



JAMES K. RUBLE SEMINAR

Ruble Graduate Seminar

Ohio

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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



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Section 1

Commercial Property Checklist



**Commercial Property Checklist
A good beginning!**

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I. Introductory Comments

A. Agency Standards

- Every insurance agency should have minimum coverage standards for each type of insurance policy written

B. Exposure Identification

- Every insurance agency should have a formal method for exposure identification
 1. Checklist and survey
 2. Website Review
 3. Flowchart
 4. Insurance policy review
 5. Physical inspections
 6. Compliance review
 7. Procedures and policies review
 8. Contract review
 9. Financial statement analysis
 10. Loss data analysis

II. Overview

A. Types of property

1. Owned
2. Rented
3. Leased
4. Otherwise in named insured's care, custody, or control

B. Types of losses

1. Direct
2. Indirect
 - a. Business Income
 - b. Extra Expense
 - c. Loss of Use
 - d. Other Types Of Consequential loss

III. Building And Personal Property Coverage Form - **BUILDING**

A. New Construction – Under Construction – Under Renovation – New Location

1. Must examine Building And Personal Property Coverage Form – Vacancy Condition to determine definition of building, definition of vacant and how construction or renovation is affected by this provision – oftentimes, what the named insured considers vacant may vary from specific policy provisions

Loss Condition - Vacancy

6. Vacancy

a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
 - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. **Such building is vacant when it does not contain enough business personal property to conduct customary operations.**
 - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. **Such building is vacant unless at least 31% of its total square footage is:**
 - (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
 - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings **under construction or renovation** are **not** considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a)Vandalism;
 - (b)Sprinkler leakage, unless you have protected the system against freezing;
 - (c)Building glass breakage;
 - (d)Water damage;
 - (e)Theft; or
 - (f)Attempted theft.
- (2) **With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.**

- **Vacancy Permit - CP 04 50** – waives the application of the vacancy clause for a specific time period shown on the endorsement
- **Vacancy Changes - CP 04 60** – changes the % for owner or general lessee to below 31%

B. Tenant is insuring **entire building** – required by contract – policy needs to be endorsed to protect owner’s interest and owner’s involvement in claims settlement

1. **Additional Insured – Building Owner - CP 12 19**

- Adds building owner as a **named insured** as respects the building coverage for direct physical loss or damage to the building(s) described in the Schedule
- Does not require notice of cancellation or nonrenewal to the building owner

2. **Loss Payable Provisions - CP 12 18**

- Used to add building owner as a **loss payee** under Building Owner Loss Payable Clause
 - ❖ Does not require notice of cancellation or nonrenewal to the building owner
- Used to add mortgage holder under Lender’s Loss Payable Clause if tenant is only named insured
 - ❖ Does require notice of cancellation or nonrenewal to the lender

C. Tenant is contractually responsible for maintenance/repairs/replacement to a **portion of the building** without regard to cause – e.g., HVAC, glass, etc.

1. OLD APPROACH - building coverage with sufficient limit to match exposure – includes exterior glass – will need to add appropriate causes of loss as well

- Must activate Agreed Value to avoid potential coinsurance “problem”

Optional Coverage

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

a. ***The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies.*** We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

c. The terms of this Optional Coverage apply only to loss or damage that occurs:

(1) On or after the effective date of this Optional Coverage; and

(2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. **Building Glass – Tenant’s Policy - CP 14 70**

- Not needed if there is building coverage – if used, can have its own deductible

3. ISO – Forms Designed for Exposure – better approach

- **Scheduled Building Property – Tenant’s Policy - CP 14 01 09 17**
 - Adds certain building property as insured property, on a scheduled basis. Under this endorsement, building property means the building glass, building fixtures and permanently installed machinery and equipment described in the Schedule
 - When a Limit Of Insurance is shown for Building Glass, insurance is provided for building glass that is part of the building shown in the Schedule
 - When a Limit Of Insurance is shown for Building Property Other Than Glass, insurance is provided for building fixtures and permanently installed machinery and equipment that are part of the building shown in the Schedule
- **Unscheduled Building Property – Tenant’s Policy – CP 14 02 09 17**
 - Adds certain building property as insured property, on an unscheduled basis
 - When a Limit Of Insurance is shown for Building Glass, insurance is provided for building glass that is part of the building shown in the Schedule
 - When a Limit Of Insurance is shown for Building Property Other Than Glass, insurance is provided for building fixtures and permanently installed machinery and equipment that are part of the building shown in the Schedule
- **A Deductible is optional for building glass** (as it is currently under CP 14 70), in recognition of having that option in past ISO glass insurance forms. **A separate deductible applies on Building Property Other than Glass**
- Endorsement **CP 14 70** is being withdrawn because the option to cover building glass is included in new endorsements CP 14 01 and CP 14 02
- A.** We will pay for direct physical loss of or damage to building property at the building shown in the Schedule caused by or resulting from a **Covered Cause of Loss shown in the Schedule**, provided that:
 1. You are a tenant of the building shown in the Schedule; and
 2. You have a contractual responsibility to insure such property, or a contractual responsibility to pay for loss or damage to such property.
- B.** The value of building property covered under this endorsement will be determined in accordance with the terms of the **Valuation Condition indicated in the Schedule**, or at the amount for which you are liable under contract, whichever is less. If required by law, glass is covered at the cost of replacement with safety glazing material. However, the most we will pay for the coverage provided under this endorsement is the applicable Limit Of Insurance shown in the Schedule.
- C.** The Coinsurance Condition applies to the property covered under this endorsement **only if a Coinsurance percentage is shown in the Schedule**.
- D.** Any coverage provided under this Coverage Form or Policy for Your Business Personal Property or Personal Property Of Others does not apply to the property covered under this endorsement.

- D. Other “building” considerations for coverage
 - 1. Replacement Cost Optional Coverage

Optional Coverage

3. Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.

.....

- d.** We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement is made as soon as reasonably possible after the loss or damage.

- How is this addressed by your insurance proposals and your insurance summaries?

- 2. Agreed Value Optional Coverage

Optional Coverage

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies.** We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

3. Increased Cost Of Loss And Related Expenses For Green Upgrades – CP 04 02

- Provides coverage for the increased costs of repairing or replacing covered property damaged by a covered cost of loss with materials that provide enhanced energy efficiency or use of environmentally-preferable, sustainable materials, products or methods in design, construction, manufacture or operations
- Can also provide coverage for related expenses of waste reduction and recycling, design and engineering professional expenses, certification fees and related equipment testing and building air-out and related air testing
- Can provide coverage for the increased period of restoration needed to build back in this manner

4. **Ordinance Or Law Coverage – CP 04 05**

- Can provide coverage for loss to the undamaged portion of the **building**, demolition costs for undamaged portion of the **building**, and increased costs of construction of the **building** to comply with ordinances or laws in effect ***at the time of loss – changes covered property which may necessitate increasing Limit Of Insurance***
- **CP 04 05** has been revised to add an option to include an ordinance or law that is promulgated or revised after the loss but prior to commencement of reconstruction or repair, provided such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy – must offer

5. **Debris Removal Additional Insurance – CP 04 15**

- Used to increase the additional debris removal coverage granted in the Coverage Form (\$25,000) to the amount specified in the endorsement

6. **Functional Building Valuation – CP 04 38**

- Designed to insure an older building whose architectural style has become obsolete or simply unnecessary to the named insured's current use (replacement cost unnecessary in a total loss – ACV does not meet needs in a partial loss)
- Coinsurance does not apply
- Ordinance Or Law Coverage as part of Limit Of Insurance
- **CP 04 38** has been revised to add an option to include an ordinance or law that is promulgated or revised after the loss but prior to commencement of reconstruction or repair, provided such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy

7. **Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis) – CP 04 09**

- Increases the Limit Of Insurance for expenses for labor and/or building materials for repair or replacement of the damaged property as a result of the declared disaster (required to be declared by state or federal authorities) and the total cost of repair or replacement exceeds the applicable Limit Of Insurance due to such increase in expenses (potential for “demand surge”)

8. **Earthquake And Volcanic Eruption Endorsement – CP 10 40**

- Adds the indicated causes of loss – all earthquake shocks or volcanic eruptions occurring within a 168-hour period are a single occurrence
- Special consideration needed for masonry veneer
- Does NOT change Covered Property – need to endorse – **Additional Covered Property – CP 14 10** – may then need to increase Limit Of Insurance

9. **Flood Coverage Endorsement – CP 10 65**

- Designed to **wrap around** (not supplement) coverage provided by the National Flood Insurance Program (allows insurer to waive requirement by specific location) – applies in excess of coverage available under NFIP (even if coverage does not exist) – defines flood under the endorsement as a general and temporary condition of partial or complete inundation of normally dry land areas
- Includes mudslide
- Includes coverage for back up and overflow from sewers, drains and sumps if such discharge occurs within 72 hours after the flood recedes
- Provides coverage for loss to underground foundations and underground pipes/flues/drains (changes Covered Property)
- Excludes coverage for bulkheads/pilings/piers/wharves/docks/retaining walls even if they are Covered Property
- Covers removal of flood-borne debris of Covered Property and other property (excluding mud deposits)
- Covers removal of debris of Covered Property from premises other than the named insured's premises
- An annual aggregate limit of insurance applies
- Coinsurance applies unless the NO COINSURANCE OPTION is selected

10. **Discharge From Sewer, Drain Or Sump (Not Flood Related) – CP 10 38**

- Includes coverage for discharge of water or waterborne material from a sewer, drain (including a roof drain) or sump located on the described premises, provided such discharge is not induced by flood or flood-related conditions
- **Does NOT apply** if discharge results from insured's failure to perform routine maintenance or repairs OR to sump pump failure resulting from power failure unless policy is endorsed to cover power failure affecting the described premises
- Discharge limit for property damage to Covered Property and business income (if carried) as well as optional Annual Aggregate Limitation

11. **Equipment Breakdown Cause Of Loss – CP 10 46**

- Used to add coverage for causes of loss otherwise excluded/limited
- Deletes exclusions related to artificially generated electrical, magnetic and electromagnetic energy; mechanical breakdown; explosion of steam equipment
- Deletes limitations applicable to steam equipment and water heating equipment
- Add exclusions for pressure or electrical testing as well as wear and tear and inherent vice
- Coverage for Ammonia Contamination And Hazardous Substance is limited to the lesser of 10% of the Limit Of Insurance or \$25,000 – higher limits may be selected

12. Additional Covered Property – CP 14 10

- Used to add coverage for otherwise excluded property (deletes Property Not Covered)
- Examples, if earthquake added as a cause of loss, then would need to add coverage for foundation, underground pipes/flues/drains, cost of excavations – a restaurant risk on the water may want coverage for pilings, piers, wharves or docks - may want coverage for “full” perils for a fence or detached retaining wall

13. Additional Property Not Covered – CP 14 20

- Used to exclude property that is included automatically as Covered Property
- Examples include tenants improvements and betterments where landlord has required tenant to insure, outdoor fixtures, etc.

