employee

### *Exclusion*

This insurance does not apply to:

#### **5. Fellow Employee**

“Bodily injury” to:

- a. Any fellow “employee” of the “insured” arising out of and in the course of the fellow “employee’s” employment, or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow “employee” as a consequence of Paragraph a. above.

- Fellow employee exclusion is intended to prevent an injured employee from circumventing the exclusive remedy doctrine of workers compensation
- But jurisdictions may permit recovery
- Fellow employee is not a defined term
- May be modified by endorsement
  - **CA 99 17 - INDIVIDUAL NAMED INSURED**  
“The fellow employee exclusion does not apply to bodily injury to your or any family member’s fellow employees”
  - **CA 20 55 - FELLOW EMPLOYEE COVERAGE**
  - **CA 20 56 - FELLOW EMPLOYEE COVERAGE FOR DESIGNATED EMPLOYEES/POSITIONS**
- May be provided by the individual’s PAP when s/he is provided a company car
  - **PP 03 06 – EXTENDED NON-OWNED COVERAGE VEHICLES FURNISHED OR AVAILABLE FOR REGULAR USE**

# Steering the Business Auto Coverage Form

## 6. Care, Custody or Control

### *Exclusion*

This insurance does not apply to:

#### **6. Care, Custody Or Control**

“Property damage” to or “covered pollution cost or expense” involving property owned or transported by the “insured” or in the “insured’s” care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

- Applies to both real and personal property
- Exposure can be insured through commercial property insurance (e.g. Legal Liability Coverage Form CP 00 40) or inland marine insurance

## 7. Handling of Property

### *Exclusion*

This insurance does not apply to:

#### **7. Handling Of Property**

“Bodily injury” or “property damage” resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the “insured” for movement into or onto the covered “auto”; or
- b. After it is moved from the covered “auto” to the place where it is finally delivered by the “insured”.

## 8. Movement of Property by Mechanical Device

### *Exclusion*

This insurance does not apply to:

#### **8. Movement Of Property By Mechanical Device**

“Bodily injury” or “property damage” resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered “auto”.

# Steering the Business Auto Coverage Form

- Exclusion 7. and Exclusion 8. work in conjunction to indicate whether the CGL Coverage Form or the Business Auto Coverage Form will respond to a particular claim
- While property is being loaded, while property is in transit and/or while property is being unloaded by an insured, the BAP should respond; the only exception is if the property is being loaded or unloaded by a mechanical device (other than a hand truck), and the device is NOT attached to the covered auto; (then CGL Policy)
- Before loading and after unloading (as well as loading or unloading with a mechanical device not attached to the covered auto), the CGL Coverage Form is applicable

## 9. Operations

### *Exclusion*

This insurance does not apply to:

#### **9. Operations**

“Bodily injury” or “property damage” arising out of the operation of:

- a. Any equipment listed in Paragraphs **6.b.** or **6.c.** of the definition of “mobile equipment”; or
- b. Machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of “mobile equipment” if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

- Paragraphs 6.b. and 6.c. indicate vehicles which will be considered autos
  - 6.b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - 6.c. Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting or well servicing equipment
- Normally, both locomotion exposure and operations exposure would need to be subject of Business Auto Coverage Form
- But operations exposure excluded here and covered by stated exception to exclusion g. Aircraft, Auto or Watercraft of the CGL Coverage Form



# Steering the Business Auto Coverage Form

## 10. Completed Operations

### *Exclusion*

This insurance does not apply to:

#### **10.Completed Operations**

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a.** Work or operations performed by you or on your behalf; and
- b.** Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

- (1)** When all of the work called for in your contract has been completed;
- (2)** When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- The completed operations exposure is not intended to be the subject of insurance for the BAP
- The exclusion also delineates the circumstances under which the named insured's work will be considered completed
- Caution: snow removal using an automobile – endorsement available under CGL Policy to make an exception to auto exclusion for completed operations exposure for snow removal - **Snow Plow Operations Coverage (CG 22 92)**

# **Steering the Business Auto Coverage Form**

## 11. Pollution

### *Exclusion*

This insurance does not apply to:

#### **11. Pollution**

“Bodily injury” or “property damage” arising out of the actual, alleged or threatened discharge, dispersal, seeping, migration, release or escape of “pollutants”:

- a.** That are, or that are contained in any property that is:
  - (1)** Being transported or towed by, handled, or handled for movement into, onto or from, the covered “auto”;
  - (2)** Otherwise in the course of transit by or on behalf of the “insured”; or
  - (3)** Being stored, disposed of, treated or processed in or upon the covered “auto”;
- b.** Before the “pollutants” or any property in which the “pollutants” are contained are moved from the place where they are accepted by the “insured” for movement into or onto the covered “auto”; or
- c.** After the “pollutants” or any property in which the “pollutants” are contained are moved from the covered “auto” to the place where they are finally delivered, disposed of or abandoned by the “insured”.

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar “pollutants” that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered “auto” or its parts, if:

- (1)** The “pollutants” escape, seep, migrate, or are discharged, dispersed or released directly from an “auto” part designed by its manufacturer to hold, store, receive or dispose of such “pollutants”; and
- (2)** The “bodily injury”, “property damage” or “covered pollution cost or expense” does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of “mobile equipment”.

Paragraphs **b.** and **c.** above of this exclusion do not apply to “accidents” that occur away from premises owned by or rented to an “insured” with respect to “pollutants” not in or upon a covered “auto” if:

- (a)** The “pollutants” or any property in which the “pollutants” are contained are upset, overturned or damaged as a result of the maintenance or use of a covered “auto”; and
- (b)** The discharge, dispersal, seepage, migration, release or escape of the “pollutants” is caused directly by such upset, overturn or damage.

# **Steering the Business Auto Coverage Form**

## *Pollution exclusion –continued*

- Absolute pollution exclusion for cargo exposure
- Limited coverage for non-cargo exposure
- EXCEPTION – Pollution is covered if a result of fuel or fluids used by covered auto EXCEPT as a result of the operation of the autos listed in paragraph 6.b. or 6.c. of the definition of mobile equipment
- EXCEPTION – Pollution is covered if a result of accidents away from insured's premises for pollutants not in or upon a covered auto
- May be modified by endorsement
  - **CA 99 48 - POLLUTION LIABILITY – BROADENED COVERAGE FOR COVERED AUTOS**

[Eliminates Paragraph a. except for contractual liability]

## 12. War

### *Exclusion*

This insurance does not apply to:

#### **12. War**

“Bodily injury” or “property damage” arising directly or indirectly out of:

- a.** War, including undeclared or civil war;
- b.** Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c.** Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

- Presents a catastrophe exposure that does not necessarily depend on the insured's negligence

# Steering the Business Auto Coverage Form

## 13. Racing

### *Exclusion*

This insurance does not apply to:

#### **13. RACING**

Covered “autos” while **used in** any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered “auto” is being prepared for such a contest or activity.

- Precludes coverage for covered autos involved in extra-hazardous activities

## 14. Unmanned Aircraft

### *Exclusion*

This insurance does not apply to:

#### **14. UNMANNED AIRCRAFT**

“Bodily injury” or “property damage” arising out of the ownership, maintenance or use of “unmanned aircraft”.

- Precludes coverage for unmanned aircraft as defined

### *Definition*

Q. “Unmanned aircraft” means an aircraft that is not:

1. Designed;
2. Manufactured; or
3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

## **Additional Exclusions May Be Added By Endorsement**

- **Communicable Disease Exclusion For Covered Autos Liability Exposure (CA 04 55 12 23)**

# **Steering the Business Auto Coverage Form**

## **D. Limit Of Insurance Applicable To Section II**

### *Limit of Insurance Provision*

#### **C. Limit Of Insurance**

Regardless of the number of covered “autos”, “insureds”, premiums paid, claims made or vehicles involved in the “accident”, the most we will pay for the total of all damages **and** “covered pollution cost or expense” combined, resulting from any one “accident” is the Limit of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All “bodily injury”, “property damage” and “covered pollution cost or expense” resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one “accident”.

No one will be entitled to receive duplicate payments for the same elements of “loss” under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

- BAP Declarations contains a limit of insurance; and this provision sets forth the provisions as to how this limit of insurance will apply with respect to a particular claim, a particular accident and/or all claims which result
- Primarily aimed at preventing stacking of limits
- The final paragraph is intended to clarify the BAP does not want to duplicate payments under one or more additional coverages, even if these coverages are added by endorsement.

# Steering the Business Auto Coverage Form

## XI. BUSINESS AUTO COVERAGE FORM – SECTION III – PHYSICAL DAMAGE COVERAGE

- Section III is one of the two sections to address specific coverage provided by the BAP
- Divided into subsections
  - Insuring Agreement
  - Exclusions
  - Limit of Insurance
  - Deductible

### A. Insuring Agreement

#### *Insuring Agreement*

1. We will pay for “loss” to a covered “auto” or its equipment under:

- Remember - covered autos are designated in the Declarations by use of numerical symbols

#### *Definition*

J. “Loss” means direct and accidental loss or damage.

- Indirect losses, i.e., loss of use claims, do not fall within the definition and are not included as losses

#### **a. Comprehensive Coverage**

From any cause except:

- (1) The covered “auto’s” collision with another object; or
- (2) The covered “auto’s” overturn.

- “Open perils” concept
- Burden of proof rests with insurer to show the loss is excluded or limited

# Steering the Business Auto Coverage Form

## **b. Specified Causes of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

- Named perils concept
- Burden of proof rests with insured to prove resulted from a covered cause of loss
- May be modified by endorsement
  - **CA 99 14 - FIRE, FIRE AND THEFT, FIRE, THEFT AND WINDSTORM AND LIMITED SPECIFIED CAUSES OF LOSS COVERAGES**

## **c. Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

- Excluded by comprehensive coverage
- Separate deductible may apply

# **Steering the Business Auto Coverage Form**

## **B. Additional Coverage – Towing And Labor Costs**

### *Insuring Agreement*

#### **2. Towing And Labor**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered “auto” that is a private passenger type, light truck or medium truck is disabled. However, the labor must be performed at the place of disablement.

- Applicable to covered auto of the private passenger type, light truck or medium truck
- These types of autos are not defined in the Coverage Form
- Labor must be performed at place of disablement

## **C. Specific Causes Of Loss - Comprehensive**

### *Specific Causes Of Loss*

#### **3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles**

If you carry Comprehensive Coverage for the damaged covered “auto”, we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. “Loss” caused by hitting a bird or animal; and
- c. “Loss” caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered “auto’s” collision or overturn considered a “loss” under Collision Coverage.

- Provision outlines how specific causes of loss will be covered
- But named insured has the option of having glass breakage caused by collision or overturn paid as a collision loss; therefore, only one deductible applies



# **Steering the Business Auto Coverage Form**

## **D. Coverage Extensions**

### *Coverage Extensions*

#### **a. Transportation Expenses**

We will pay up to \$30 per day to a maximum of \$900 for temporary transportation expense incurred by you because of the total theft of a covered “auto” of the private passenger type. We will pay only for those covered “autos” for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the Policy’s expiration, when the covered “auto” is returned to use or we pay for its “loss”.

#### **b. Loss Of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an “insured” becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered “auto”,
- (2) Specified Causes of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered “auto”; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered “auto”.

However, the most we will pay for any expenses for loss of use is \$30 per day, to a maximum of \$900.00.

- Coverage extension provided for incurred transportation expenses as a result of a total theft of a covered auto subject to several limitations
  - Theft must be a covered peril
  - \$30 per day/maximum of \$900
  - Waiting period deductible of 48 hours
- May be modified by endorsement
  - **CA 99 23 - RENTAL REIMBURSEMENT COVERAGE**

### *Endorsement*

- E.** This coverage does not apply while there are spare or reserve “autos” available to you for your operations.

# **Steering the Business Auto Coverage Form**

- Coverage extension provided for loss of use expenses for hired auto physical damage
  - Rented or hired without driver
  - \$30 per day/maximum of \$900
- May be modified by endorsement
  - **CA 99 90 - OPTIONAL LIMITS – LOSS OF USE EXPENSES**

## **E. Exclusions Applicable to Section III**

### **1. Nuclear Hazard/War Or Military Action**

#### *Exclusion*

#### **SECTION III – PHYSICAL DAMAGE COVERAGE**

##### **B. Exclusions**

1. We will not pay for “loss” caused by or resulting from any of the following. Such “loss” is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the “loss”.
  - a. **Nuclear Hazard.**
    - (1) The explosion of any weapon employing automatic fission or fusion; or
    - (2) Nuclear reaction or radiation, or radioactive contamination, however caused.
  - b. **War or Military Action.**
    - (1) War, including undeclared or civil war;
    - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
    - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

# Steering the Business Auto Coverage Form

- Exposures are uninsurable because of the catastrophic nature of the loss
- Provision clarifies the types of losses which will be considered nuclear hazard and the types of losses which will be considered war or military action

## 2. Extra-Hazardous Activities

### *Exclusion*

**2.** We will not pay for “loss” to any covered “auto” while **used in** any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for “loss” to any covered “auto” while that covered “auto” is being prepared for such a contest or activity.

- Precludes coverage for covered autos involved in extra-hazardous activities

## 3. Normal Wear And Tear/Maintenance/Lack Of Maintenance

### *Exclusion*

**3.** We will not pay for “loss” due and confined to::  
**a.** Wear and tear, freezing, mechanical or electrical breakdown.  
**b.** Blowouts, punctures or other road damage to tires.  
This exclusion does not apply to such “loss” resulting from the total theft of a covered “auto”.