14. Additional Building Property – CP 14 15

- Adds coverage for fixtures, machinery, and equipment that are not permanently installed under the building coverage - building rate will apply
- For example, would allow walk-in coolers/freezers to be building items
- Could also “add” tenants improvements and betterments **for the tenant** as building

15. Outdoor Trees, Shrubs And Plants – CP 14 30

- Adds trees, shrubs, and plants to the definition of Covered Property for Basic, Broad, or Special Causes of Loss
- Limit Of Insurance chosen for each tree/shrub/plant as well as all items combined (includes debris removal in Limit Of Insurance for ALL Items)
- In addition to Causes Of Loss exclusions/limitations adds exclusions for dampness or dryness of atmosphere, changes in or extremes of temperature, and rain/snow/ice/sleet – option for Vehicle Exclusion
- Coverage Extension – Outdoor Property and Additional Coverage – Debris Removal do not apply to the property covered under this endorsement

16. Outdoor Signs – CP 14 40

- Increases the BPPCF limitation of \$2500 per occurrence for all outdoor signs to the Limits Of Insurance shown for the described signs
- Will want to properly “address” awnings that are signs

17. Radio Or Television Antennas – CP 14 50

- Adds radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, as described in the schedule to the definition of Covered Property for Basic, Broad or Special Causes of Loss
- Limit Of Insurance chosen is shown on Schedule
- In addition to Causes Of Loss exclusions/limitations, adds exclusions for dampness or dryness of atmosphere, changes in or extremes of temperature, and rain/snow/ice/sleet

IV. Building And Personal Property Coverage Form – **BUSINESS PERSONAL PROPERTY**

A. Tenant’s Improvements & Betterments

Definition of Your Business Personal Property

(6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
(a) Made a part of the building or structure you occupy but do not own; and
(b) You acquired or made at your expense but cannot legally remove;

1. Specifically defined in the Coverage Form - may be different from what the named insured thinks these are
2. Can be insured as a separate item under Your Business Personal Property and building rate is then used instead of personal property rate

- **Your Business Personal Property – Separation of Coverage – CP 19 10**

3. Only for direct damage - need indirect loss coverage

- **Leasehold Interest Coverage Form – CP 00 60** - provides coverage for unamortized portion of use interest in improvements and betterments when lease cancellation results from a covered cause of loss at the described premises

- **Additional Building Property – CP 14 15** - could be used to make tenants improvements and betterments Building in order to provide coverage for the tenant for destruction due to enforcement of an ordinance or law – would need to add **Ordinance Or Law Coverage – CP 04 05**

- **Better approach - Ordinance Or Law Coverage For Tenant's Interest In Improvements And Betterments (Tenant's Policy) – CP 04 26 09 17** - with the exception of terminology relating to improvements and betterments specific to this endorsement, and provisions recognizing the situations in which building codes may impact such property, the scope of Coverage A, Coverage B and Coverage C in new endorsement **CP 04 26** is **equivalent to that of CP 04 05**

4. Coverage may be needed/provided for both tenant and building owner – as previously stated, if owner does not want to insure, need to endorse

- **Additional Property Not Covered – CP 14 20** – could be used to exclude tenants improvements and betterments from tenants policy if landlord has assumed responsibility to insure

B. Leased Personal Property

Definition of Your Business Personal Property

7. Leased personal property for which you have a **contractual responsibility to insure**, unless otherwise provided for under Personal Property Of Others.

1. Specifically must have a contractual responsibility **to insure**
2. A contractual responsibility for loss is not enough

• **Leased Property – CP 14 60**

- Provides coverage for leased property as Your Business Personal Property
- Valuation may be on an agreed value (stipulated loss value) basis
- Should be attached to every policy even if no leased property at inception
- Schedule of endorsement for leased property should indicate “*all leased property*”
- Schedule of endorsement for agreed value should indicate “*as required by lease*”

C. Additional Considerations for Your Business Personal Property

1. May want to modify causes of loss

• **Utility Services - Direct Damage – CP 04 17**

- Adds coverage for damage to covered property resulting from interruption of any of the utility services identified if the interruption results from a covered cause of loss – overhead transmission lines must be specifically included
- Provides coverage for direct damage only

• **Spoilage Coverage – CP 04 40**

- Adds coverage for damage to perishable stock due to breakdown or contamination (mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment and contamination by the refrigerant)
- Adds coverage for damage to perishable stock for power outage beyond named insured’s control
- May be written to include selling price
- Has own set of exclusions/limitations applicable – e.g., disconnection from a source of power, turning the power switch off, breaking of glass that is part of unit, etc.
- May receive a credit for a refrigeration maintenance agreement but if declared agreement is voluntarily terminated, coverage is suspended

• **Earthquake and Volcanic Eruption Endorsement – CP 10 40**

• **Flood Coverage Endorsement – CP 10 65**

• **Discharge From Sewer, Drain or Sump (Not Flood Related) – CP 10 38**

• **Equipment Breakdown Cause Of Loss – CP 10 46**

2. May **not** want to include certain business personal property in coverage as would be included in calculation for compliance with coinsurance

- **Additional Property Not Covered – CP 14 20**

3. Valuation may not meet need

Optional Coverage

3. Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.

b. This Optional Coverage does not apply to:

(1) *Personal property of others;*

(2) *Contents of a residence;*

(3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

(4) "Stock," unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- Need for specific coverage for Personal Property Of Others
- Activate **Extension Of Replacement Cost To Personal Property Of Others – Optional Coverage** – to be discussed shortly

4. May want coverage for business personal property stored in a building for which building coverage is not wanted

Definition of Your Business Personal Property

b. Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- Solution - schedule building but show no Limit Of Insurance for the Building; show Limit Of Insurance for Your Business Personal Property

5. May want to change valuation for certain types of property

- **Distilled Spirits and Wines Market Value – CP 99 05**
 - Producers, processors, distributors, and retailers of alcoholic beverages can cover distilled spirits and wine on a market value basis
 - Bottled distilled spirits are valued at the market price as of the time and place of loss or damage
 - Bottled winery products are valued at the market price the case goods could have been sold as of the time and place of loss or damage
 - Establishes that paid and unpaid taxes that are refundable federal excise taxes and customs duties as well as refundable state and local taxes are either deducted from the value or recoverable by the insurer – these are refundable when they are “damaged” by any peril except theft

- **Alcoholic Beverages Tax Exclusion – CP 99 10**
 - Allows insured to exclude value for refundable federal excise taxes and customs duties as well as refundable state and local taxes from value of business personal property held for sale that consist of distilled spirits, wines, rectified products (e.g., Everclear) and beer for all perils other than theft and increase value of this business personal property for the peril of theft

- **Manufacturer's Selling Price (Finished "Stock" Only) - CP 99 30**
 - Allows insured to be paid for the profit that would otherwise have been earned from the sale of finished stock had it not been damaged by an insured peril

- **Market Value—Stock - CP 99 31**
 - Allows the insured to be paid the market value of stock that is bought and sold at an established market exchange where the market prices are posted and quoted

- **Manufacturers Consequential Loss Assumption – CP 99 02**
 - Allows the insured to recover the reduction in value of undamaged stock in the process of manufacture that is caused by damage to other stock (e.g., businesses that manufacture products that are sold in matched sets, using the same materials for all parts of the set – when one part is damaged, the other part has less value)

- **Functional Personal Property Valuation (Other Than Stock) – CP 04 39**
 - Allows the insured to replace personal property with the most closely equivalent property available
 - Coinsurance does not apply

6. Business personal property off premises
 - a. As Coverage Extension in Coverage Form

Coverage Extension

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

- b. As Coverage Extension in Causes of Loss – Special Form

Coverage Extension

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

- Not the best method for insuring this exposure
- **Specified Business Personal Property Temporarily Away From Premises - CP 04 04**
 - Schedule shows Limit Of Insurance as well as type(s) or item(s) of business personal property
 - Not intended to apply to stock or salespersons samples unless at fair, trade show, or exhibit and theft from a vehicle must be visible signs of forced entry
 - **BUT** potential for property shipped at named insured's risk – need to check purchase orders, shipping documents, etc. – may need inland marine coverage

V. Building And Personal Property Coverage Form – **PERSONAL PROPERTY OF OTHERS**

A. As a **Coverage Extension**

Coverage Extension

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.

(2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

1. Limited to \$2,500 and would not apply to Property NOT Covered
2. Previously stated - valuation is also limited to ACV

Optional Coverage

3. Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.

b. This Optional Coverage does not apply to:

(1) Personal property of others;

B. As **Covered Property** - Personal Property of Others

Covered Property

C. Personal Property Of Others that is:

(1) In your care, custody or control; and

(2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

1. Limited as to where this property is covered
2. Still subject to Property NOT Covered
3. **Only pays for direct damage** - what about potential exposure for loss of use? – **Legal Liability Coverage Form – CP 00 40**
4. Still subject to Causes of Loss Exclusions/Limitations - need to determine exposures/solutions

4. Valuation may be Replacement Cost, if extended

Covered Property

4. Extension Of Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, **but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.**

5. Valuation may be changed for certain types of property of others

• **Storage or Repairs Limited Liability – CP 99 42**

- Valuation of property of others held by the insured for storage or repairs becomes the lesser of the item's actual cash value or the value declared on the receipt issued by the insured to the insured's customer

C. Other types of coverages may be needed

• **Garagekeepers Coverage – CA 99 37**

- Insurer will pay all sums the insured legally must pay as damages for loss to a customer's auto or customer's auto equipment left in the insured's care while the insured is attending, servicing, repairing, parking or storing it in the named insured's garage operations under comprehensive, specified causes of loss and collision subject to a deductible
- Coverage may be written on a legal liability basis, a direct excess basis, or a direct primary basis
- Does not provide insurance protection for any contents of the customer's auto

• **Bailee's Customers Coverage (or similar commercial inland marine coverages)**

- Can be written on a legal liability basis or without regard to legal liability
- Valuation is ACV but may be changed to replacement costs if written without regard to legal liability
- Usually no insurance protection for loss of use of the damaged or destroyed property

• **Legal Liability Coverage Form - CP 00 40**

- Provide coverage for the named insured's legal liability for direct physical loss or damage (including loss of use) to property, either real or personal (other than electronic data), in the named insured's care, custody, or control caused by an accident and resulting from a covered cause of loss
- Causes Of Loss Form has an exclusion for liability assumed under contract, so this coverage is for tort liability only

- **Money & Securities – Commercial Crime – Loss Sustained or Discovery**

- **Employee Theft – Commercial Crime – Loss Sustained or Discovery**

- **Equipment Breakdown Coverage Form – EB 00 20**
 - The ISO Equipment Breakdown Protection Coverage Form provides coverage by incorporating coverages into the form that are activated by inserting a limit, number of days, or the word “INCLUDED” on the Declarations. (EB DS 07 09 11)

| Insurance applies only to a coverage for which a Limit of Insurance, a number of Days/Hours or the word INCLUDED is shown. If INCLUDED is shown, then the limit for that coverage is part of the Limit Per Breakdown. | |
|---|---|
| Coverage | Limit Of Insurance Or Days/Hours |
| Limit Per Breakdown | |
| 1. Property Damage | |
| 2. Expediting Expense | |
| 3. Business Income/Extra Expense a. Extra Expense Only b. Extended Period Of Restoration (Number Of Days Of Coverage) c. Data Or Media (\$25,000 Limit Of Insurance) or | Days |
| 4. Spoilage Damage | |
| 5. Utility Interruption a. Coverage applies only if the interruption of services lasts at least: | Hours |
| 6. Newly Acquired Premises a. (Number Of Days Of Coverage) | INCLUD-ED Days |
| 7. Ordinance Or Law | |
| 8. Errors And Omissions | |
| 9. Brands And Labels | |
| 10. Contingent Business Income/Extra Expense a. Covered Premises: b. Sales, Services Or Materials: | |
| EB DS 07 09 11 | © Insurance Services Office, Inc., 2010 |

D. **Watch out for:**

- **Protective Safeguards Endorsement – CP 04 11**

Endorsement – IN PART

B. The following is added to the **Exclusions** section of:

- Causes Of Loss – Basic Form
- Causes Of Loss – Broad Form
- Causes Of Loss – Special Form
- Mortgageholders Errors And Omissions Coverage Form
- Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, **in complete working order**.

If part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

2017 Changes CP 04 11

A. The following is added to the Commercial Property Conditions:

Protective Safeguards

As a condition of this insurance, you are required to:

1. Maintain the protective safeguards–listed in the Schedule and over which you have control, in complete working order;
2. **Actively engage and maintain in the "on" position at all times any automatic fire alarm or other automatic system listed in the Schedule;** and
3. Notify us if you know of any suspension of or impairment in any protective safeguard listed in the Schedule.

However, if part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

B. The following is added to the **Exclusions** section of:

- Causes Of Loss – Basic Form
- Causes Of Loss – Broad Form
- Causes Of Loss – Special Form

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you failed to comply with any condition set forth in Paragraph **A**.

- **Burglary And Robbery Protective Safeguards – CP 12 11**

Endorsement – IN PART

B. The following is added to the Exclusions section of the Causes Of Loss – Special Form:

BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS

We will not pay for loss or damage caused by or resulting from theft if, prior to the theft, you:

1. ***Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact;*** or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, ***in complete working order.***

2017 Changes CP 12 11

A. The following is added to the Commercial Property Conditions:

Burglary And Robbery Protective Safeguards

As a condition of this insurance, you are required to:

1. Maintain the protective safeguards listed in the Schedule, and over which you have control, in complete working order.;
2. **Actively engage any automatic burglary alarm or other automatic system listed in the Schedule and maintain it in the "on" position during all non-work hours and whenever the premises are unoccupied;**
3. Actively engage an automatic burglary alarm or other automatic system, or parts thereof, in accordance with any other requirements, if any, indicated in the Schedule; and
4. Notify us if you know of any suspension of or impairment in any protective safeguard listed in the Schedule.

However, notification to us of the suspension of or impairment in an automatic burglary alarm or other automatic system listed in the Schedule will not be necessary if you:

- a. Can restore full protection within 48 hours of the suspension or impairment;
- b. Provide at least one watchperson or other means of surveillance at the premises during all non-work hours and whenever the premises are otherwise unoccupied; and
- c. Provide at least one watchperson or other means of surveillance during work hours if the Schedule requires that the premises or part thereof be protected during work hours.

B. The following is added to the **Exclusions** section of the Causes Of Loss – Special Form:

Burglary And Robbery Protective Safeguards

We will not pay for loss or damage caused by or resulting from theft if, prior to the theft, you failed to comply with any condition set forth in Paragraph **A.**

- **Limitation on Loss Settlement—Blanket Insurance (Margin Clause) - CP 12 32**

Endorsement – IN PART

B. Margin Clause

With respect to property that is subject to a Blanket Limit of Insurance, we will determine a maximum loss payable for each building and for the contents of each building or the contents at each premises. The maximum loss **payable is determined by applying the applicable Margin Clause percentage indicated in the Schedule to the value of the property as shown in the latest statement of values reported to us.** If the statement of values does not state individually the value of each building and the value of contents at each building or premises, we will determine individual values as a part of the total reported values prior to application of the Margin Clause percentage.

Actual loss payment will be determined based on the amount of loss or damage subject to all applicable policy provisions including the Limits of Insurance Condition, Coinsurance, Deductible and Valuation Conditions. But the actual loss payment, for each building, for the contents of each building or for the contents at each premises, will not exceed the maximum loss payable as described above and will not exceed the Blanket Limit of Insurance.

The Margin Clause does not increase the Blanket Limit of Insurance.

- **Limitations on Coverage for Roof Surfacing - CP 10 36**

Endorsement – IN PART

A. The following applies with respect to loss or damage by a **Covered Cause of Loss (including wind and hail if covered)** to a building or structure identified in the Schedule as being subject to this Paragraph **A.**:

Replacement Cost coverage (if otherwise applicable to such property) does not apply to roof surfacing. **Instead, we will determine the value of roof surfacing at actual cash value as of the time of loss or damage.**

B. The following applies with respect to loss or damage by **wind and/or hail** to a building or structure identified in the Schedule as being subject to this Paragraph **B.**:

We will not pay for cosmetic damage to roof surfacing caused by wind and/or hail. For the purpose of this endorsement, cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

C. For the purpose of this endorsement, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

- **Exclusion of Loss Due to By-Products of Production or Processing Operations (Rental Properties) - CP 10 34**

Endorsement – IN PART

- A.** The terms of this endorsement apply to the rental unit(s) described in the Schedule, and to the building(s) in which such unit(s) is located, including any contents of such unit(s) and building(s), all of which constitute the described premises for the purpose of this endorsement.
- B.** We will not pay for loss or damage to the described premises, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at the rental unit(s) described in the Schedule. This exclusion applies regardless of whether such operations are:
1. Legally permitted or prohibited;
 2. Permitted or prohibited under the terms of the lease; or
 3. Usual to the intended occupancy of the premises.
- This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.
- C.** If the loss or damage described in Paragraph **B.** results in Business Income loss or Extra Expense, there is no coverage for such loss or expense under the business income and/or extra expense forms listed in this endorsement, or under any other business interruption insurance if provided under this policy.
- D.** The conduct of a tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:
1. Legally permitted or prohibited;
 2. Permitted or prohibited under the terms of the lease; or
 3. Usual to the intended occupancy of the premises.

- Other warranty endorsements

VI. Business Income Coverage Form

A. Business Income Defined

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses *incurred*, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

1. Profit not required
2. Net loss subtracted from continuing normal operating expenses incurred in determining amount of business income
3. While payroll is included in this definition, Loss Determination Loss Condition states that payroll is included only to the extent that it is necessary to resume operations with the same quality of service that existed just before the loss

- And, for certain types of risks, **will tips be included in definition of payroll?**

Loss Condition

3. Loss Determination

a. The amount of Business Income loss will be determined based on:

(3) The operating expenses, including payroll expenses, necessary to resume "operations" ***with the same quality of service that existed just before the direct physical loss or damage;*** and

- Possibility of insurer/insured disagreement as to what payroll is necessary?
- **Discretionary Payroll Expenses – CP 15 04** eliminates any possibility of dispute
 - Job Classifications or Employees are shown in Schedule
 - Includes this payroll if paid for period of restoration/extension of period of restoration (any/all) unless otherwise limited by Schedule in endorsement

B. Options

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

(1) Business Income Including "Rental Value".

(2) Business Income Other Than "Rental Value".

(3) "Rental Value".

- Named insured could have tenant occupancy – e.g., rents upstairs apartment – and would need to include “rental value” – CAUTION: options create errors

C. Coverage "trigger"

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) Any area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

1. Suspension – DOES NOT HAVE TO BE A COMPLETE SHUTDOWN

6. "Suspension" means:

- a. The slowdown or cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for Business-Income Including "Rental Value" or "Rental Value" applies.

2. Operations

2. "Operations" means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

3. Period of Restoration

3. "Period of restoration" means the period of time that:

a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises ***should be*** repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- 72 hours may be too long as a waiting period deductible – endorsement may be needed
- **Business Income Changes – Beginning Period of the Period of Restoration – CP 15 56** to change to 24 hours or eliminate entirely
- Remember ordinance or law exposure – if endorsed to policy for direct damage, should endorse to policy for time element coverage - **Ordinance or Law – Increased Period of Restoration - CP 15 31**
- For many risks, this time period will not be sufficient – need to extend period for payment of business income loss beyond “period of restoration”
- **Additional Coverage – Extended Business Income** – gives 60 days coverage

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a)** Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii)** 60 consecutive days after the date determined in **(1)(a)** above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

- Should be extended beyond 60 days
- Available as one of the **Optional Coverages**

4. Extended Period Of Indemnity

Under Paragraph **A.5.c.**, **Extended Business Income**, the number 60 in Subparagraphs **(1)(b)** and **(2)(b)** is replaced by the number shown in the Declarations for this Optional Coverage.

- Should be extended for period needed for exposure
 - 4. Described premises
- Losses may occur at other than the described premises that will affect named insured's business income
 - a. Policy may provide coverage automatically

5. Additional Coverages

a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends; whichever is later.