- Physical damage coverage is not designed to protect the insured against expenses he/she incurs or should expect to incur which accompany automobile ownership
- **EXCEPTION** – coverage is provided for loss caused by other loss that is covered by this physical damage insurance
- **EXCEPTION** – coverage is provided if there is a total theft of the auto

# **Steering the Business Auto Coverage Form**

## 4. Specific Types Of Equipment Or Accessories

### *Exclusion*

4. We will not pay for “loss” to any of the following:
- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

- Accessories and equipment are particularly susceptible to loss from theft
- May be modified by endorsement

### ▪ **CA 99 30 - TAPES, RECORDS AND DISCS COVERAGE**

### *Exclusion*

4. We will not pay for “loss” to any of the following:
- b. Any device designed or used to detect speed-measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed-measuring equipment.

- No provisions for providing coverage

### *Exclusion*

4. We will not pay for “loss” to any of the following:
- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
  - d. Any accessories used with the electronic equipment described in Paragraph c. above.

- Precludes physical damage coverage for electronic equipment, whether or not this equipment is permanently installed, if the equipment reproduces, receives or transmits audio, visual or data signals

# **Steering the Business Auto Coverage Form**

## *Exception to Exclusion*

- 5.** Exclusions **4.c.** and **4.d.** do not apply to equipment designed to be operated solely by use of the power from the “auto’s” electrical system that, at the time of “loss” is:
- a.** Permanently installed in or upon the covered “auto”;
  - b.** Removable from a housing unit which is permanently installed in or upon the covered “auto”;
  - c.** An integral part of the same unit housing any electronic equipment described in Paragraph **a.** and **b.** above; or
  - d.** Necessary for the normal operation of the covered “auto” or the monitoring of the covered “auto’s” operating system.

- Certain specific electronic equipment is provided coverage under special circumstances

## *Exclusion*

- 6.** We will not pay for “loss” to a covered “auto” due to “diminution in value”.

## *Definition*

- E.** “Diminution in value” means the actual or perceived loss in market value or resale value which results from a direct and accidental “loss”.

- No intent to pay for loss in market value

# **Steering the Business Auto Coverage Form**

## **F. Limit Of Insurance Applicable To Section III**

### *Limit of Insurance Provision*

#### **C. Limit Of Insurance**

1. The most we will pay for:
  - a. "Loss" in any one "accident" is the lesser of:
    - (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
    - (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
  - b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss", is \$1,000, if, at the time of "loss", such electronic equipment is:
    - (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
    - (2) Removable from a permanently installed housing unit as described in Paragraph b.(1) above; or
    - (3) An integral part of such equipment.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
3. If repair or replacement results in better than like kind or quality, we will not pay for the amount of betterment.

- Provision sets forth how much the insurer will pay for loss in any one accident
- May be modified by endorsement
  - **CA 99 28 - STATED AMOUNT INSURANCE**
  - **CA 20 71 - AUTO LOAN/LEASE GAP COVERAGE**
  - **CA 99 60 - AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE ADDED LIMITS**
  - **CA 04 41 - REPLACEMENT COST COVERAGE - PRIVATE PASSENGER TYPES**

# **Steering the Business Auto Coverage Form**

## **G. Deductible**

### *Deductible Provision*

#### **D. Deductible**

For each covered “auto”, our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations prior to the application of the Limit Of Insurance, provided that:

1. The Comprehensive or Specified Causes of Loss Coverage deductible applies only to “loss” caused by:
  - a. Theft or mischief or vandalism; or
  - b. All perils.
2. Regardless of the number of covered “autos” damaged or stolen, the maximum deductible applicable for all “loss” in any one event caused by:
  - a. Theft or mischief or vandalism; or
  - b. All perils.

will be equal to five times the highest deductible applicable to any one covered “auto” on the Policy for Comprehensive or Specified Causes of Loss Coverage. The application of the highest deductible use to calculate the maximum deductible will be made regardless of which covered “autos” were damaged or stolen in the “loss”.

- Clarifies that deductible applies to loss and not to limit
- Applies to each covered auto regardless of the number of covered autos involved in a loss but subject to an aggregate per loss for Comprehensive or Specified Causes of Loss
- Comprehensive or Specified Causes of Loss deductibles may apply only to theft/mischief/vandalism or all perils
- **CA 04 21 - FULL SAFETY GLASS COVERAGE**

# **Steering the Business Auto Coverage Form**

## **XII. BUSINESS AUTO COVERAGE FORM – SECTION IV – CONDITIONS**

- These conditions establish the ground rules for the relationship between the insurer and insured
- Business Auto Coverage Form divides the conditions section into Loss Conditions and General Conditions

### **A. Loss Conditions**

#### **1. Appraisal For Physical Damage Loss**

##### *Condition*

#### **SECTION IV – BUSINESS AUTO CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions:

#### **A. Loss Conditions**

##### **1. Appraisal For Physical Damage Loss**

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a.** Pay its chosen appraiser; and
  - b.** Bear the other expenses of the appraisal and umpire equally.
- If we submit to an appraisal, we will still retain our right to deny the claim.

- Condition gives the right to demand an appraisal of the loss to the insured or to the insurer
- The method to accomplish this appraisal, arbitration, is outlined
- An appraisal is to be used to determine the amount of loss, not to ascertain whether or not coverage is to be provided



# **Steering the Business Auto Coverage Form**

## **2. Duties In the Event of Accident, Claim, Suit or Loss**

### *Condition*

#### **2. Duties In The Event Of Accident, Claim, Suit Or Loss**

We have no duty to provide coverage under this Policy unless there has been full compliance with the following duties:

- a.** In the event of “accident”, claim, “suit” or “loss”, you must give us or our authorized representative prompt notice of the “accident” or “loss”. Include:
  - (1)** How, when and where the “accident” or “loss” occurred;
  - (2)** The “insured’s” name and address; and
  - (3)** To the extent possible, the names and addresses of any injured persons and witnesses.
- b.** Additionally, you and any other involved “insured” must:
  - (1)** Assume no obligation, make no payment or incur no expense without our consent, except at the “insured’s” own cost.
  - (2)** Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or “suit”.
  - (3)** Cooperate with us in the investigation, settlement or defense of the claim or “suit”.
  - (4)** Authorize us to obtain medical records or other pertinent information.
  - (5)** Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.
- c.** If there is “loss” to a covered “auto” or its equipment you must also do the following:
  - (1)** Promptly notify the police if the covered “auto” or any of its equipment is stolen.
  - (2)** Take all reasonable steps to protect the covered “auto” from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
  - (3)** Permit us to inspect the covered “auto” and records proving the “loss” before its repair or disposition.
  - (4)** Agree to examinations under oath at our request and give us a signed statement of your answers.

# Steering the Business Auto Coverage Form

- Distinguishes between duties of the named insured and duties of all insureds
- Many jurisdictions have established by case law just what set of circumstances will prejudice coverage

## 3. Legal Action Against Us

### *Condition*

#### **3. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all of the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the “insured” has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this Policy to bring us into an action to determine the “insured’s” liability.

- Condition attempts to prohibit the insured and any other person or organization from involving the insurer in a suit to determine the insured’s legal obligation to pay.

## 4. Loss Payment – Physical Damage Coverages

### *Condition*

#### **4. Loss Payment – Physical Damage Coverages**

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the “auto” from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the “loss”, our payment will include the applicable sales tax for the damaged or stolen property.

- Insurer has control over the method used to settle a loss

# **Steering the Business Auto Coverage Form**

## 5. Transfer Of Rights Of Recovery Against Other To Us *Condition*

### **5. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after “accident” or “loss” to impair them.

- Condition specifically states the insurer’s right to collect from the responsible party
- Inferred right to waive subrogation before a loss
- May not waive subrogation after a loss
- May be modified by endorsement
- **CA 04 44 - WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**
- **CA 04 43 - WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION) – AUTOMATIC WHEN REQUIRED BY WRITTEN CONTRACT OR AGREEMENT**

## **B. General Conditions**

### 1. Bankruptcy

#### *Condition*

### **1. Bankruptcy**

Bankruptcy or insolvency of the “insured” or the “insured’s” estate will not relieve us of any obligations under this Coverage Form.

- Regardless of the financial condition of the insured, the insurer is responsible to pay those sums the insured becomes legally obligated to pay.

# Steering the Business Auto Coverage Form

## 2. Concealment, Misrepresentation or Fraud

### *Condition*

#### **2. Concealment, Misrepresentation Or Fraud**

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other “insured”, at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Coverage Form;
- b. The covered “auto”;
- c. Your interest in the covered “auto”; or
- d. A claim under this Coverage Form.

- Outlines the provisions by which the coverage form will be void

## 3. Liberalization

### *Condition*

#### **3. Liberalization**

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

- Named insured receives immediate benefit of any additional coverage provided by revision for which no premium charge is made

## 4. No Benefit To Bailee – Physical Damage Coverages

### *Condition*

#### **4. No Benefit To Bailee – Physical Damage Coverages**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

- Even if the insured has waived subrogation prior to a loss, the waiver of subrogation will not be effective to a bailee for hire

# Steering the Business Auto Coverage Form

## 5. Other Insurance

### *Condition*

#### **5. Other Insurance**

**a.** For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered "auto" you own.

- Owned covered auto except trailer – primary
- Nonowned covered auto except trailer – excess
- Trailer connected to owned auto – primary
- Trailer connected to nonowned auto – excess

**b.** For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

- Primary insurance for hired physical damage
- BUT any auto that is leased, hired, rented or borrowed with a driver is not a covered auto
  - May be modified by endorsement
  - **CA 20 33 - AUTOS LEASED, HIRED, RENTED OR BORROWED WITH DRIVERS - PHYSICAL DAMAGE COVERAGE**
- Becomes a covered auto the named insured owns
- Primary insurance applies

# Steering the Business Auto Coverage Form

c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".

- Primary for any liability assumed under an insured contract

d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

- Contribute on a pro rata basis

## *Example*

Covered Accident	Limits Insurer A	Limits Insurer B
\$300,000	\$500,000	\$1,000,000
Payment Pro Rata	\$100,000	\$200,000

(Contribution by limits)

- **CA 04 49 - PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE CONDITION**

## 6. Premium Audit

### *Condition*

#### **6. Premium Audit**

a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this Policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

- Policy is auditable
- First Named Insured responsible for payment of premium
- First Named Insured payee for return premiums

# Steering the Business Auto Coverage Form

b. If this Policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the Policy.

- Re-rate at anniversary multi-year policy

## 7. Policy Period, Coverage Territory

### *Condition*

#### **7. Policy Period, Coverage Territory**

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere else in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered

- Outlines when the accident or loss must take place for coverage to apply
- Outlines where the accident or loss must take place for coverage to apply

# **Steering the Business Auto Coverage Form**

## 8. Two Or More Coverage Form Or Policies Issued By Us

### *Condition*

#### **8. Two Or More Coverage Forms Or Policies Issued By Us**

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same “accident”, the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

- If two policies issued by same insurer apply to same accident, highest limit applies
- Provision does not apply to excess policies



# **Steering the Business Auto Coverage Form**

COMMERCIAL AUTO  
CA 99 03 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **AUTO MEDICAL PAYMENTS COVERAGE**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Coverage**

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident". We will pay only those expenses incurred, for services rendered within three years from the date of the "accident".

### **B. Who Is An Insured**

1. You while "occupying" or, while a pedestrian, when struck by any "auto".
2. If you are an individual, any "family member" while "occupying" or, while a pedestrian, when struck by any "auto".
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

### **C. Exclusions**

This insurance does not apply to any of the following:

1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.

3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member".
4. "Bodily injury" to your "employee" arising out of and in the course of employment by you. However, we will cover "bodily injury" to your domestic "employees" if not entitled to workers' compensation benefits. For the purposes of this endorsement, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.
5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" arising directly or indirectly out of:
  - a. War, including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

# **Steering the Business Auto Coverage Form**

## **XIII. MEDICAL PAYMENTS COVERAGE CA 99 03**

- A. Coverage – (CA 99 03 not applicable in PA)
  - 1. Pays reasonable expenses for necessary medical and funeral
  - 2. Incurred within three years
  - 3. To "insured" caused by accident
  
- B. Who is an insured?
  - 1. Named insured while "occupying" any "auto" or struck by any "auto"
  - 2. If named insured is individual, includes "family member"
  - 3. Anyone "occupying" covered "auto" or temporary substitute
  
- C. Exclusions
  - 1. Occupying vehicle used as a premises
  - 2. Vehicle owned or furnished for regular use (other than a covered "auto")
  - 3. Owned or furnished for regular use of "family member" (other than a covered "auto")
  - 4. Bodily injury to employee, except non-covered domestic workers
  - 5. Auto business, except named insured's business
  - 6. War

# **Steering the Business Auto Coverage Form**

7. "Bodily injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.
8. "Bodily Injury" sustained by an "insured" while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any "bodily injury" sustained by an "insured" while the "auto" is being prepared for such a contest or activity.

## **D. Limit Of Insurance**

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the Limit Of Insurance for Auto Medical Payments Coverage shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

## **E. Changes In Conditions**

The **Conditions** are changed for **Auto Medical Payments Coverage** as follows:

1. The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply.
2. The reference in **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form to "other collectible insurance" applies only to other collectible auto medical payments insurance.