- Prohibited access to the described premises must be caused by act of civil authority
- Must be a Covered Cause of Loss causes damage to property other than property at the described premises
- Proximity to described premises limited – not more than one mile from the damaged property
 - May need to endorse – **Civil Authority Changes – CP 15 32** – increase radius
- Duration of coverage limited – four consecutive weeks
 - May need to endorse – **Civil Authority Changes – CP 15 32** – increase duration

b. Endorsements may be attached

- **Food Contamination (Business Interruption And Extra Expense) - CP 15 05**
 - Extend coverage to apply to expenses to clean the named insured's equipment as required by governmental authority, to costs to replace the food that is or is suspected to be contaminated, to expenses of necessary medical tests or vaccinations for employees, unless they are provided coverage under a Workers Compensation And Employers Liability Insurance Policy, to the loss of Business Income the named insured sustains due to the necessary suspension of the named insured's operations as a result of the food contamination (as defined in the endorsement) which begins 24 hours after the named insured receives notice of closing from the governmental authority; and to the additional advertising expenses the named insured incurs to restore the named insured's reputation
 - With respect to the coverage provided under this endorsement, any exclusion of virus or bacteria in the policy does not apply
 - There is no coverage for fines or penalties imposed by a governmental authority.
 - There are two annual aggregate limits for each described location – Food Contamination Limit applies to all expenses for which insurance protection is provided except the additional advertising expenses – Additional Advertising Expense Limit applies to that particular expense

- **Business Income from Dependent Properties – Broad Form – CP 15 08**
 - Extends named insured's business income limits to dependent property locations listed on endorsement – may extend coverage as well to secondary contributing or secondary recipient locations (neither named)

- **Business Income from Dependent Properties – Limited Form – CP 15 09**
 - Shows business income limits applicable to dependent property locations listed on endorsement - may extend coverage as well to secondary contributing or secondary recipient locations (neither named)

- **Off-Premises Interruption of Business – Vehicles and Mobile Equipment – CP 15 06**
 - Adds coverage for business income loss, extra expense loss, or both, resulting from loss or damage to vehicles and mobile equipment on which the business depends

- ❖ **Business Interruption Coverage – CA 99 05**
 - Adds coverage for business income and extra expense or business income only resulting from loss or damage to vehicles and mobile equipment on which the business depends to the Business Auto Policy

5. Covered Cause of Loss

a. Many of the same concerns as for building/business personal property

- But special need for **Utility Services – Time Element – CP 15 45**
 - Need to be sure to properly address overhead transmission lines
 - **ISO revised 2017** - to enable selection of an independent waiting period for Business Income losses arising from utility services interruption, that is, a waiting period which could be different from the policy's waiting period – **options for no-waiting-period; 12 hours; 24 hours; 48 hours; 72 hours; 96 hours; 120 hours; 144 hours; 168 hours**
- May have need for **DIC** for additional causes of loss

b. But **Causes of Loss – Special Form - CP 10 30** has specific exclusions applicable

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

- No coverage for business income or extra expense losses resulting from loss or damage to radio or television antennas, etc. – delete exclusion – **Radio or Television Antennas – Business Income or Extra Expense - CP 15 50**
- No coverage for suspension, lapse or cancellation of any contract except during period of restoration – **example** – consideration should be given to **Extended Period Of Indemnity Optional Coverage**

D. Additional Business Income Considerations

1. **Business Income – Landlord As Additional Insured (Rental Value) – CP 15 03 –**
 - Mortgageholder may want to be added as additional insured as well – no standard endorsement available from ISO as of yet
2. **Payroll Limitation Or Exclusion – CP 15 10** - the endorsement is used to exclude or limit coverage for the payroll of all employees - payroll may be limited to a specific number of days or excluded in its entirety – may now exclude all employees and job classifications including officers, executives, management personnel and contract employees **OR** may exclude all employees and job classifications other than officers, executives, management personnel and contract employees **OR** may exclude all employees and job classifications (including officers, executives, management personnel and contract employees), **except OR** may excluded only the job classifications and/or employees listed **AND** may do this by premises and building
3. Disparagement of reputation and loss of business income
 - Nonstandard coverage - difficult to prove loss – difficult to establish “trigger” of coverage
4. Ingress/egress and loss of business income – e.g., road closed due to construction
 - Nonstandard coverage

VII. Extra Expense Coverage Form

A. Limitation On Loss Payment

Limits On Loss Payment

We will not pay more for Extra Expense than the percentages shown in the Declarations times the Limit Of Insurance.

When the “period of restoration” is:

- a. 30 days or less, the first percentage applies.
- b. 60 days or less, but more than 30 days, the second percentage applies.
- c. More than 60 days, the third percentage applies.

- **EXPANDED LIMITS ON LOSS PAYMENT – CP 15 07**

B. Exposure may exist for dependent properties

- **EXTRA EXPENSE FROM DEPENDENT PROPERTIES – CP 15 34**

VIII. Leasehold Interest Coverage Form

A. Exposure

- Lease provisions that cancel the lease when property is damaged “at or near” the named insured’s premises

B. Coverage

Leasehold Interest Coverage Form - CP 00 60

A. COVERAGE

We will pay for loss of Covered Leasehold Interest you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Leasehold Interest

Covered Leasehold Interest means the following for which an amount of “net leasehold interest” at inception is shown in the Leasehold Interest Coverage Schedule:

a. Tenant’s Lease Interest, meaning the difference between the:

- (1) Rent you pay at the described premises; and
- (2) Rental value of the described premises that you leased.

b. Bonus Payments, meaning the unamortized portion of cash bonus that will not be refunded to you. A cash bonus is money you paid to acquire your lease. It does not include:

- (1) Rent, whether or not prepaid; or
- (2) Security.

c. Improvements and Betterments, meaning the unamortized portion of payments made by you for improvements and betterments. It does not include the value of improvements and betterments recoverable under any other insurance, but only to the extent of such other insurance. Improvements and betterments are fixtures, alterations, installations, or additions:

- (1) Made a part of the building or structure you occupy but do not own; and
- (2) You acquired or made at your expense but cannot legally remove.

d. Prepaid Rent, meaning the unamortized portion of any amount of advance rent you paid that will not be refunded to you. This does not include the customary rent due at:

- (1) The beginning of each month; or
- (2) Any other rental period.

Causes of Loss – Special Form - CP 10 30

b. Leasehold Interest Coverage Form

(1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

IX. Legal Liability Coverage Form

A. The Exposure

- Named insured can be legally liable for more than just fire to premises rented to them
- “Sutton Doctrine” **may** apply, depending upon jurisdiction

B. The Coverage

Legal Liability Coverage Form CP 00 40

A. Coverage

We will pay those sums that you become legally obligated to pay as damages because of direct physical loss or damage, including loss of use, to Covered Property caused by accident and arising out of any Covered Cause of Loss. We will have the right and duty to defend any "suit" seeking those damages. However, we have no duty to defend you against a "suit" seeking damages for direct physical loss or damage to which this insurance does not apply. We may investigate and settle any claim or "suit" at our discretion. But:

- (1) The amount we will pay for damages is limited as described in Section **C. Limits Of Insurance**; and
- (2) Our right and duty to defend end when we have used up the Limit of Insurance in the payment of judgments or settlements.

1. Covered Property And Limitations

Covered Property, as used in this Coverage Form, means tangible property of others in your care, custody or control that is described in the Declarations or on the Legal Liability Coverage Schedule.

Covered Property does not include electronic data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

, not under coverage form)

- Tort liability only – no coverage for liability assumed under contract (exclusion under causes of loss form attached, not under coverage form)

Causes of Loss – Special Form - CP 10 30

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph **B.1.a.**, Ordinance Or Law;
- (b) Paragraph **B.1.c.**, Governmental Action;
- (c) Paragraph **B.1.d.**, Nuclear Hazard;
- (d) Paragraph **B.1.e.**, Utility Services; and
- (e) Paragraph **B.1.f.**, War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

X. Recap – Conclusion

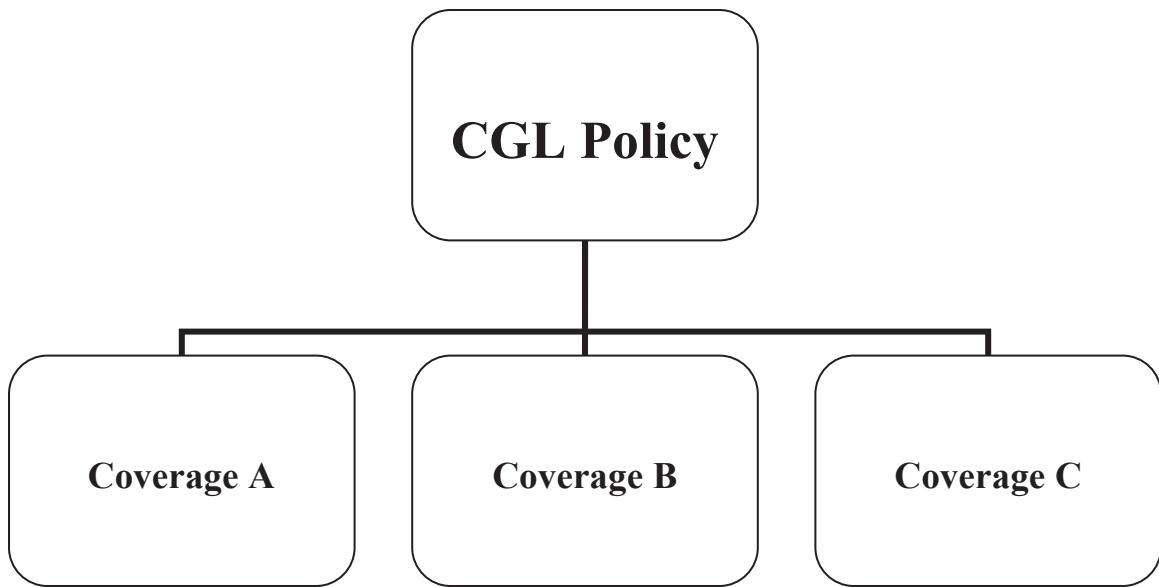


James K. Ruble Seminar

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Section 2

Commercial General Liability Coverage Excitement & Opportunity Awaits



COMMERCIAL GENERAL LIABILITY COVERAGE
Excitement & **O**ppportunity Awaits

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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.