## **F. Additional Definitions**

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

# **Steering the Business Auto Coverage Form**

## *Exclusions -continued*

- 7. Using without permission
  - 8. Racing
- D. Limit of Insurance
- E. Changes in Conditions
- F. Additional Definitions
- G. Other State-Specific Medical

# **Steering the Business Auto Coverage Form**

## **XIV. UNINSURED AND UNDERINSURED MOTORISTS**

### **A. Introduction**

1. General purpose - To allow motorists to receive protection for themselves in a case where they suffer injury or damage due to a negligent third party who has no liability insurance or inadequate liability insurance limits.
2. Purchase decision by commercial clients
  - a. Why buy?
    - 1) In many states, it is mandatory
    - 2) Other coverage may not be available or this coverage may fill some gaps
    - 3) Persons, other than employees, who regularly occupy the auto
    - 4) Property damage - in those states where it is available, advantageous where no collision coverage carried. Deductible applies.
  - b. Why some do not
    - 1) Cost of coverage
    - 2) Persons bringing claims frequently are employees who are covered under Workers Comp or group medical

# **Steering the Business Auto Coverage Form**

- B. Types of coverages varies
  - 1. Uninsured Motorists (UM)
    - Definition varies by jurisdiction
  - 2. Underinsured Motorists (UIM)
    - Majority of states define within UM
  - 3. Types of damages covered varies
    - a. Bodily injury only - majority of states
    - b. Property damage may not be included
      - Optional PD coverage may be purchased in some states
    - c. Bodily injury and property damage
  - 4. Stacking of limits
    - a. Limited states
    - b. Carriers are reluctant
    - c. Some by court decree

# **Steering the Business Auto Coverage Form**

- C. Coverage varies by endorsement
  - 1. Insuring agreement – varies by state
  - 2. Who is an insured? Most endorsements typically include:
    - a. Named insured
    - b. Individual named insured's family members
    - c. Anyone occupying a covered auto
    - d. Anyone entitled to coverage because of bodily injury to above-mentioned insureds
  - 3. What is excluded? Typical exclusions include:
    - a. Claim settled without insurer's consent
    - b. Anyone using a covered auto without reasonable belief of entitlement
    - c. Benefit of WC insurer
    - d. BI from owned-but-not-covered auto
    - e. Damage to property in covered auto
  - 4. Limits of liability
  - 5. Conditions

# **Steering the Business Auto Coverage Form**

## **XV. ADDITIONAL ENDORSEMENTS**

A. Expand Coverage

**CA 99 05 – BUSINESS INTERRUPTION COVERAGE**

**CA 04 65 - AUTO HACKING EXPENSE COVERAGE ENDORSEMENT**

B. Restrict Coverage

**CA 23 44 – PUBLIC OR LIVERY CONVEYANCE EXCLUSION**

**CA 23 45 – PUBLIC OR LIVERY PASSENGER CONVEYANCE AND ON-DEMAND DELIVERY SERVICES EXCLUSION**

C. Clarify Coverage

D. State Specific

## **XIV. CONCLUSION**





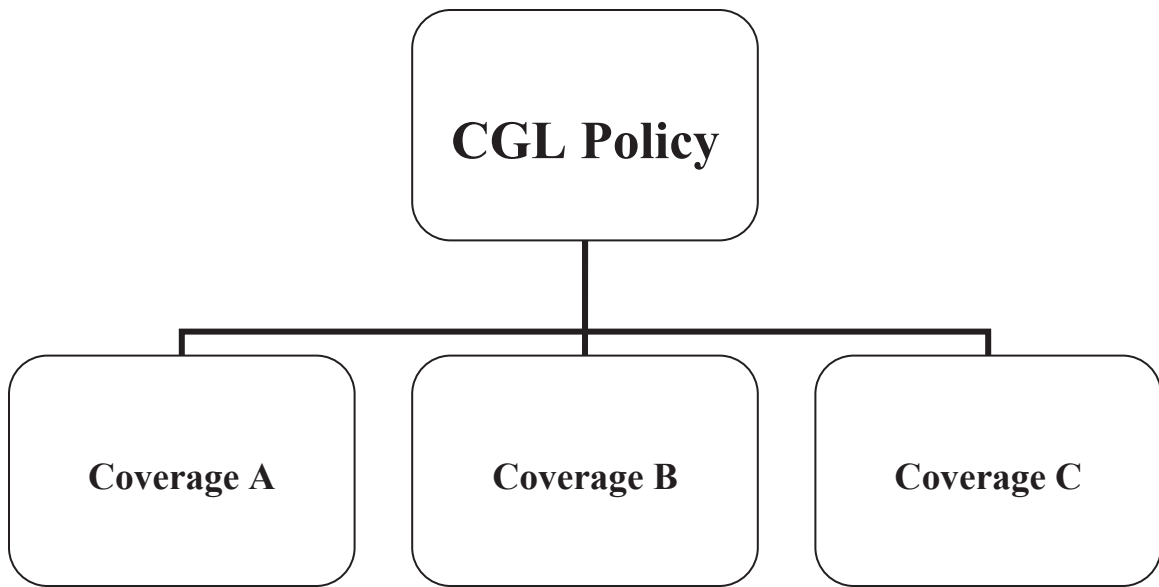
## James K. Ruble Seminar

*a proud member of The National Alliance for Insurance Education & Research*

### Section 4

# **Commercial General Liability Coverage Excitement & Opportunity Awaits**





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## **COMMERCIAL GENERAL LIABILITY COVERAGE**

# **E**xcitement & **O**ppportunity Awaits

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***ALLEN MESSER, CIC, CPCU***  
***Insurance Concepts & Services***  
***830-481-7997***  
***AMesser@InsuranceConceptsandServices.com***

## Commercial Lines Policies & the CGL Coverage Part

A simplified policy program for commercial lines of insurance has been developed by the Insurance Services Office (ISO). The latest policies are designed to be “readable”, which means that the language is supposed to be more understandable to the typical insured than it used to be. The program has also been simplified through modernization of policy coverages and standardization of format. Policies may be written to provide only one type of coverage or may be written on a package basis to provide two or more types of coverage.

The forms and endorsements for a particular line of insurance make up what is known as coverage part. A policy that contains a single **coverage part** (or line of insurance) is called a **monoline policy**. A policy that contains two or more coverage parts is a multiline policy and is called a **Commercial Package Policy (CPP)**.

Regardless of whether a policy is written as a monoline policy or a package policy, the coverage parts used are identical. That is, there is only one set of forms used to provide a given coverage. A particular coverage form may be used alone or it may be combined with other types of coverage forms in the same policy.

- ◆ Commercial General Liability may be written independently as a monoline policy, or it may be written in conjunction with Commercial Property and Commercial Crime under a package policy. The distinguishing feature between the two approaches – monoline vs. package – is merely the number of coverage parts attached to the policy.

The Commercial Lines Program provides a simplified framework for assembling coverage parts. Generally, a commercial lines insurance policy will consist of:

- Common Policy Declarations
- Common Policy Conditions
- One or more Commercial Coverage Parts
- Interline Endorsements (as needed)

In most cases, every commercial policy includes the **Common Policy Declarations** and the **Common Policy Conditions**. These forms apply to the **entire policy** regardless of the number of coverage parts included.

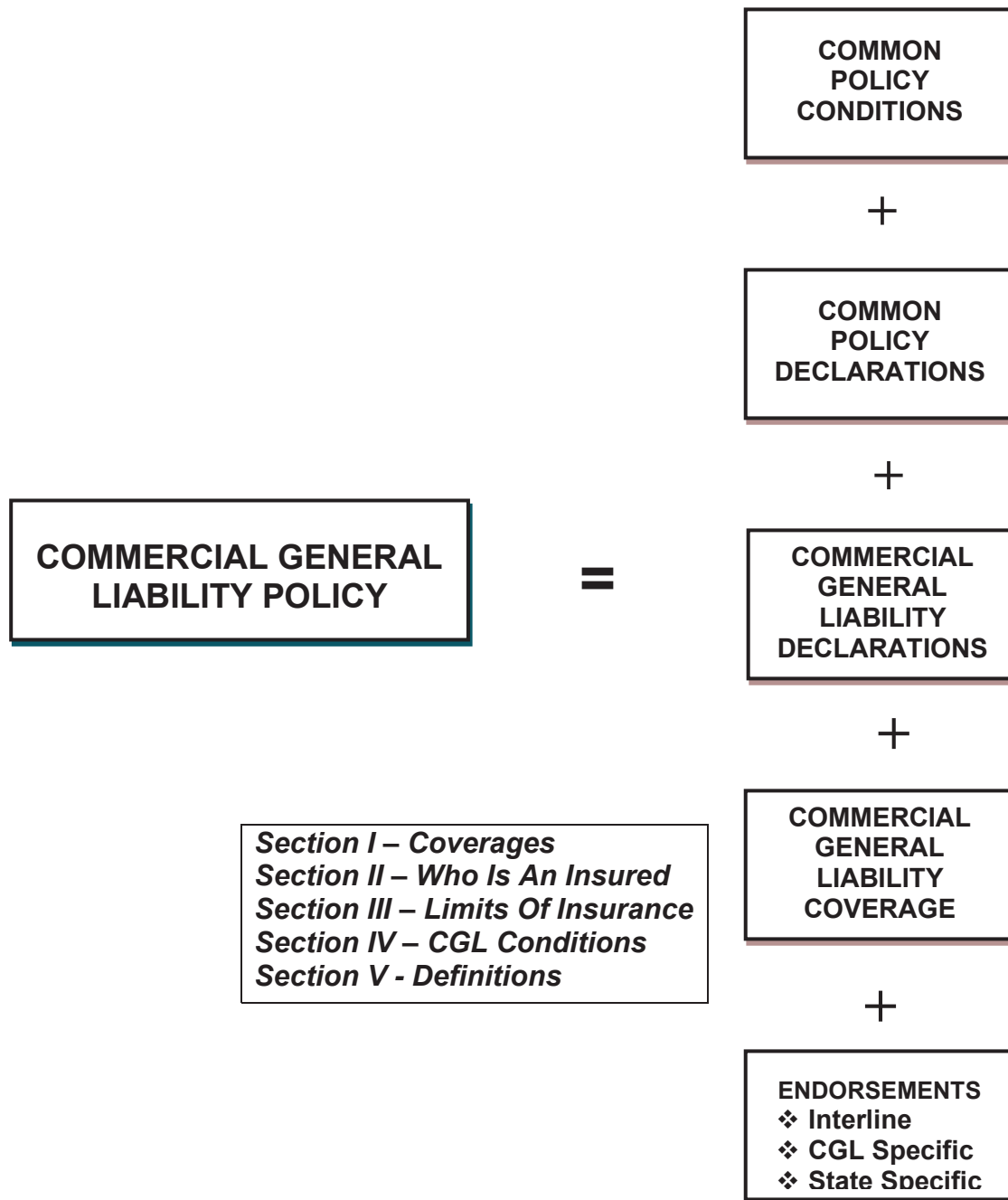
Individual coverage parts each have their own coverage forms, declarations, endorsements, and, in some cases, separate conditions form (**NOT CGL**), which apply **only to that particular coverage**. In addition, **interline endorsements** may be attached to a package policy. These endorsements may apply to more than one coverage part and were developed to reduce redundancy.

The **specific components of the CGL Coverage Part** are:

- **CGL Declarations**
- **CGL Coverage Form**
- **CGL Endorsements**

If written as a monoline policy, the Common Policy Conditions and any specific interline endorsements applicable would also need to be attached to the above listed components.

## I. CGL POLICY FORMAT



POLICY NUMBER:

IL DS 00 09 08

# COMMON POLICY DECLARATIONS

COMPANY NAME AREA	PRODUCER NAME AREA
NAMED INSURED: _____	
MAILING ADDRESS: _____	
POLICY PERIOD: FROM _____ TO _____ AT 12:01 A.M. STANDARD TIME <b><u>AT YOUR MAILING ADDRESS SHOWN ABOVE</u></b>	

BUSINESS DESCRIPTION
----------------------

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

<b>THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.</b>	
	<b>PREMIUM</b>
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART	\$ _____
COMMERCIAL AUTOMOBILE COVERAGE PART	\$ _____
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$ _____
COMMERCIAL INLAND MARINE COVERAGE PART	\$ _____
COMMERCIAL LIABILITY UMBRELLA	\$ _____
COMMERCIAL PROPERTY COVERAGE PART	\$ _____
CRIME AND FIDELITY COVERAGE PART	\$ _____
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART	\$ _____
EQUIPMENT BREAKDOWN COVERAGE PART	\$ _____
FARM COVERAGE PART	\$ _____
LIQUOR LIABILITY COVERAGE PART	\$ _____
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART	\$ _____
POLLUTION LIABILITY COVERAGE PART	\$ _____
	\$ _____
	<b>TOTAL: \$ _____</b>
Premium shown is payable: \$ _____ at inception. \$ _____	

## II. COMMON POLICY DECLARATIONS FORM

A. NAMED INSURED - different types of legal entities

❖ ***What method does the agency use to determine the correct legal entities that should be listed as named insureds? We will discuss the impact on the CGL Policy specifically in just a little while, but this concept is most important for each coverage/policy!***

B. MAILING ADDRESS

C. POLICY PERIOD

D. BUSINESS DESCRIPTION

E. COVERAGE PARTS/ PREMIUM

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
  - c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.