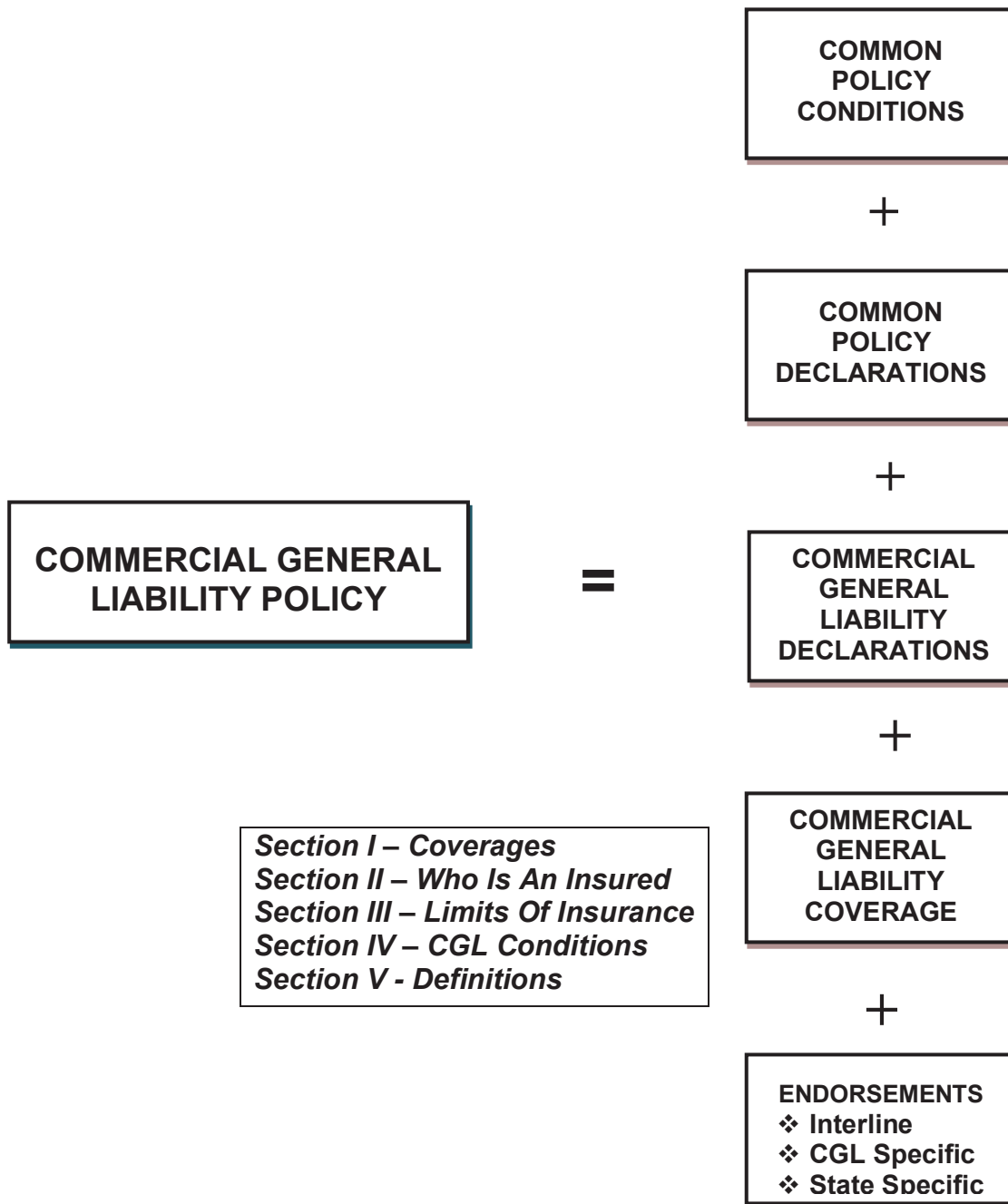
Individual coverage parts each have their own coverage forms, declarations, endorsements, and, in some cases, separate conditions form (**NOT CGL**), which apply **only to that particular coverage**. In addition, **interline endorsements** may be attached to a package policy. These endorsements may apply 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



COMMON POLICY DECLARATIONS

| | |
|--|---------------------------|
| COMPANY NAME AREA | PRODUCER NAME AREA |
| NAMED INSURED: _____ MAILING ADDRESS: _____ _____ POLICY PERIOD: FROM _____ TO _____ AT 12:01 A.M. STANDARD TIME <u>AT YOUR MAILING ADDRESS SHOWN ABOVE</u> | |

| |
|----------------------|
| 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 | \$ _____ |
| _____ | \$ _____ |
| TOTAL: | \$ _____ |
| 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:

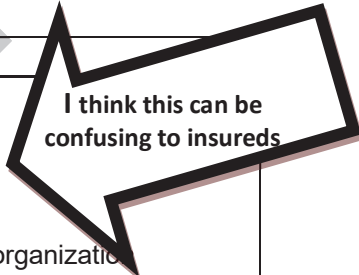
COMMERCIAL GENERAL LIABILITY
CG DS 01 10 01

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 | \$ _____ |
| DAMAGE TO PREMISES RENTED TO YOU LIMIT | \$ _____ 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 | \$ _____ |



| 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) |



| 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

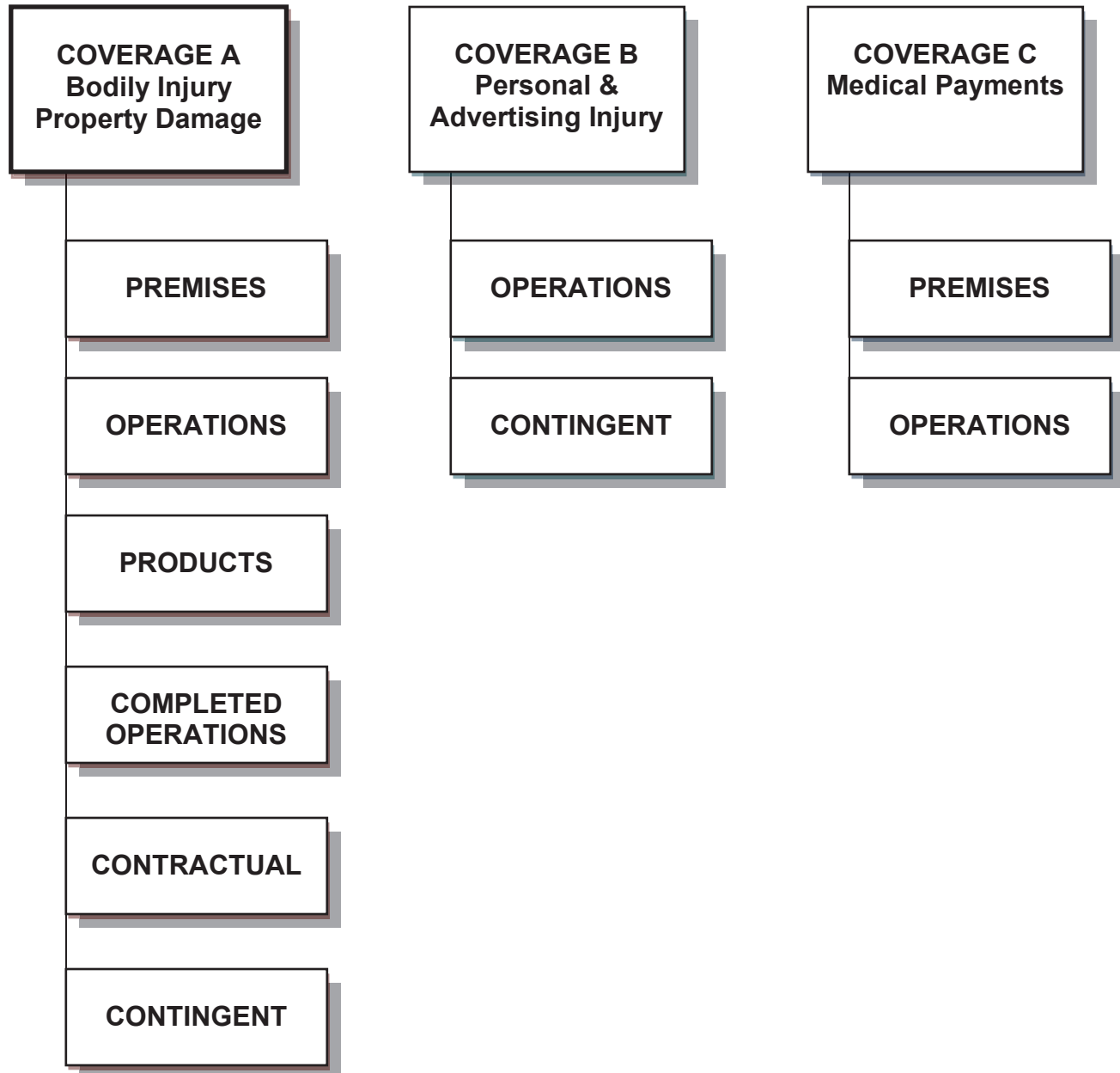
F. Classification And Premium

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
 - Four corners versus extrinsic facts
- 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
- Has created difficulty as respects construction defect claims in some jurisdictions!
 - Varies by jurisdiction – some jurisdictions have determined faulty workmanship is not an occurrence
- 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**

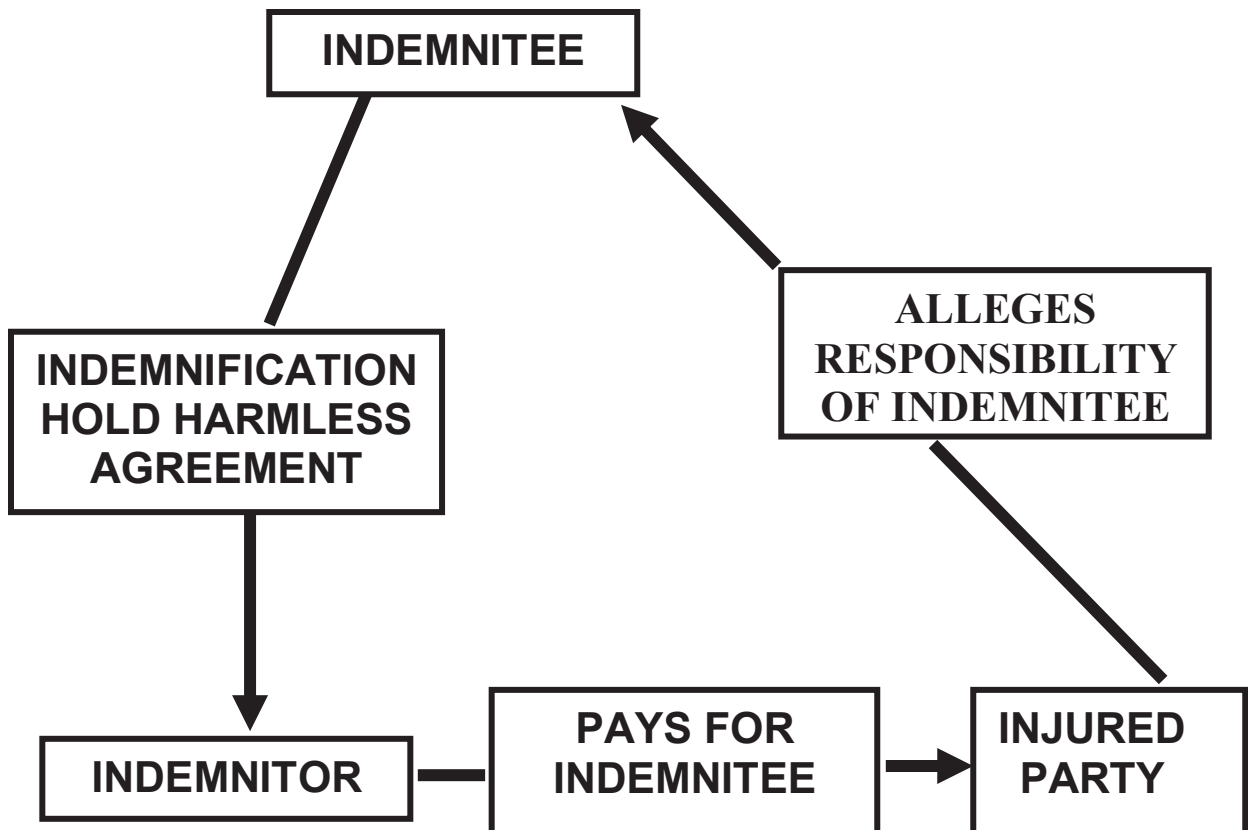
"Bodily injury" or "property damage" expected or intended **from the standpoint of the insured.** This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

- 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 (indemnitee) to another party (indemnitor) the financial consequences of a loss. It does not eliminate the indemnitee’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 indemnitee’s vicarious responsibility for indemnitor to where the indemnitee and indemnitor are both partially responsible to where the indemnitee 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**

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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"> 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. 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. |
|--|

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 and the named insured is legally liable
 - 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”

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.