### III. COMMON POLICY CONDITIONS

*Establishes part of the "ground rules" for the relationship between the insurer and the insured.*

#### A. Conditions Common To All Coverage Parts

##### 1. Cancellation

- **CG 02 24 - EARLIER NOTICE OF CANCELLATION PROVIDED BY US**
- **STATE SPECIFIC ENDORSEMENTS MAY MODIFY**

##### 2. Changes

##### 3. Examination Of Your Books And Records

##### 4. Inspections And Surveys

##### 5. Premiums

##### 6. Transfer Of Your Rights And Duties Under This Policy

#### B. Concept Of First Named Insured

- *Commercial policies may have many insureds or even many Named Insureds; this language clarifies that specific rights and responsibilities **are reserved for the first Named Insured.***

##### \*1. Authorized to cancel policy

##### 2. Receive notice of cancellation

##### \* 3. Authorized to make changes in the terms of policy with insurer's consent

##### 4. Responsible for payment of all premiums

##### 5. Payee for return premiums



❖ ***From whom does the agency take instructions?***

**\* Suggestion - LETTER OF AUTHORIZATION - EXHIBIT A**

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG DS 01 10 01

## COMMERCIAL GENERAL LIABILITY DECLARATIONS

COMPANY NAME AREA	PRODUCER NAME AREA
NAMED INSURED: _____	
MAILING ADDRESS: _____	
POLICY PERIOD: FROM _____ TO _____ AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE	

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,  
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

LIMITS OF INSURANCE	
EACH OCCURRENCE LIMIT	\$ _____
<b>DAMAGE TO PREMISES RENTED TO YOU LIMIT</b>	\$ _____ Any one premises
MEDICAL EXPENSE LIMIT	\$ _____ Any one person
PERSONAL & ADVERTISING INJURY LIMIT	\$ _____ Any one person or organization
GENERAL AGGREGATE LIMIT	\$ _____
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$ _____

I think this can be  
confusing to insureds

RETROACTIVE DATE (CG 00 02 ONLY)
THIS INSURANCE DOES NOT APPLY TO "BODILY INJURY", "PROPERTY DAMAGE" OR "PERSONAL AND ADVERTISING INJURY" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW. RETROACTIVE DATE: _____ (ENTER DATE OR "NONE" IF NO RETROACTIVE DATE)

The designation here may  
"trigger" automatic  
insureds.

DESCRIPTION OF BUSINESS
FORM OF BUSINESS: <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> TRUST <input type="checkbox"/> LIMITED LIABILITY COMPANY <input type="checkbox"/> ORGANIZATION, INCLUDING A CORPORATION (BUT NOT INCLUDING A PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY)  BUSINESS DESCRIPTION: _____

## IV. COMMERCIAL GENERAL LIABILITY DECLARATIONS

*Provides more specific and detailed information about commercial general liability coverage.*

### A. NAMED INSURED - different types of legal entities

**CAUTION:** *May need liability insurance protection NOT only while in business but may also have a **discontinued** products-completed operations exposure that necessitates purchase of a CGL Policy after business operations have ceased*

#### CGL Insuring Agreement

- b. This insurance applies to “bodily injury” and “property damage” only if:
- 1) The “bodily injury” or “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;
  - 2) *The “bodily injury” or “property damage” occurs during the policy period; and*

- Not when the work is done
- Not when the product is manufactured

### B. Limits Of Insurance

1. Combines with CGL Coverage Form Section III - Limits Of Insurance to determine loss payment
2. Six different limits

### C. Retroactive Date

1. Claims-made version **only**
2. Determines extent of prior acts to be covered

### D. Form Of Business

1. Combines with CGL Coverage Form Section II - Who Is An Insured to establish *automatic insureds*
2. One form of business per named insured

### E. All Premises You Own Rent Or Occupy

1. Shows location number
2. Shows address

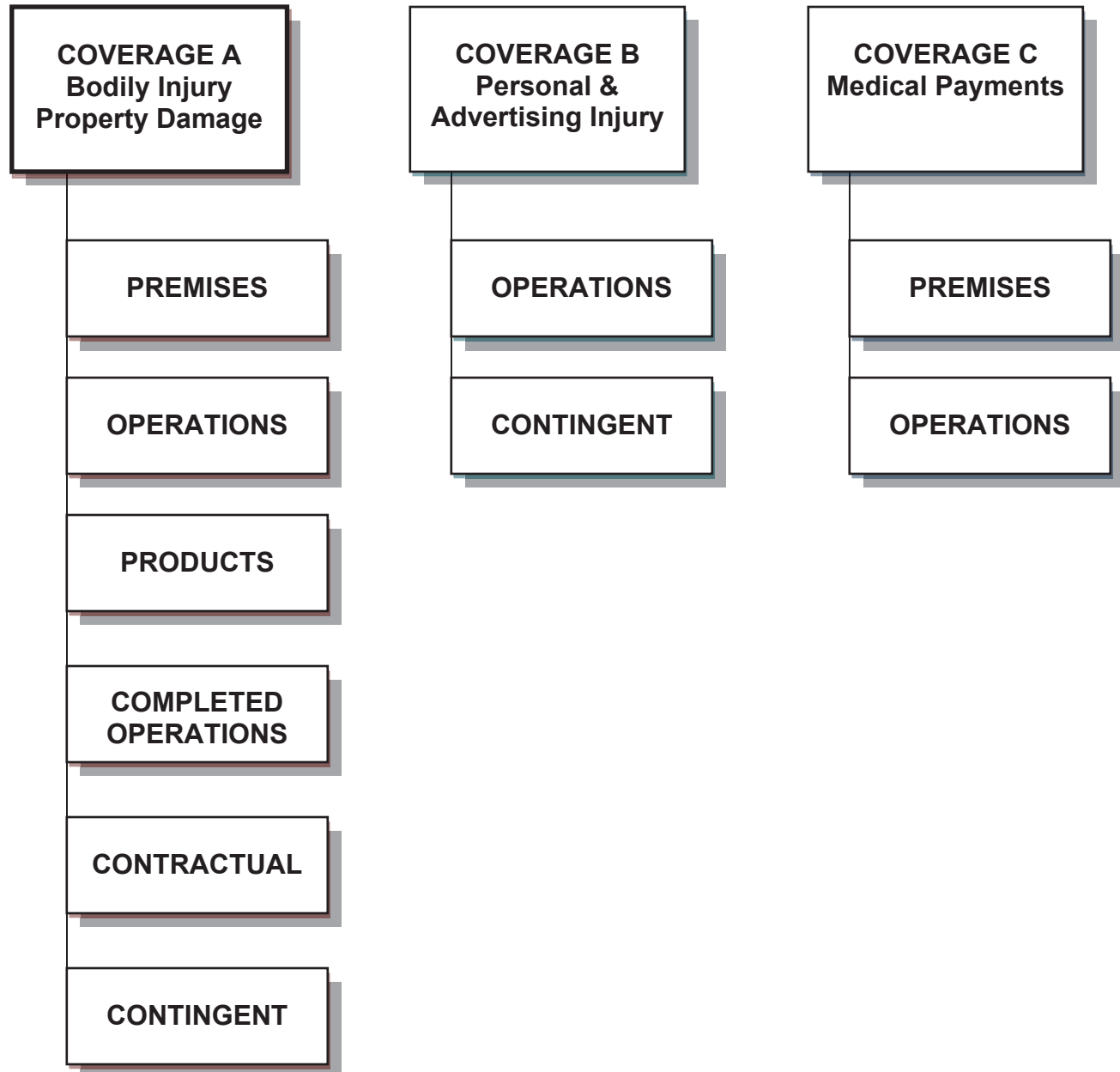
### F. Classification And Premium

1. From Commercial Lines Manual
2. Used for premium computation purposes – not coverage purposes
3. Shows audit period, if applicable

### G. Endorsements

## V. OVERVIEW OF COVERAGES PROVIDED

*Section I - Coverages of the Commercial General Liability Coverage Form is **divided into three Insuring Agreements** followed by a set of exclusions that apply to that particular Insuring Agreement.*



## VI. CGL OCCURRENCE COVERAGE FORM - SECTION I - COVERAGES

### A. Coverage A - Bodily Injury And Property Damage Liability

#### 1. Insuring agreement

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages.

However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- Outlines insurer's promise **to pay** - based on insured's **legal obligation**
- Coverage will be subject to the policy terms and conditions
- Contractual **duty** of insurer **to defend** insured extends beyond insured's legal obligation to pay
- BUT . . . **no coverage, no defense**
- **Control** of defense/ settlement **with insurer**
- Amount of insurer's payment limited
- Duty to defend ends when applicable limit of insurance is used up
  - Payment of judgments
  - Payment of settlements
  - Payment of medical expenses
- Limits types of actions for which the coverage form will respond

a. Property damage defined

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- Stipulates what types of damages to property will be covered
- Direct damage and time element (consequential losses) are both included
- Effectively precludes insurance protection for alleged property damage to intellectual properties; intellectual properties are intangible property
- Specifically states electronic data is not tangible property
  - For coverage to apply, may need to endorse or provide through another coverage form
  - **CG 04 37 05 14 - Electronic Data Liability** - amends the "property damage" definition to include loss of electronic data resulting from physical injury to tangible property – but endorsement has a Schedule where a Limit Of Insurance other than the Policy's occurrence limit may be shown and apply - **AGENCY STANDARD**

b. Occurrence defined

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

- Fortuitous events
- Important as relates to the application of Limits of Insurance and application of deductibles

**NOW BACK  
TO THE  
INSURING  
AGREEMENT**

- b.** This insurance applies to "bodily injury" and "property damage" only if:
- 1)** The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
  - 2)** The "bodily injury" or "property damage" occurs during the policy period; and
  - 3)** Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- Occurrence must take place in a **defined geographic area** – the coverage territory
- The bodily injury or property damage must occur **during the policy period**
- Known injury or known damage exclusion – **EXHIBIT B**

c. Coverage territory defined

4. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All parts of the world if the injury or damage arises out of:
    - 1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - 2) The activities of a person whose home is in the territory described in Paragraph a. above, **but is away for a short time on your business**; or
    - 3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

- Outlines where the occurrence must take place for coverage to apply
- Short time is not a defined phrase and could result in litigation
- Specifies the jurisdiction in which a suit must take place

**BACK TO  
THE  
INSURING  
AGREEMENT**

- c. "Bodily injury" or "property damage" **which occurs during the policy period and was not**, prior to the policy period, **known to have occurred** by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, **includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.**

- Sets forth the applicability when injury or damage that occurs during the policy period and was not, prior to the policy period, known to have occurred, continues, changes or resumes after the end of the policy period



**MORE OF  
THE  
INSURING  
AGREEMENT**

d. "Bodily injury" or "property damage" **will be deemed to have been known to have occurred at the earliest time** when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- 1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- 2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- 3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- Delineates the circumstances under which any insured designated in paragraph b.3) will be deemed to know that bodily injury or property damage had occurred or had begun to occur

**MORE OF  
THE  
INSURING  
AGREEMENT**

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death **resulting at any time** from the "bodily injury".

- Claims by third parties for care, loss of services or death will be included in definition of bodily injury

2. Exclusions applicable to bodily injury and/or property damage

**2. Exclusions**

This insurance does not apply to:

***(exclusions narrow and shape the coverage to be provided)***

a. **Expected or intended injury exclusion**

This insurance does not apply to:

a. **Expected Or Intended Injury**

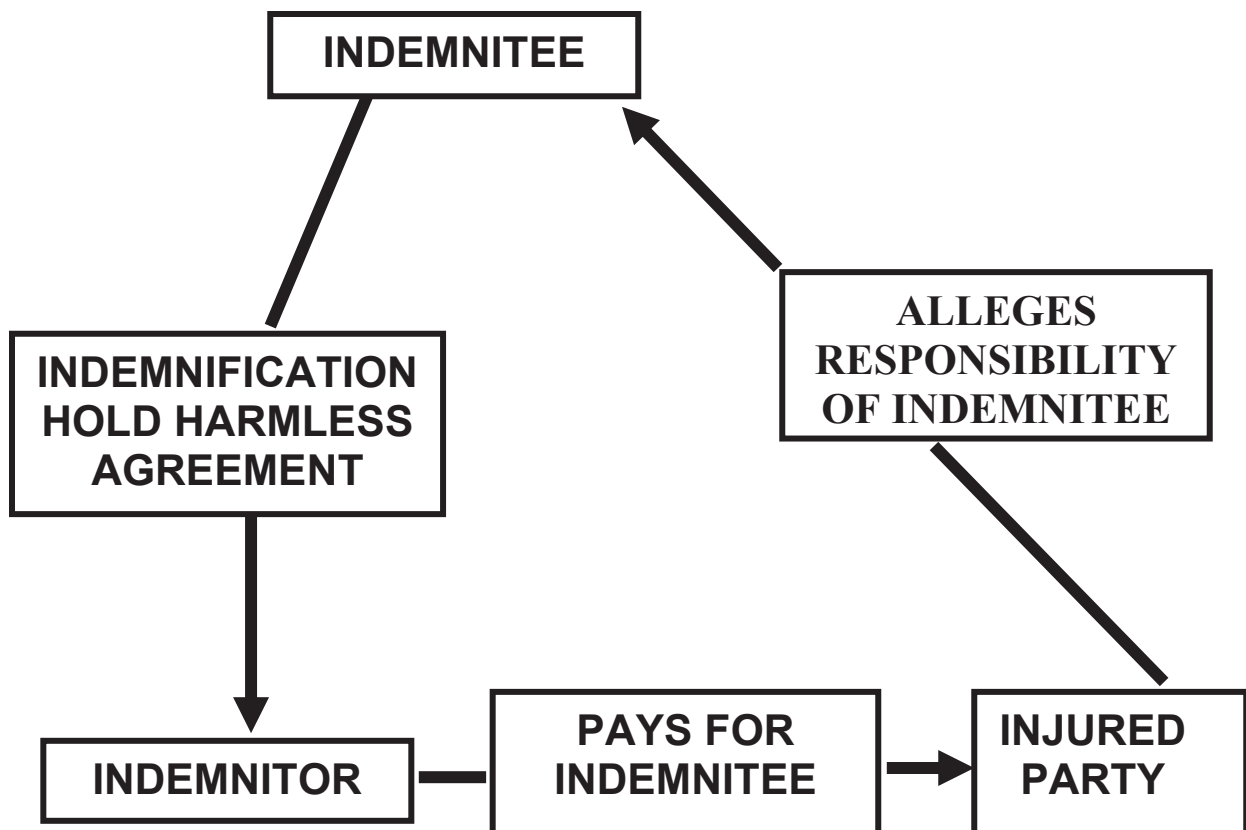
"Bodily injury" or "property damage" expected or intended **from the standpoint of the insured**. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

- Please note the phrase **the insured** rather than **any insured** – this could allow insurance protection for the vicarious liability exposure of employer for acts of employees
- **EXCEPTION: coverage provided** by stated exception for "extended bodily injury coverage" resulting from use of reasonable force to protect persons or property
- Reasonable force defined by Black's Law Dictionary - "that degree of force which is not excessive and is appropriate in protecting oneself or one's property; when such force is used, a person is justified and is not criminally liable, nor is s/he liable in tort"

## What is “liability assumed” under contract?

An indemnity agreement transfers from one party (indemnatee) to another party (indemnitor) the financial consequences of a loss. It does not eliminate the indemnatee’s liability for the injured person or damaged property. So it is important that the indemnitor can respond.