3. Exception to the exclusions - fire damage liability coverage is provided

**STATEMENT
AT END OF
COVERAGE A
BODILY
INJURY AND
PROPERTY
DAMAGE
LIABILITY
EXCLUSIONS**

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

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 exclusion has been added to Coverage B by mandatory endorsement **CG 21 06** previously discussed under Coverage A

The following is added to Paragraph **2. Exclusions** of **Section I – Coverage B – Personal And Advertising Injury Liability**:

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of 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.

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 any access to or disclosure of any person's or organization's confidential or personal information.

- Excludes damages arising out of disclosure of any confidential or personal information

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 very, very 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
- 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. | |
| PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION | |
| This endorsement modifies insurance provided under the following: | |
| COMMERCIAL GENERAL LIABILITY COVERAGE PART | |
| The following is added to the Other Insurance Condition and supersedes any provision to the contrary: | |
| 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. | |
| CG 20 01 12 19 | © Insurance Services Office, Inc., 2018 |
| | Page 1 of 1 |

X. ADDITIONAL ENDORSEMENTS - PURPOSES

- A. Expand Coverage
- B. Restrict Coverage
- C. Clarify Coverage
- D. State Specific

XI. CONCLUSION

EXHIBIT #

EXHIBIT TITLE

- A. LETTER OF AUTHORIZATION**
- B. KNOWN INJURY OR DAMAGE**
- C. DUAL CAPACITY SUITS**
- D. THIRD PARTY COMPLAINTS**
- E. EXCEPTION TO EMPLOYER'S LIABILITY EXCLUSION**
- F. WHO IS INSURED**
- G. LIMITS OF INSURANCE**

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.

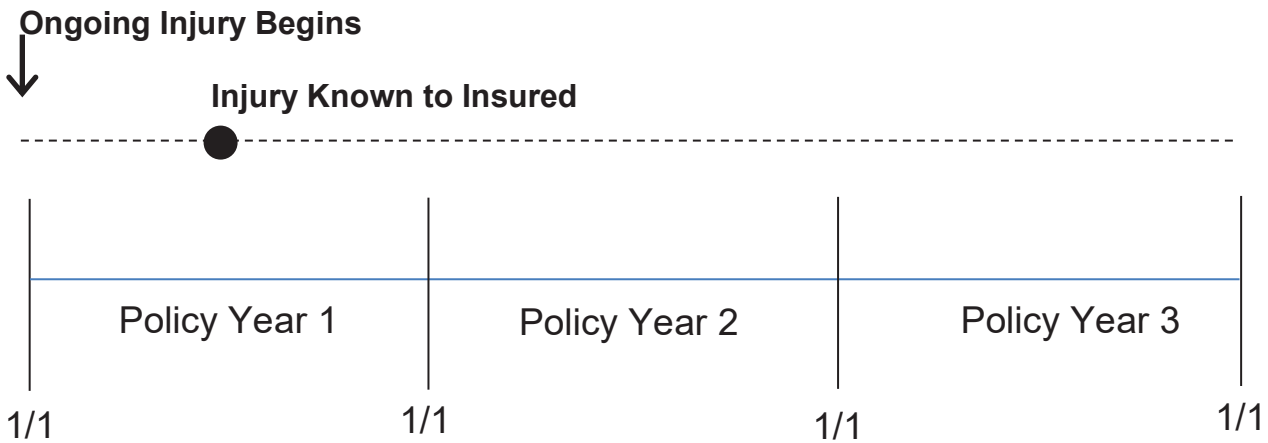
You are authorized to accept instructions from them for policy numbers CPP12345, BAC12345, WC12345, ETC.

**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

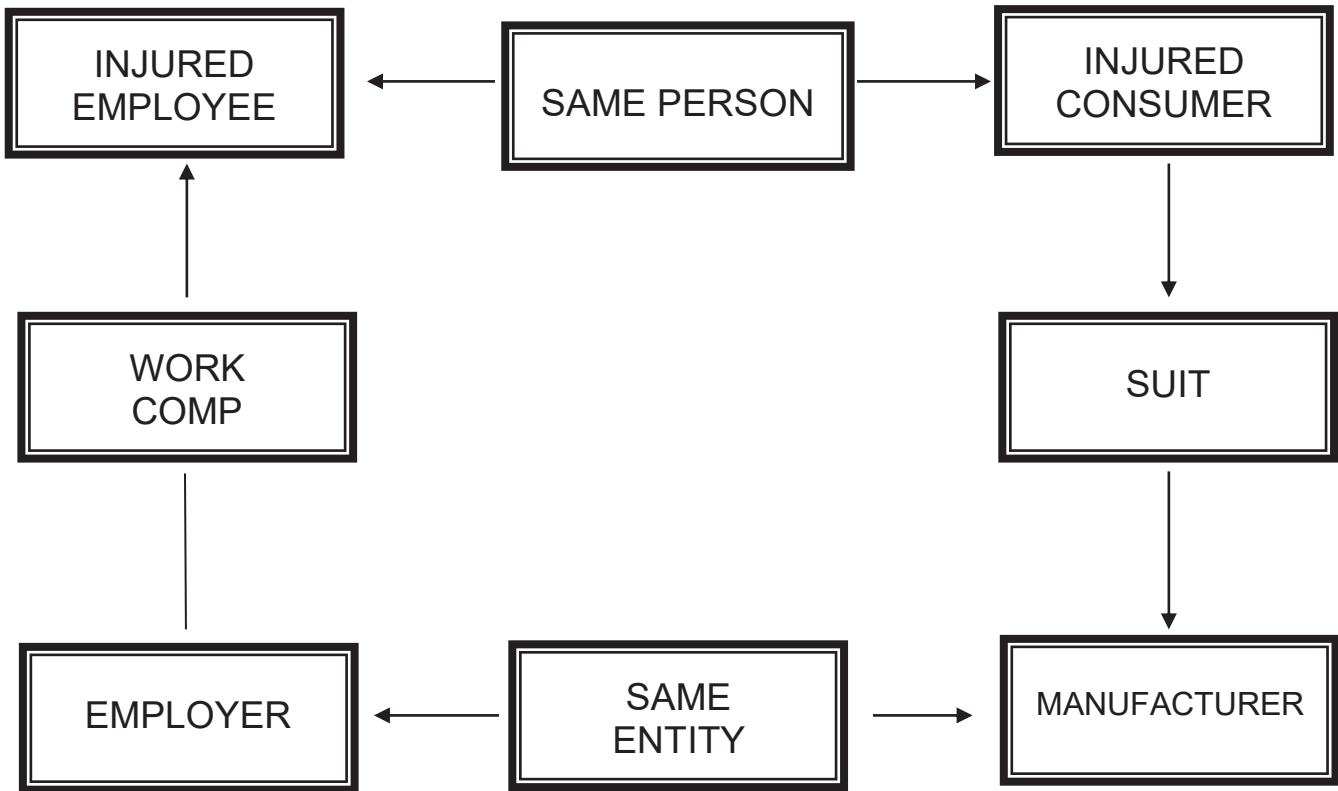


EXHIBIT D

**EMPLOYERS LIABILITY COVERAGE
THIRD PARTY COMPLAINTS**

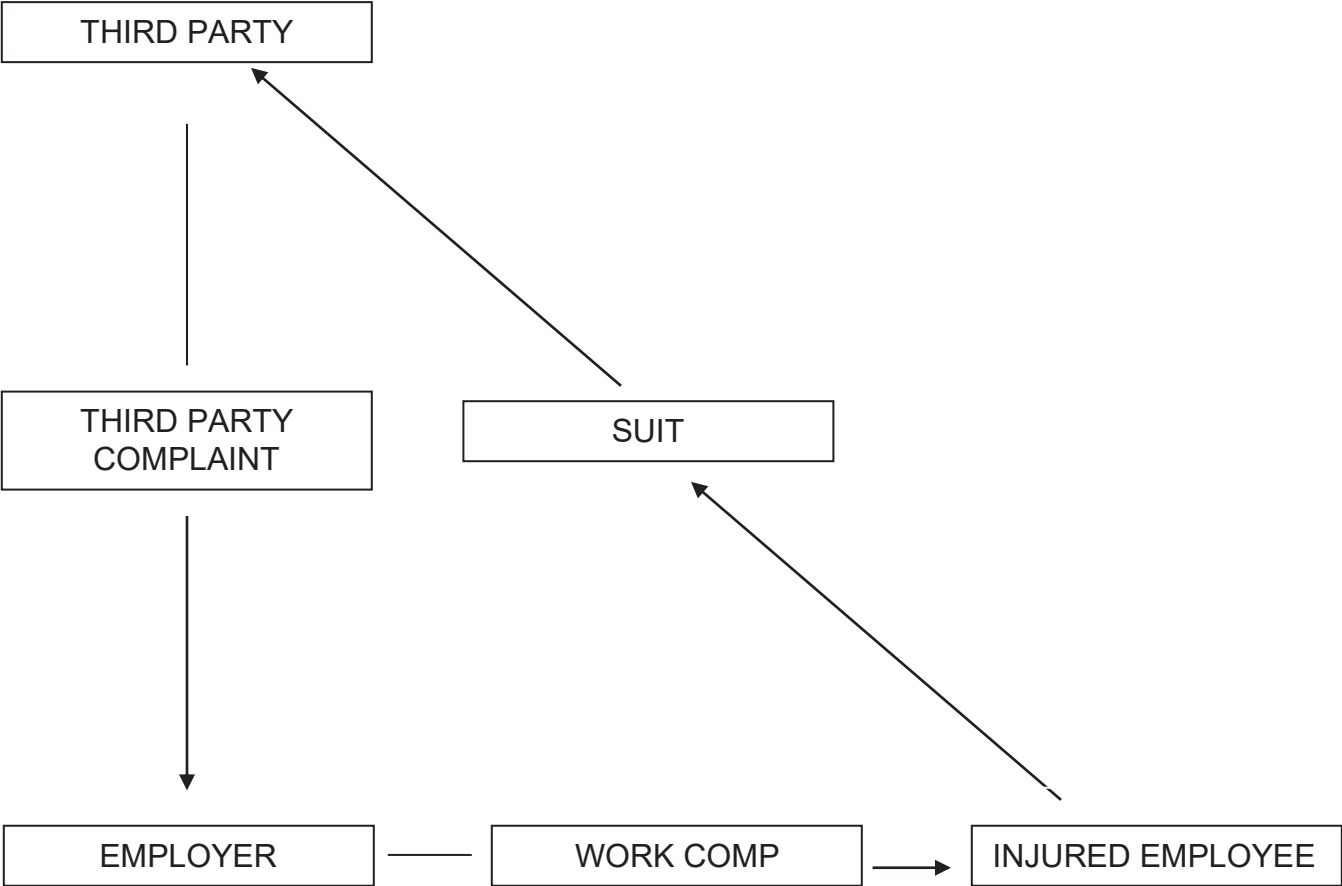


EXHIBIT E

**COMMERCIAL GENERAL LIABILITY
EXCEPTION TO EMPLOYER'S LIABILITY EXCLUSION**

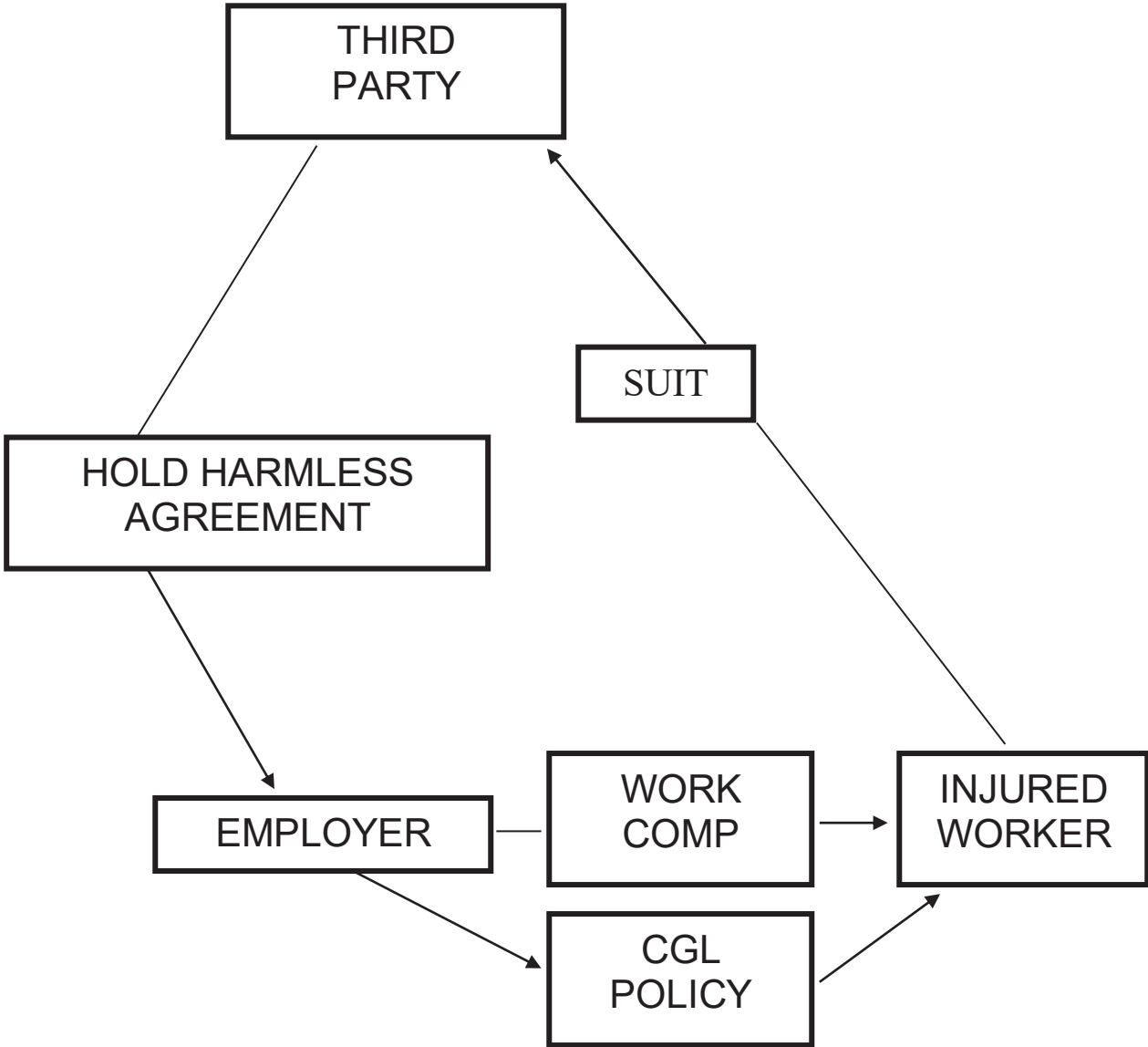
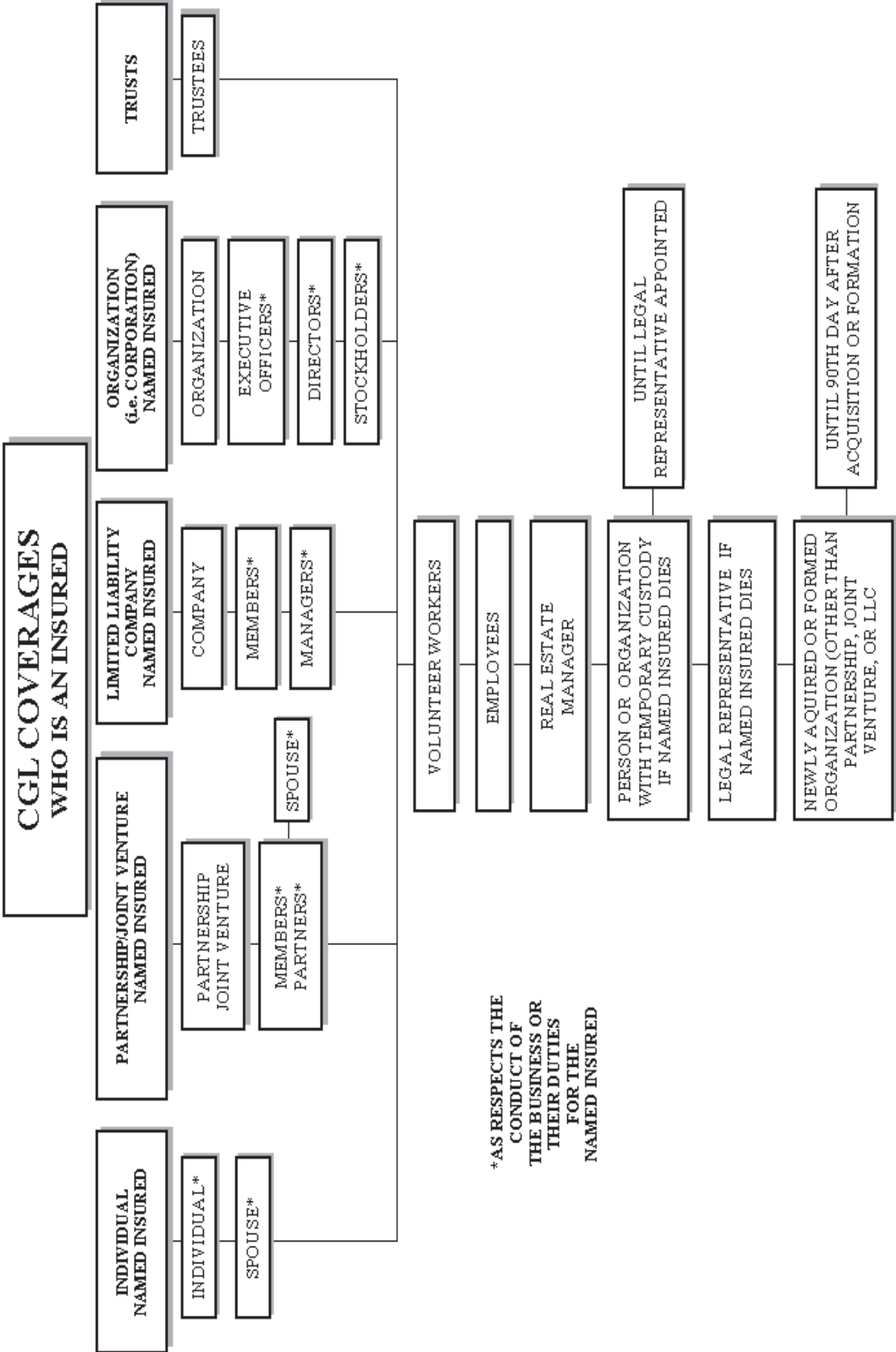
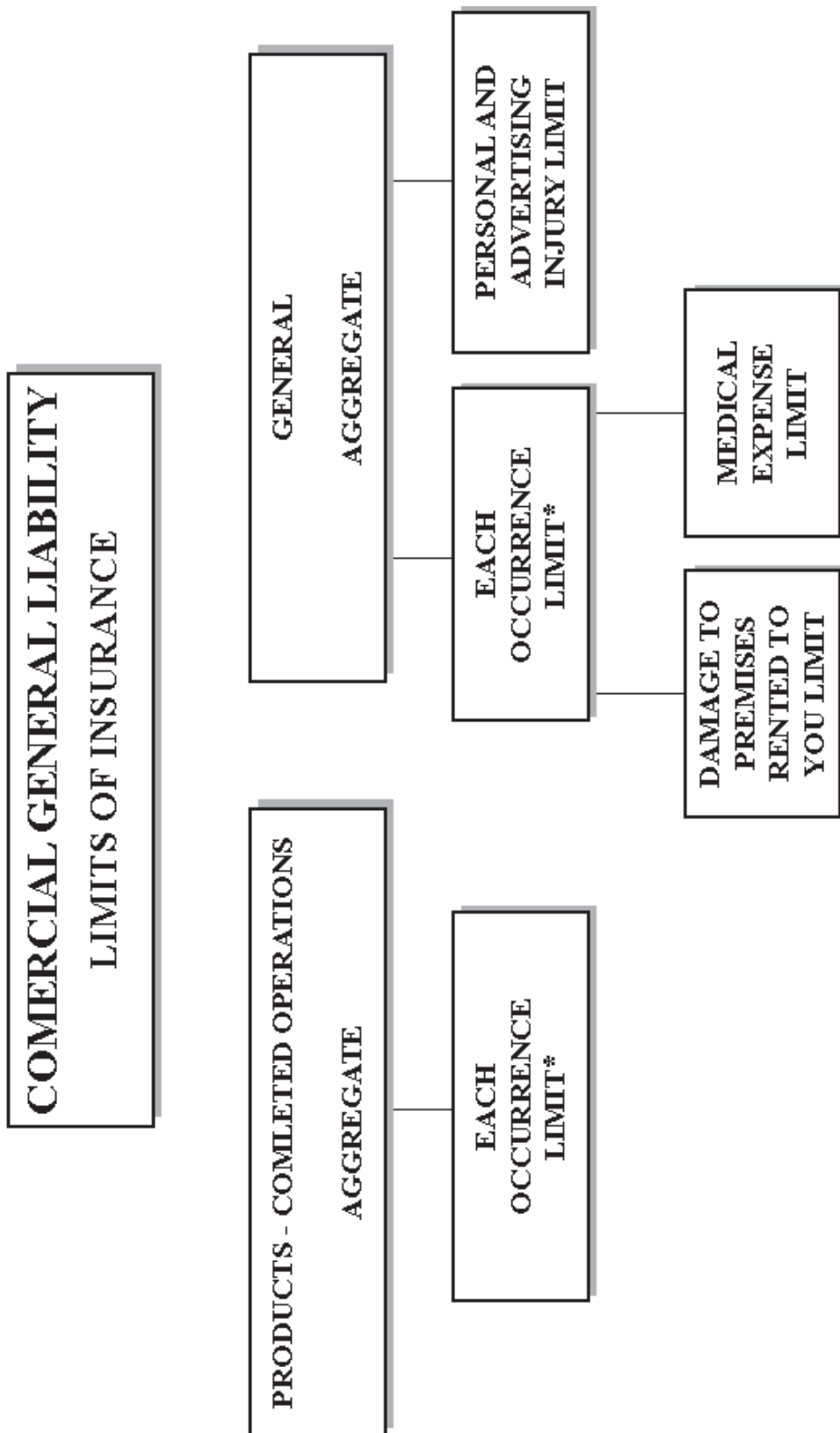


EXHIBIT F



*AS RESPECTS THE CONDUCT OF THE BUSINESS OR THEIR DUTIES FOR THE NAMED INSURED

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.