There are different levels of indemnification assumed by the indemnitor ranging from the indemnatee’s vicarious responsibility for indemnitor to where the indemnatee and indemnitor are both partially responsible to where the indemnatee is the only one at fault (sole negligence).



b. **Contractual liability exclusion**

This insurance does not apply to:

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

- Other exclusions (where no specific exceptions are made) apply to the contractual liability coverage, e.g., pollution, automobile, etc.
- No **"blanket contractual"** from insured's perspective
  - Caution: insurance proposals and insurance summaries
  - Contractual liability is only provided for certain exposures
- **EXCEPTION: coverage provided** for liability for damages the insured would have in the absence of the contract or agreement by stated exception
- **EXCEPTION: coverage provided** for oral, written or implied "insured contracts" by stated exception, but only for bodily injury and/or property damage
  - Key to the insurance provided for contractual liability is definition of "insured contract"
  - Bodily injury/ property damage must occur after contract or agreement is executed
- Specifically addresses the assumption of defense costs assumed in an "insured contract"
  - Deemed to be damages
  - Must be assumed in the same insured contract
  - Must be for a covered claim
  - As damages, **defense costs for indemnitee are within limits**

1) Insured contract defined

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A Sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. **+** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement: ...

- Responsibility for the liability exposures of another assumed by the insured will most likely be broader than the insurance coverage provided
- **CG 21 39 - Contractual Liability Limitation** - eliminates Paragraph f. of the definition
- **CG 24 26 - Amendment Of Insured Contract Definition** - eliminates coverage for the sole negligence of the indemnitee under Paragraph f. – only joint negligence or vicarious liability applies

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, **provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law.** Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

- ❖ In my opinion, neither of these endorsements is acceptable – **AGENCY STANDARD!**

## 2) What is not included as an insured contract

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

- Indemnification of a railroad arising out of construction or demolition operations excluded
  - **CG 24 17 Contractual Liability – Railroads** – deletes Paragraph f.(1) – in essence provides coverage for indemnification of a railroad for construction or demolition operations within 50 feet of a railroad

**NOTE: If Railroad Protective Policy issued for railroad, will want to add CG 24 17 to contractor's CGL Policy and will want to add CA 20 70 – Coverage For Certain Operations In Connection With Railroads to contractor's BAP**

- Indemnification of architects, engineers or surveyors for professional services excluded
- If insured is an architect, engineer or surveyor, indemnification for professional services is excluded

### c. Liquor liability exclusion

This insurance does not apply to:

#### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, **this exclusion applies only if you are in the business of** manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

- Applies to liability resulting from common law as well as to liability resulting from statutory law under dram shop acts
- **EXCEPTION - coverage provided** by inferred exception for "host liquor liability"
- "In the business of " – not defined - may involve litigation
- Verbiage in Coverage Form clarifies that BYOB is not to be considered "in the business of "
- Coverage may be further narrowed by endorsement
- **CG 21 50 - Amendment of Liquor Liability Exclusion** (Not applicable in MA, NJ, TX, and WA) – removes phrase *in the business of* - exclusion applies when there is a charge whether or not a profit is derived; exclusion applies when there is a gift if a license or permit is required; also applies to BYOB
- **CG 21 51 Amendment of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities**
- **CG 40 09 - Amendment Of Liquor Liability Exclusion – Limited Exception For Bring Your Own Alcohol**

**d. Workers' compensation and similar laws exclusion**

This insurance does not apply to:

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

- Excludes statutory responsibility for certain types of employee benefits
- Exposures must be covered by other types of insurance

**e. Employer's liability exclusion**

This insurance does not apply to:

**e. Employer's Liability**

"Bodily injury" to:

**(1)** An "employee" of the insured arising out of and in the course of:

**(a)** Employment by the insured; or

**(b)** Performing duties related to the conduct of the insured's business;  
or

**(2)** The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

- In many instances, subject of Workers Compensation And Employers Liability Insurance Policy
  - Excludes consequential bodily injury
  - Excludes dual capacity suits – **EXHIBIT C**
  - Excludes third party complaints – **EXHIBIT D**
- **EXCEPTION: coverage provided** by stated exception for liability assumed by the insured under an "insured contract" – **EXHIBIT E**
  - There are insurers who are eliminating the exception to the exclusion in their coverage forms for liability assumed under an "insured contract"

### 1) Employee defined

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

- Definition of employee includes leased worker
- Therefore, employer's liability exclusion applies to "leased worker" as well

### 2) Leased worker defined

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

- Definition of leased worker excludes a "temporary worker"

### 3) Temporary worker defined

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

- Temporary worker, by definition, is not one that is hired directly by the named insured
- **CG 04 24 - Coverage For Injury To Leased Workers** – changes the definition of "employee" as respects the Employers Liability Exclusion to not include a "leased worker" or a "temporary worker"



This insurance does not apply to:

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

f. **Pollution exclusion**

1) Pollutants defined

**15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- May not entail noise or light
- Has been argued by insureds to be ambiguous

2) Hostile fire defined

**7.** "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be. .

- As contrasted with a "friendly fire"
- **EXCEPTION** - **coverage provided** by stated exception for bodily injury if sustained within a building and caused by smoke, fumes, vapor or soot from specific equipment
- **EXCEPTION** - **coverage provided** by stated exception if named insured is a contractor and the exception only applies because of adding "owner" of premises as additional insured to contractor's policy
- **EXCEPTION** - **coverage provided** by stated exception for heat, smoke or fumes from a hostile fire
- **EXCEPTION** - **coverage provided** by inferred exception for certain off premises operations - may be broadened by endorsement
- **EXCEPTION** - **coverage provided** by stated exception for accidental escape of fuels, lubricants or other operating fluids related to the operation of mobile equipment
- **EXCEPTION** - **coverage provided** by stated exception for release of gases, fumes or vapors from materials brought into that building in connection with construction operations
- **EXCEPTION** - **coverage provided** by stated exception for heat, smoke or fumes from a hostile fire
- **EXCEPTION** - **coverage provided** by inferred exception for most products - completed operations exposures

3) Excludes clean up costs for remedial action only

4) Endorsements that expand coverage

- **CG 22 64 - Pesticide or Herbicide Applicator – Limited Pollution Coverage** – Paragraph **f.(1)(d)** does not apply if the operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government which apply
- **CG 22 93 - Lawn Care Services – Limited Pollution Coverage -** Paragraph **f.(1)(d)** does not apply to the application of herbicides or pesticides by an insured on lawns under the named insured's regular care for which the insured is not required to obtain a license or permit to apply

5) Endorsements that restrict coverage

- **CG 21 49 - Total Pollution Exclusion Endorsement** – eliminates all 8 exceptions
- **CG 21 55 - Total Pollution Exclusion With A Hostile Fire Exception** – only exception is for BI or PD from a hostile fire
- **CG 21 65 - Total Pollution Exclusion With A Building Heating, Cooling And Dehumidifying Equipment Exception And A Hostile Fire Exception** - exceptions for BI caused by smoke, fumes, vapor or soot from heating, cooling and dehumidifying equipment and BI or PD from a hostile fire

g. **Aircraft, auto or watercraft exclusion**

This insurance does not apply to:

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to **any insured**. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

- Excludes ownership, maintenance, use or entrustment to others of specific aircraft, "auto" or watercraft
- But, **please note**, this exclusion is not applicable to the ownership, maintenance or use if the exposure does not involve an insured – this means the Coverage Form may provide insurance protection for some non-owned exposures – for example, hire an independent contractor to move equipment from location A to location B and independent contractor does not qualify as an insured

- **EXCEPTION -** coverage provided by stated exception for a watercraft while ashore on premises the named insured owns or rents
- **EXCEPTION -** coverage provided by stated exception for non-owned watercraft liability with limitations
- **EXCEPTION -** coverage provided by stated exception for liability insurance (not physical damage – exclusion **j.(4)** applies and coverage is excluded) for valet parking with limitations
- **EXCEPTION -** coverage provided by stated exception for liability assumed under an "insured contract" for owned/ non-owned aircraft and watercraft
- **EXCEPTION -** coverage provided by stated exception for liability for the operations exposure of certain vehicles considered autos for the locomotion exposure
- **EXCEPTION -** coverage provided by inferred exception for the vicarious liability that may result for the operation of an automobile, aircraft (e.g., *drone*) or watercraft by an independent contractor
  - **CAUTION: CG 21 09 – Exclusion – Unmanned Aircraft**
    - eliminates coverage altogether for the ownership, maintenance, use, or entrustment to others of any aircraft that is an "unmanned aircraft" - exclusion also applies to the use of unmanned aircraft by a contractor engaged by the named insured that is not itself an insured under the CGL Policy – exclusion applies to any liability assumed under contract – adds an exclusion to Coverage B - Personal And Advertising Injury Liability for unmanned aircraft
- May need to expand coverage for completed operations exposure – **CG 22 92 – Snow Plow Operations Coverage** – within the “products-completed operations hazard” – exclusion **g.** does not apply to any “auto” used for snow plow operations
- May want to modify the watercraft exclusion – **CG 24 12 – Boats**

<ol style="list-style-type: none"> <li>1. Exclusion g. of COVERAGE A (Section I) does not apply to any watercraft owned or used by or rented to the insured shown in the Schedule.</li> <li>2. WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization legally responsible for the use of any such watercraft you own, provided the actual use is with your permission.</li> </ol>
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1) Auto defined

**2. "Auto" means:**

- a.** A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b.** Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

- Liability resulting from the operation of "autos" is primarily the subject of the Business Auto Coverage Form
- Distinguishes vehicles of this type from mobile equipment
- Verbiage "land motor vehicle, trailer or semitrailer" eliminates watercraft and aircraft from the definition
- The requirement "designed for travel on public roads" helps to differentiate autos from other land motor vehicles
- Definition includes any attached machinery or equipment

2) Mobile equipment defined

**12.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

- CGL Coverage Form intended to provide liability insurance for locomotion and/or operations exposure of certain land vehicles



**(1)THESE ARE AUTOS:**  
*(BAP for both locomotion  
& operations)*

**(2)THESE ARE AUTOS:**  
*(BAP for locomotion –  
CGL for operations ;  
by exception to CGL Auto  
exclusion)*

**(3)THESE ARE AUTOS:**  
*(BAP for locomotion –  
CGL for operations ‘  
by exception to CGL Auto  
exclusion)*

**THESE ARE AUTOS:**  
*(BAP for locomotion –  
CGL for operations;  
by exception to CGL Auto  
exclusion)*

However, self-propelled vehicles with the following types of permanently attached equipment *are not "mobile equipment"* **but will be considered "autos"**:

**(1)** Equipment designed primarily for:

**(a)** Snow removal;

**(b)** Road maintenance, but not construction or resurfacing; or

**(c)** Street cleaning;

**(2)** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

**(3)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- Definition of "mobile equipment" excludes certain types of vehicles that will be considered "autos"
- Locomotion/ operations exposure of autos in Paragraph **f.(1)** must be covered under Business Auto Coverage Form
- Locomotion exposure of autos in Paragraphs **f.(2)** and **f.(3)** must be covered under Business Auto Coverage Form; by specific exception [Paragraph **(5)**] of the aircraft, auto or watercraft exclusion, "bodily injury" or "property damage" arising out of the operations exposure of any of the equipment listed in paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment" is covered under the CGL Coverage Form
- Locomotion exposure of vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged must be covered under Business Auto Coverage Form; by specific exception [Paragraph **(5)**] of the aircraft, auto or watercraft exclusion, "bodily injury" or "property damage" arising out of the operations exposure of these "autos" that would otherwise qualify as "mobile equipment" is covered under the CGL Coverage Form

### 3) Loading or unloading defined

**11.** "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b.** While it is in or on an aircraft, watercraft or "auto"; or
  - c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

- Loading or unloading exposure (defined here) should be covered by aircraft liability policy, watercraft liability policy or "auto" liability policy
- Movement of property by "mobile equipment" not included in definition of "loading or unloading"; therefore losses involving movement of property by "mobile equipment" is covered by the CGL Coverage Form
- Corresponds to coverage provided by the Business Auto Coverage Form

#### h. Mobile equipment exclusion

This insurance does not apply to:

##### h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

- The liability coverage for the transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured should be the subject of the Business Auto Coverage Form
- **EXCEPTION - coverage provided** by inferred exception for legal liability of the insured for damages for bodily injury or property damage caused by the mobile equipment as a result of the transportation of the mobile equipment on an automobile of an independent contractor
- The use of mobile equipment in, or while in practice for, or while being prepared for extra-hazardous activities is excluded; a Special Event Policy may be needed – use of is different from participating in – and the exclusion does not indicate that the insured must own the mobile equipment – **Could this exclusion include the sponsorship of mobile equipment in this type of activity even if the use of is only for advertising purposes?**

i. **War exclusion**

This insurance does not apply to:

i. **War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

- Presents a catastrophic exposure which does not necessarily depend on the insured's negligence

j. **Damage to property exclusion**

This insurance does not apply to:

j. **Damage To Property**

"Property damage" to:

- (1) **Property you own, rent, or occupy**, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) **Premises you sell, give away or abandon**, if the "property damage" arises out of any part of those premises;
- (3) **Property loaned to you**;
- (4) **Personal property in the care, custody or control of the insured**;
- (5) **That particular part of real property** on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) **That particular part of any property** that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

- **Only property damage is excluded**
- Many of the excluded exposures are more appropriately handled by the use of property insurance, including bailee's coverage
- Some exposures such as property damage to alienated premises and faulty workmanship are not supposed to be the subject of this insurance

- **EXCEPTION -** **coverage provided** for property damage to premises, including the contents of such premises, rented to the named insured on a short term basis, subject to a separate limit
- **EXCEPTION -** **coverage provided** for property damage for a speculative builder who does not occupy, rent or hold for rental his/her work
- **EXCEPTION -** **coverage provided** for “broad form property damage” for real property while operations are in progress
- **EXCEPTION -** **coverage provided** for resulting damage for faulty workmanship while operations are in progress
- **EXCEPTION -** **coverage provided** for contractual liability for property damage under a sidetrack agreement
- **EXCEPTION -** faulty workmanship exclusion **does not apply to** "products-completed operations hazard"; own set of exclusions apply to this exposure

1) Products-completed operations hazard defined

**16. "Products-completed operations hazard":**

- a. Includes all "bodily injury" and "property damage" occurring *away from premises* you own or rent and arising out of "your product" or "your work" except:

- First requirement is that the bodily injury and property damage must occur away from premises the named insured owns or rents

• **CG 24 07 - Products/Completed Operations Hazard Redefined –**

Paragraph a. of the definition of "Products—completed operations hazard" in the DEFINITIONS Section is replaced by the following:

"Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" that arises out of "your products" if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
- (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- Exception applies for products still in physical possession of the named insured or work that has not been completed or abandoned
- This paragraph also delineates between premises-operations and products-completed operations by establishing the circumstances under which the named insured's work will be considered completed

- b. Does not include "bodily injury" or "property damage" arising out of:
- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

- Outlines situations that, by definition, will not be considered part of the products-completed operations hazard

k. **Damage to your product exclusion**

This insurance does not apply to:

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

- **Only applies to property damage**
- Because of the phrase "or any part of it", the exclusion applies to damage to the entire product even if only a component part is defective but the entire product is damaged

1) Your product defined

**21. "Your product":**

**a. Means:**

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

**c. Does not include** vending machines or other property rented to or located for the use of others but not sold.

- Specifically excludes real property; therefore, allows a clear separation of what constitutes products liability as contrasted to completed operations liability
- Only necessary to trade or deal in an item
- Includes containers
- Includes both implied and express warranties



## I. Damage to your work exclusion

This insurance does not apply to:

### I. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

- Only applies to property damage
- Aimed at eliminating from coverage any protection for damage to defective work of contractors or service providers
- **EXCEPTION - coverage provided** for the named insured if the damaged work **OR** the work out of which the damage arises was performed on behalf of the named insured by a subcontractor
  - Property damage to the work of a subcontractor resulting from the insured's work - **COVERED**
  - Property damage to the work of a subcontractor resulting from that subcontractor's work - **COVERED**
  - Property damage to the work of a subcontractor resulting from another subcontractor's work - **COVERED**
  - Property damage to the work of the insured resulting from a subcontractor's work - **COVERED**
  - Property damage to the work of the insured resulting from the insured's work – **EXCLUDED**
- **CG 22 94 - Exclusion – Damage To Work Performed By Subcontractors On Your Behalf** - removes the exception to the exclusion
- **CG 22 95 - Exclusion – Damage To Work Performed By Subcontractors On Your Behalf – Designated Sites Or Operations** - removes the exception to the exclusion at the sites or operations described in the Schedule of the endorsement
- ❖ In my opinion, neither of these endorsements is acceptable – **AGENCY STANDARD!**

1) Your work defined

**22. "Your work":**

**a. Means:**

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

- Includes work performed by some other person or organization on behalf of the named insured
- Both express warranties and implied warranties are included in the definition

m. **Damage to impaired property or property not physically injured exclusion**

This insurance does not apply to:

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

- Applies to property damage only
- Designed to preclude liability coverage for the business risk exposure originated from the failure of the named insured's product or named insured's work to perform or serve the purpose represented by the named insured
- Designed to preclude liability coverage for the business risk exposure originated from the failure of the named insured (or someone acting on behalf of the named insured) to perform contractual obligations in an agreed upon time frame
- Primary exposure excluded is for a loss of use claim or a decrease in value claim where the named insured's product or named insured's work has not actively malfunctioned
- **EXCEPTION - coverage provided** for loss of use of other property arising out of active malfunction after the named insured's product or named insured's work has been put to its intended use

## 1) Impaired property defined

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement; if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

- Property **must meet two requirements** or it is not impaired property
- Definition is intended to clarify the failure to perform exclusion

## n. Recall of products, work or impaired property exclusion

This insurance does not apply to:

### n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

- This is usually a first party loss, not a liability claim
- Specific first party insurance is available through standard and excess-surplus lines markets

o. **Personal and advertising injury exclusion**

This insurance does not apply to:

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

- Consequential bodily injury is included in definition of personal and advertising injury; as a result, an exclusion for bodily injury arising out of personal and advertising injury applies here
- Any bodily injury suffered as a consequence of a covered offense under Coverage B will be subject to the provisions of Coverage B only

p. **Electronic Data**

(Paragraph p. replaced by mandatory endorsement **CG 21 06 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception**

This insurance does not apply to:

**p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

**(1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

**(2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- Excludes damages arising out of disclosure of any confidential or personal information

- Excludes loss exposures not reached by the limiting language of the definition of property damage
- Exception to damages because of “bodily injury”
- **Exclusion—Access Or Disclosure Of Confidential Or Personal Material Or Information (CG 21 06 12 23)**

q. **Recording And Distribution Of Material Or Information In Violation Of Law**

This insurance does not apply to:

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- Excludes coverage for violation of specific statutes that govern e-mails, faxes, phone calls, etc.
  - **Exclusion – Violation Of Law Addressing Data Privacy (CG 00 69 12 23)**

**Exclusion – Cyber Incident (CG 40 35 12 23)**

3. Exception to the exclusions - fire damage liability coverage is provided

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

- Expected or intended exclusion and the contractual liability exclusion still apply

**EXCEPTION** **coverage provided** for fire damage due to the tort liability of the named insured for premises rented or temporarily occupied by the named insured

- Separate limit applies but is subject to Each Occurrence Limit

**STATEMENT  
AT END OF  
COVERAGE A  
BODILY  
INJURY AND  
PROPERTY  
DAMAGE  
LIABILITY  
EXCLUSIONS**

B. Coverage B - Personal And Advertising Injury Liability

1. Insuring agreement

**COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

- Outlines insurer's promise to pay
- Coverages will be subject to the policy terms and conditions
- Contractual duty of the insurer to defend
- But . . . no coverage, no defense
- Control of defense / settlement with insurer
- Amount of insurer's payment limited
- Limits types of actions for which coverage form responds
- Personal and advertising injury must arise out of named insured's business
- Offense must take place in a defined geographic area
- Offense must take place during the policy period
- Very similar verbiage to Coverage A

a. Personal and advertising injury defined

- 14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a.** False arrest, detention or imprisonment;
  - b.** Malicious prosecution;
  - c.** The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d.** Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f.** The use of another's advertising idea in your "advertisement"; or
  - g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

- There is a possibility of resulting bodily injury because of such offenses as false arrest, detention or imprisonment; definition specifically includes consequential bodily injury arising out of enumerated offenses
- Enumerates the offenses for which personal and advertising injury coverage will respond
- The first three offenses do not relate to an advertisement
- The last two offenses will only apply if committed in the insured's advertisement; advertisement is a defined term
- **CG 24 13 - Amendment Of Personal And Advertising Injury Definition** – removes **14. e.** from definition



b. Advertisement defined

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

- Clarifies the intent of coverage
- Restricts coverage

2. Exclusions

This insurance does not apply to:

**a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

**b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

**c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

**d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

**e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

**f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

- **CG 22 74 - Limited Contractual Liability Coverage For Personal And Advertising Injury** - deletes exclusion for the offenses of false arrest, detention or imprisonment for the contracts shown in the Schedule of the endorsement – **AGENCY STANDARD**

This insurance does not apply to:

**g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

**h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b. and c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- The following exclusions has been added to Coverage B by mandatory endorsements
  - **Exclusion—Access or Disclosure of Confidential or Personal Material or Information (CG 21 06 12 23)**
  - **Exclusion – Violation Of Law Addressing Data Privacy (CG 00 69 12 23)**
  - **Exclusion – Cyber Incident (CG 40 35 12 23)**

## C. Coverage C - Medical Payments

### 1. Insuring Agreement

#### **COVERAGE C - MEDICAL PAYMENTS**

##### **1. Insuring Agreement**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

- Medical payments are for the premises and operations exposures
- Event must take place in a defined geographic area
- Limitations apply in order to be paid
- Unlike Coverage A and Coverage B, which required legal liability, there is no such requirement for Coverage C
- Insurer is obligated to pay
- Not subject to Other Insurance Condition
- Per person Limit Of Insurance that is subject to Each Occurrence Limit that is subject to General Aggregate Limit
- **CG 21 35 - Exclusion – Coverage C – Medical Payments** – excludes Coverage C. and amends Supplementary Payments to include first aid expenses to others

## 2. Exclusions

### 2. Exclusions

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

- Excludes medical payments for certain persons and/or situations

D. Supplementary Payments – Coverages

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- Enumerates the types and amounts of payments the insurer will make in addition to the Limits Of Insurance

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", **we will defend that indemnitee if all of the following conditions are met:**

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (2) Provides us with written authorization to:
    - (a) Obtain records and other information related to the "suit"; and
    - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

- On rare occasions, assumed defense costs of an indemnitee may qualify as Supplementary Payments
- If assumed defense costs qualify as Supplementary Payments, the Limits Of Insurance will not be reduced by their payment

## VII. CGL COVERAGE FORM - SECTION II - WHO IS AN INSURED – EXHIBIT F

### A. Paragraph 1. Is “Triggered” From The Declarations

#### 1. If you are designated in the Declarations as:

##### **SECTION II – WHO IS AN INSURED**

##### **1. If you are designated in the Declarations as:**

- a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

- Business descriptions on Declarations do not apply simultaneously to the same named insured
- Automatically considered to be insureds
- Executive officer is a defined term

**6.** "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

- As we will read, limitation for co-"employee" injury does not apply to an executive officer



B. Additional Persons / Entities As Automatic Insureds

1. Volunteer Workers/Employees

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. **However, none of these "employees" or "volunteer workers" are insureds for:**

(1) **"Bodily injury" or "personal and advertising injury":**

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), **to a co-"employee"** while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" **as a consequence** of Paragraph (1)(a) above;
- (c) For which there is any **obligation to share damages** with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) **Arising out of his or her providing or failing to provide professional health care services.**

(2) **"Property damage" to property:**

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- Includes volunteer workers as insured
- Includes employees as insureds
- Includes leased workers as insureds as definition of employee includes leased worker
- Several limitations (are NOT insureds for specific BI/PD) do apply to this category of insureds – **examples**

## 2. Real Estate Manager

**b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- A real estate manager of the named insured may handle many of the routine matters of property ownership
- "Real estate manager" is not a defined term
- NO endorsement necessary, although often requested

## 3. Temporary Custodian / Legal Representative

**c.** Any person or organization having proper temporary custody of your property if you die, but only:  
**(1)** With respect to liability arising out of the maintenance or use of that property; and  
**(2)** Until your legal representative has been appointed.  
**d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

- Allows CGL Policy to remain in force if an individual named insured dies

C. Newly Acquired Or Formed Organizations

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

- Not just an insured, a Named Insured
- Does not apply to partnerships or joint ventures or limited liability companies
- No other similar insurance available
- Until the 90th day after acquisition or the end of the policy period, whichever is earlier
- No prior acts coverage

D. Statement At End Of Section II Who Is An Insured; Excluded From Insured Status

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- Can create coverage gaps - example
- May need to write a separate policy for "discontinued products-completed operations insurance"
- **CG 24 54 - Automatic Insured Status For Newly Acquired Or Formed Limited Liability Companies**

E. Others may be added/included as insureds by endorsement

## VIII. CGL COVERAGE FORM - SECTION III - LIMITS OF INSURANCE – EXHIBIT G

### A. Limits Of Insurance

#### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".

- In conjunction with Limits of Insurance shown in Declarations
- To prevent stacking

### B. General Aggregate Limit

2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage B.

- *Everything* but products-completed operations hazard
- **CG 25 03 - Designated Construction Project(s) General Aggregate Limits - AGENCY STANDARD** for this class of business
- **CG 25 04 - Designated Location(s) General Aggregate Limits - AGENCY STANDARD**
- **CG 25 45 - Designated Project(s) Products-Completed Operations Aggregate Limit- AGENCY STANDARD** for this class of business
- **CG 25 26 - Designated Locations(S) Products-Completed Operations Aggregate Limit – AGENCY STANDARD**

### C. Products - Completed Operations Aggregate Limit

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

- Coverage A only
- "Products-completed operation hazard" as defined

D. Personal And Advertising Injury Limit

4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

- Per person or organization regardless of the number of claims
- Not subject to Each Occurrence Limit - BUT equal to Each Occurrence Limit
- Subject to General Aggregate Limit

E. Each Occurrence Limit

5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:  
a. Damages under Coverage **A**; and  
b. Medical expenses under Coverage **C**  
because of all "bodily injury" and "property damage" arising out of any one "occurrence"

- Coverage A and Coverage C only
- Subject to General Aggregate Limit OR Products-Completed Operations Aggregate Limit

F. Damage to Premises Rented To You Limit

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

- Subject to Each Occurrence Limit
- Subject to General Aggregate Limit
- \$100,000 any one premises may be customary – may not meet exposure

#### G. Medical Expense Limit

7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

- Subject to Each Occurrence Limit
- Subject to General Aggregate Limit
- \$5,000 maximum any one person

#### H. Periods Of Time To Which Limits Apply

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

- Normally each 12 months
- CAUTION: Extending policy period

## IX. CGL COVERAGE FORM - SECTION IV. - SELECTED CONDITIONS

### A. Duties In The Event Of Occurrence, Offense, Claim Or Suit

#### 2.Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

- Named insured must notify the insurance company – knowledge of the agent is knowledge of the principal (insurer)
- Clarification may be necessary to acknowledge that knowledge by someone within the entity will not necessarily constitute knowledge of a named insured

#### NON-STANDARD OR COMPANY SPECIFIC ENDORSEMENT – AGENCY STANDARD

##### SUPPLEMENTARY DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

This endorsement modifies insurance provided under the following:

##### COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Section IV - Commercial General Liability Conditions, Paragraph 2.a., Duties In The Event Of Occurrence, Offense, Claim or Suit adds the following:

Knowledge of an "occurrence" or offense by your agent, servant, or employee shall not in itself constitute knowledge by you unless individuals in the following positions shall have received such notice from the agent, servant or employee:

\_\_\_\_\_

B. Separation Of Insureds Condition

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

- One insured may file a claim against another insured under the policy and coverage will apply
- **CG 21 41 - Exclusion – Intercompany Products Suits Endorsement**
- **CG 40 10 - Exclusion – Cross Suits Liability**

C. Transfer Of Rights Of Recovery Against Others To Us

**8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

- Insured may waive rights of recovery prior to loss
- May need to be evidenced by an endorsement
- **CG 24 04 - Waiver of Transfer of Rights of Recovery Against Others To Us (Waiver Of Subrogation)**
- **CG 24 53 - Waiver Of Transfer Of Rights Of Recovery Against Others To Us (Waiver Of Subrogation) – Automatic**



## D. Other Insurance

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

#### b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

#### c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

- Primary except when it is excess
  - If there is other primary insurance, then share on an equal shares basis
  - Excess over any other primary insurance available to the named insured covering liability for damages arising out of the premises or operations, or the products and completed operations, for which the named insured has been added as an additional insured
- **Excess Insurance Provision—Order of Response—When You Are an Additional Insured on Other Insurance (CG 24 56)**
- May be a contract requirement that named insured adds another party as an additional insured and named insured's policy be primary and non-contributory
  - Standard "primary and non-contributory" endorsement available for CGL Policy

COMMERCIAL GENERAL LIABILITY	CG 20 01 12 19
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.	
<b>PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION</b>	
This endorsement modifies insurance provided under the following:	
COMMERCIAL GENERAL LIABILITY COVERAGE PART	
The following is added to the <b>Other Insurance</b> Condition and supersedes any provision to the contrary:	
<b>Primary And Noncontributory Insurance</b>	
This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:	
(1) The additional insured is a Named Insured under such other insurance; and	
(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.	
CG 20 01 12 19	© Insurance Services Office, Inc., 2018
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## X. ADDITIONAL ENDORSEMENTS - PURPOSES

- A. Expand Coverage
- B. Restrict Coverage
- C. Clarify Coverage
- D. State Specific

## XI. CONCLUSION

<b>EXHIBIT #</b>	<b>EXHIBIT TITLE</b>
<b>A.</b>	<b>LETTER OF AUTHORIZATION</b>
<b>B.</b>	<b>KNOWN INJURY OR DAMAGE</b>
<b>C.</b>	<b>DUAL CAPACITY SUITS</b>
<b>D.</b>	<b>THIRD PARTY COMPLAINTS</b>
<b>E.</b>	<b>EXCEPTION TO EMPLOYER'S LIABILITY EXCLUSION</b>
<b>F.</b>	<b>WHO IS INSURED</b>
<b>G.</b>	<b>LIMITS OF INSURANCE</b>

# Exhibits

## EXHIBIT A

### LETTER OF AUTHORIZATION

**ABC Insurance Agency  
1234 Main Street  
Any Town, U.S.A.**

**RE: First Named Insured**

**To Whom It May Concern;**

**Please be advised that the following persons/entities are authorized to act on behalf of (First Named Insured) for the purposes of cancellation and/or changes.**

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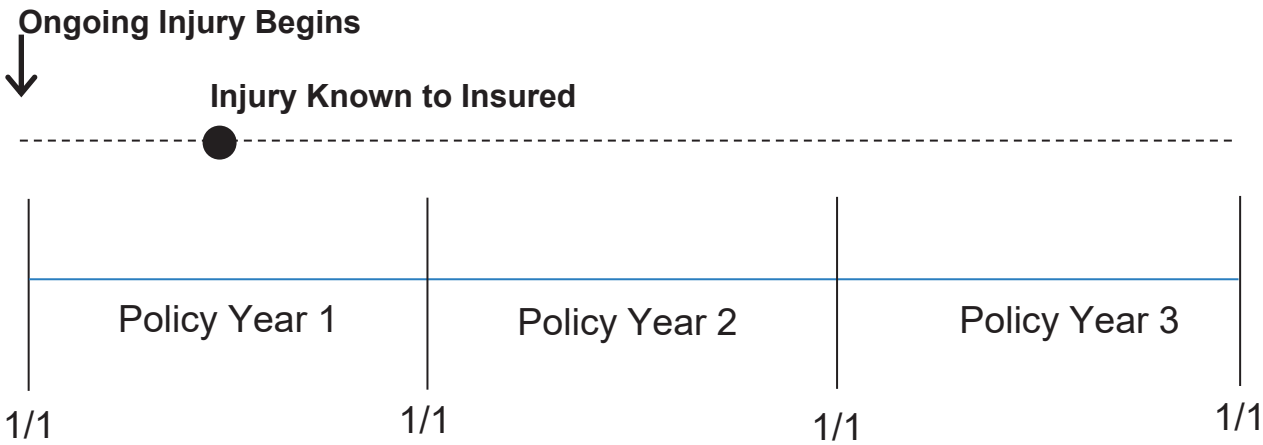
**You are authorized to accept instructions from them for policy numbers CPP12345, BAC12345, WC12345, ETC.**

**Sincerely,  
(First Named Insured)**

**Name  
President**

EXHIBIT B

KNOWN INJURY OR DAMAGE



There will be no insurance protection provided in Policy Year 2 or Policy Year 3 for the injury known to insured prior to the effective dates of these Policies.

EXHIBIT C

EMPLOYERS LIABILITY COVERAGE  
DUAL CAPACITY SUITS

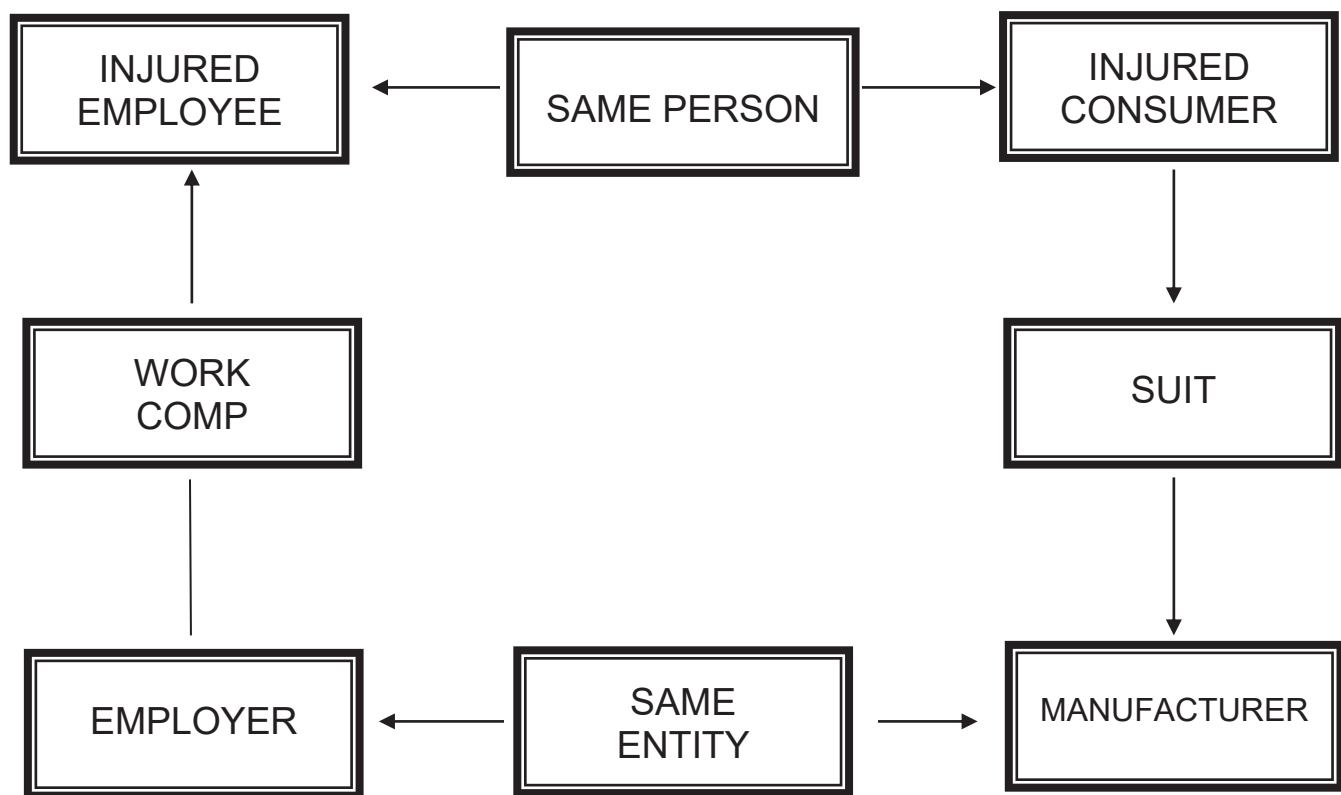


EXHIBIT D

EMPLOYERS LIABILITY COVERAGE  
THIRD PARTY COMPLAINTS

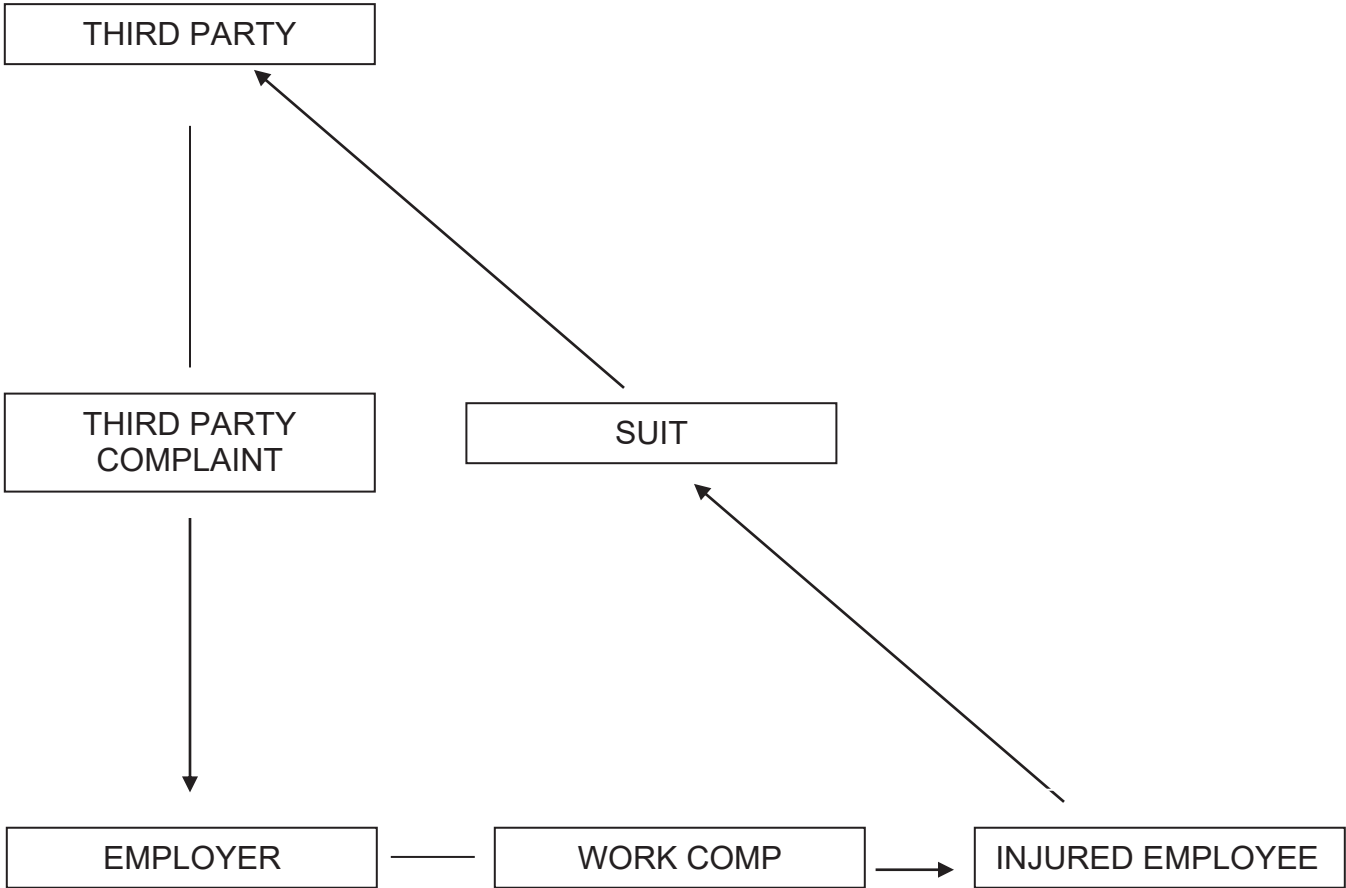


EXHIBIT E

COMMERCIAL GENERAL LIABILITY  
EXCEPTION TO EMPLOYER’S LIABILITY EXCLUSION

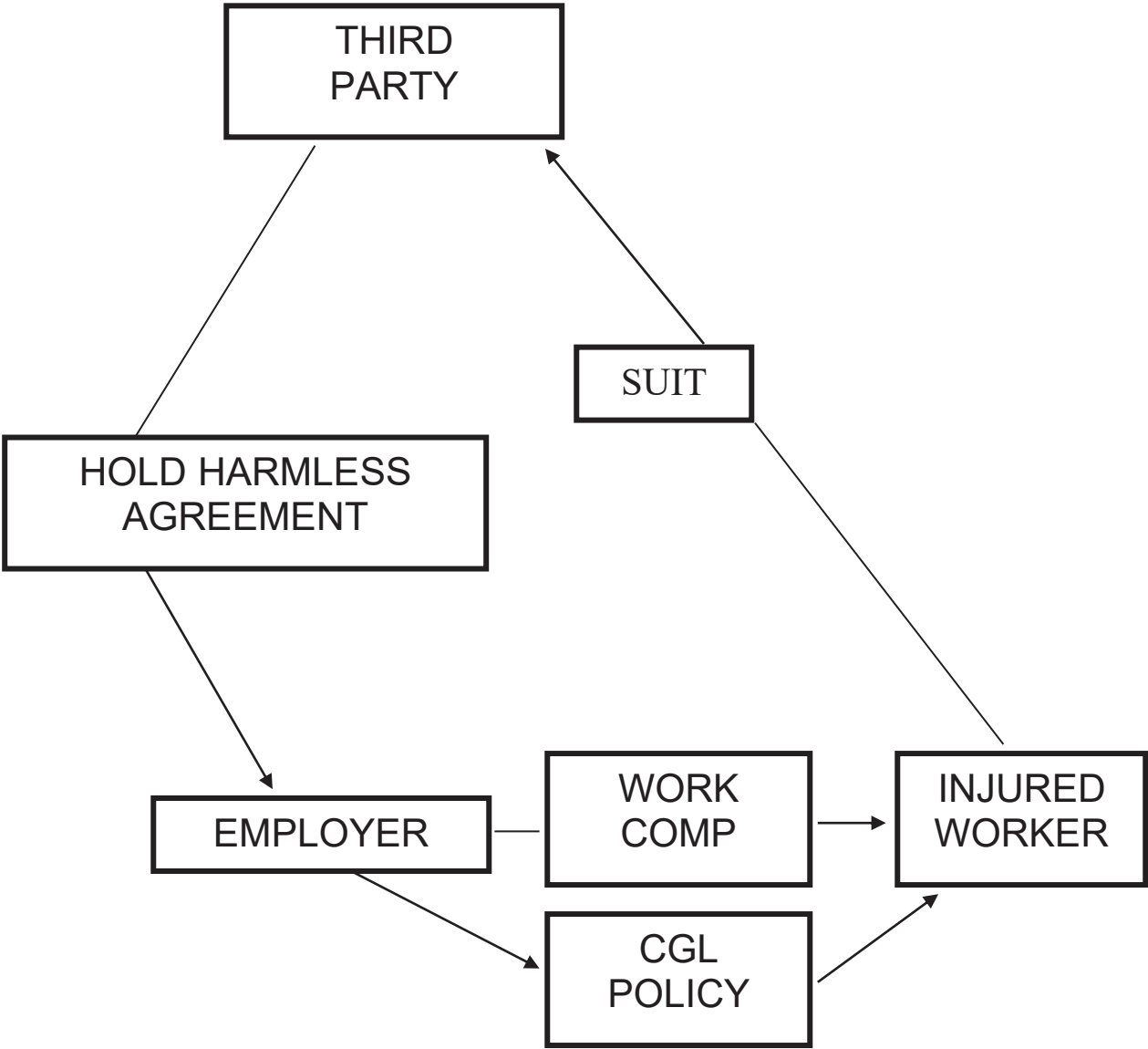




EXHIBIT F

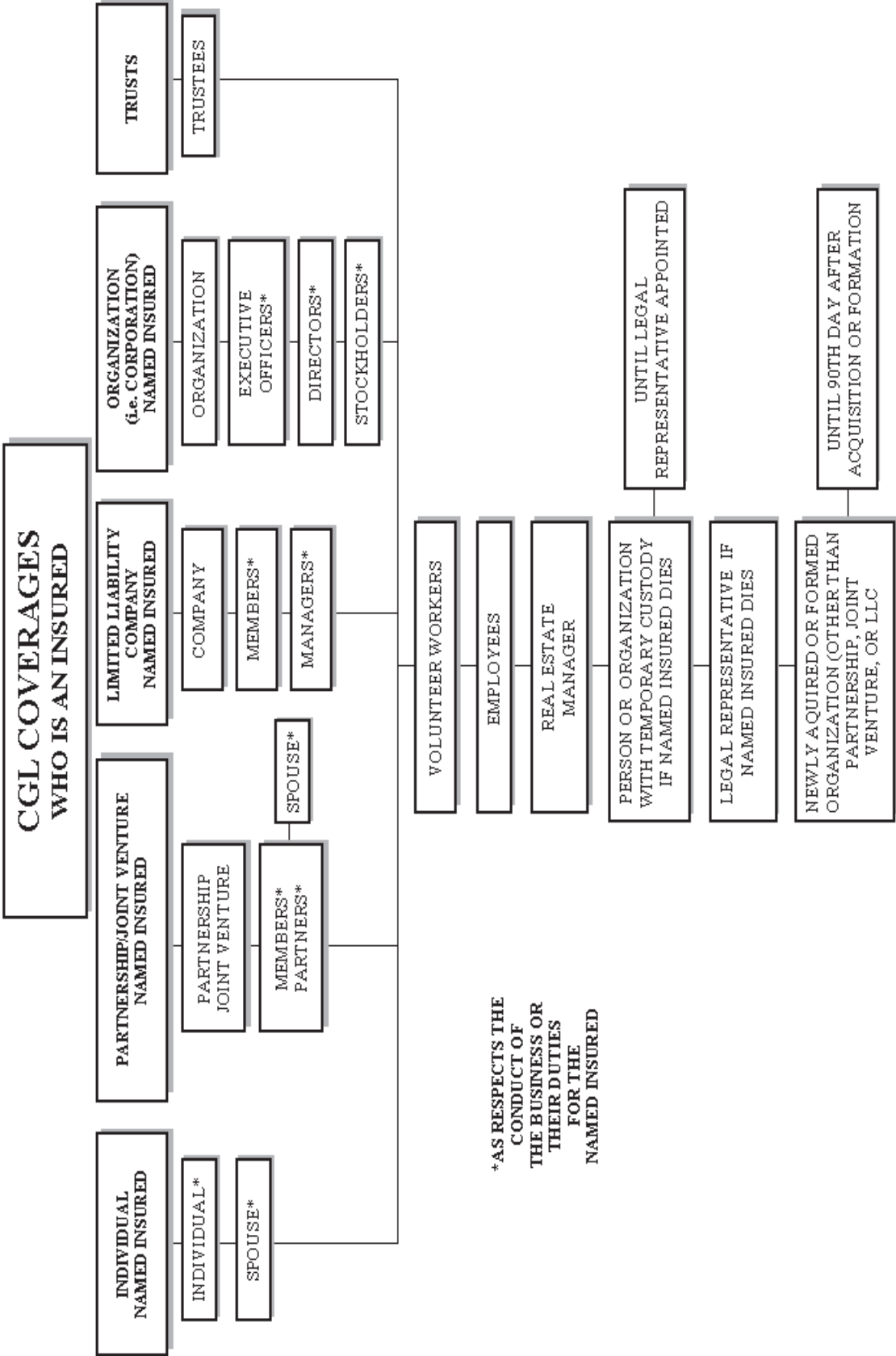
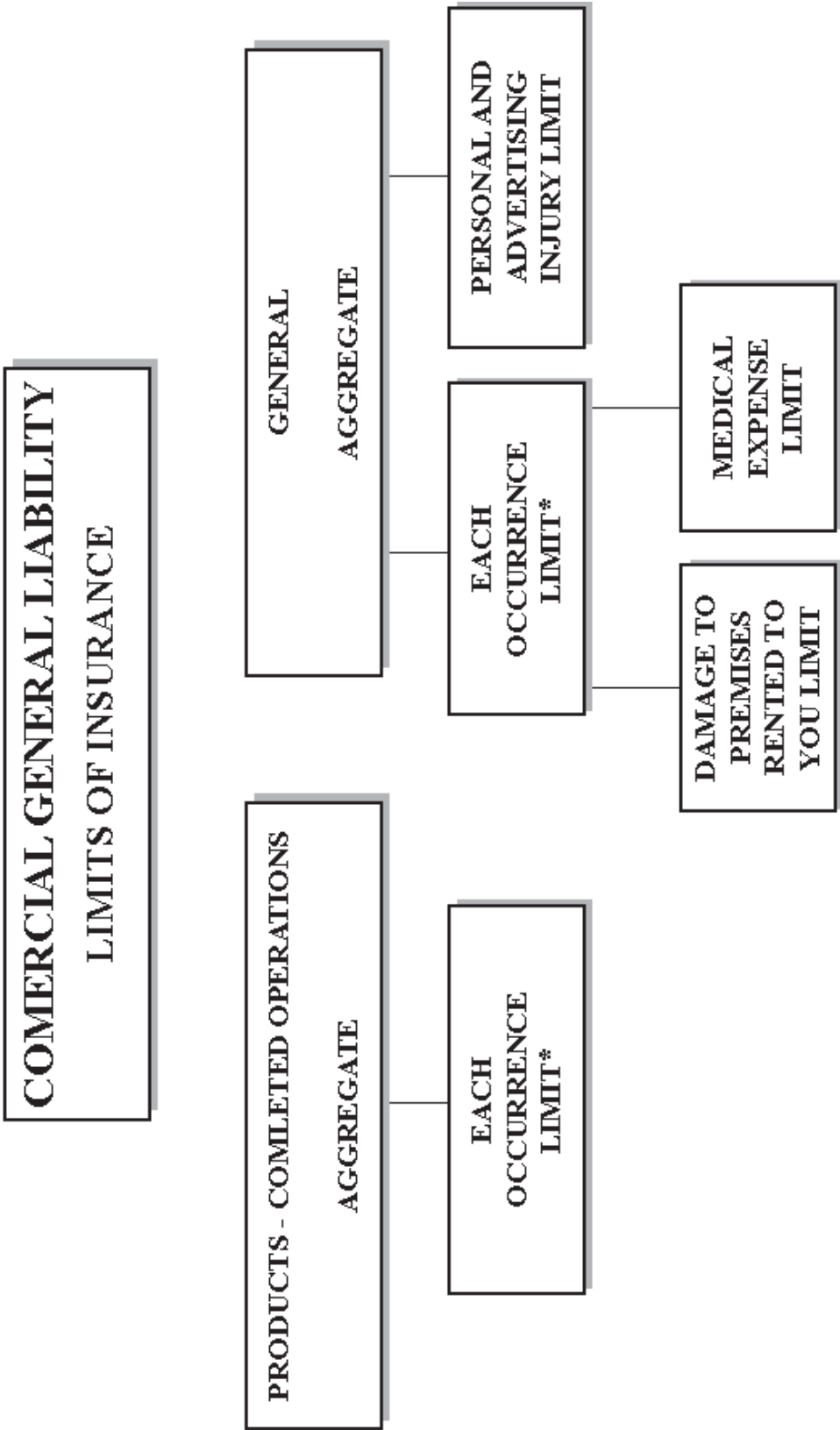


EXHIBIT G



\*For illustrative purposes only, the EACH OCCURRENCE LIMIT is shown separately for products-completed operations and for premises-operations. However, the EACH OCCURRENCE LIMIT is the most that will be paid for the sum of damages for Bodily Injury and Property Damage under Coverage A and Medical Expenses under Coverage C.