James K. Ruble Seminar

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

Section 3

Certificates of Insurance and Additional Insured: Navigating the Maze

Certificates of Insurance and Additional Insureds: Navigating the Maze

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

The Role of the Certificate

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

Disclaimers ACORD 25 (2016/03)



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 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">CONTACT NAME:</td> </tr> <tr> <td>PHONE (A/C, No, Ext):</td> <td>FAX (A/C, No):</td> </tr> <tr> <td colspan="2">E-MAIL ADDRESS:</td> </tr> <tr> <td style="text-align: center;">INSURER(S) AFFORDING COVERAGE</td> <td style="text-align: center;">NAIC #</td> </tr> <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> </table> | CONTACT NAME: | | PHONE (A/C, No, Ext): | FAX (A/C, No): | E-MAIL ADDRESS: | | INSURER(S) AFFORDING COVERAGE | NAIC # | INSURER A : | | INSURER B : | | INSURER C : | | INSURER D : | | INSURER E : | | INSURER F : | |
| CONTACT NAME: | | | | | | | | | | | | | | | | | | | | | |
| PHONE (A/C, No, Ext): | FAX (A/C, No): | | | | | | | | | | | | | | | | | | | | |
| E-MAIL ADDRESS: | | | | | | | | | | | | | | | | | | | | | |
| INSURER(S) AFFORDING COVERAGE | NAIC # | | | | | | | | | | | | | | | | | | | | |
| INSURER A : | | | | | | | | | | | | | | | | | | | | | |
| INSURER B : | | | | | | | | | | | | | | | | | | | | | |
| INSURER C : | | | | | | | | | | | | | | | | | | | | | |
| INSURER D : | | | | | | | | | | | | | | | | | | | | | |
| INSURER E : | | | | | | | | | | | | | | | | | | | | | |
| INSURER F : | | | | | | | | | | | | | | | | | | | | | |
| INSURED | | | | | | | | | | | | | | | | | | | | | |

| | | |
|--|----------------------------|-------------------------|
| 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> | | |

Disclaimers ACORD 25 (2016/03)

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.

Disclaimers ACORD 25 (2016/03)

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).

Disclaimers ACORD 25 (2016/03)

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.

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

- 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

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

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 (MMDD/YYYY) | POLICY EXP (MMDD/YYYY) | LIMITS |
|--|---|---|---------------|---------------------------|---------------------------|--|
| | COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJ-JECT <input type="checkbox"/> LOC OTHER: | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMPIOP AGG \$ \$ |
| | AUTOMOBILE LIABILITY <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) \$ \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A | | | | <input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER 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

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

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.

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 on the declarations

e.g. Available under the applicable Limits of Insurance shown in the declarations

**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

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

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

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.*

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**

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

- *...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.

Carrier Specific Form

b. Only as described in Paragraph (1), (2) or (3) below, whichever applies:

(1) If the written contract or agreement specifically requires you to provide additional insured coverage to that person or organization by the use of:

(a) The Additional Insured – Owners, Lessees or Contractors – (Form B) endorsement CG 20 10 11 85; or

(b) Either or both of the following: the Additional Insured – Owners, Lessees or Contractors – Scheduled Person Or Organization endorsement CG 20 10 10 01, or the Additional Insured – Owners, Lessees or Contractors – Completed Operations endorsement CG 20 37 10 01;

the person or organization is an additional insured only if the injury or damage arises out of "your work" to which the written contract or agreement applies;

Another Carrier Specific Form

1. BLANKET ADDITIONAL INSUREDS

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 a written contract, written agreement or written permit that such person or organization be added as an additional insured on your commercial general liability policy; and
2. Any other person or organization, including any architects, engineers or surveyors not engaged by you, whom you are required to add as an additional insured under your policy in the contract or agreement in Paragraph 1. above;

Such person or organization is an additional insured only with respect to liability arising out of your ongoing operations performed under that contract, agreement, or permit when that contract, agreement, or permit requires the additional insured be added with respect to liability arising out of your ongoing operations.

If the written contract, written agreement, or written permit does not require that the additional insured be added with respect to liability arising out of your ongoing operations, then such person or organization is an additional insured only with respect to "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by your ongoing operations performed under that contract, agreement, or permit.

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 added.

**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

**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.

**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.

**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
- 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)**

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).

**Additional Insured - Owners, Lessees or Contractors
– 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 – 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

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

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".

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

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

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
- 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 breadth of coverage? Possibilities:

- Must the liability arise in whole or in part from the Named Insured's acts or omissions?
- Is an Additional Insured covered only for its vicarious liability?
- Is negligence of the Named Insured required?
- Is the breadth of coverage limited to what the contract requires?

Automatic AI - Considerations

Is coverage primary? Possibilities:

- Does the endorsement include primary wording?
- Is coverage excess, unless the contract requires that it be primary?
- Is coverage primary if the contract requires that it be primary?
- Is coverage excess over coverage the Additional Insured has under another's policy?
- Is coverage always 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?

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)

- 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

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.*

Primary – What About the Excess/Umbrella?

ISO Excess/Umbrella Other Insurance Clause

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

Excess/Umbrella

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.

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

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)**

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:

- 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.

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.

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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. |

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| IDENTIFICATION SECTION | Contact Name | Enter text: The name of the individual at the producer's establishment that is the primary contact. |
| IDENTIFICATION SECTION | Phone (A/C, No, Ext) | Enter number: The producer's contact person's phone number. If applicable, include the area code and extension. |
| IDENTIFICATION SECTION | Fax No. (A/C, No, Ext) | Enter number: The fax number of the producer / agency. |
| IDENTIFICATION SECTION | E-Mail Address | Enter text: The producer's contact person's e-mail address. |
| IDENTIFICATION SECTION | Insured | Enter text: The named insured(s) as it / they will appear on the policy declarations page. |
| IDENTIFICATION SECTION | | Enter text: The named insured's mailing address line one. |
| IDENTIFICATION SECTION | | Enter text: The named insured's mailing address line two. |
| IDENTIFICATION SECTION | | Enter text: The named insured's mailing address city name. |
| IDENTIFICATION SECTION | | Enter code: The named insured's mailing address state or province code. |
| IDENTIFICATION SECTION | | Enter code: The named insured's mailing address postal code. |
| INSURERS AFFORDING COVERAGE | Insurer A | 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. |
| INSURERS AFFORDING COVERAGE | NAIC # | Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer A. |
| INSURERS AFFORDING COVERAGE | Insurer 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. |
| INSURERS AFFORDING COVERAGE | NAIC # | Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer B. |
| INSURERS AFFORDING COVERAGE | Insurer C | 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. |
| INSURERS AFFORDING COVERAGE | NAIC # | Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer C. |
| INSURERS AFFORDING COVERAGE | Insurer D | 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. |
| INSURERS AFFORDING COVERAGE | NAIC # | Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer D. |

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| INSURERS AFFORDING COVERAGE | Insurer E | 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. |
| INSURERS AFFORDING COVERAGE | NAIC # | Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer E. |
| INSURERS AFFORDING COVERAGE | Insurer F | 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. |
| INSURERS AFFORDING COVERAGE | NAIC # | Enter code: The identification code assigned to the insurer by the National Association of Insurance Commissioners (NAIC). As used here, this is Insurer F. |
| COVERAGE INFORMATION | Certificate Number | Enter identifier: The producer assigned number for the certificate. |
| COVERAGES | Revision Number | Enter number: The producer assigned revision number for the certificate. |
| COVERAGE INFORMATION | Insr Ltr | Enter code: The Company Letter of the insurer, as identified in the "Insurer(s) Affording Coverage" form section, associated with the general liability policy. |
| COVERAGE INFORMATION | Commercial General Liability | Check the box (if applicable): Indicates the claims made or occurrence option applies for the general liability policy. |
| COVERAGE INFORMATION | Other General Liability Coverages - Claims-Made | Check the box (if applicable): Indicates the "claims made" option applies on the general liability policy. |
| COVERAGE INFORMATION | Occur | Check the box (if applicable): Indicates the general liability policy, occurrence basis applies. |
| COVERAGE INFORMATION | Check Box | Check the box (if applicable): Indicates other coverage not found on the form exists for the general liability policy. |
| COVERAGE INFORMATION | Field Box | 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). |
| COVERAGE INFORMATION | Check Box | Check the box (if applicable): Indicates other coverage not found on the form exists for the general liability policy. |
| COVERAGE INFORMATION | Field Box | 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). |
| COVERAGE INFORMATION | General Aggregate Limit Applies Per: - Policy | Check the box (if applicable): Indicates the general liability policy, general aggregate limit applies per policy. |
| COVERAGE INFORMATION | Project | Check the box (if applicable): Indicates the general liability policy, general aggregate limit applies per project. |

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| COVERAGE INFORMATION | Loc | Check the box (if applicable) : Indicates the general liability policy, general aggregate limit applies per location. |
| COVERAGE INFORMATION | Other checkbox | Check the box (if applicable) : Indicates the general liability policy, general aggregate limit applies to option is other than those listed on the form. |
| COVERAGE INFORMATION | Other Description | Enter text: The description of the other option to which the general liability policy, general aggregate limit applies. |
| COVERAGE INFORMATION | Add Insd | 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. |
| COVERAGE INFORMATION | Subr Wwd | Enter Y for a "Yes" response. Input N for "No" response. Indicates if subrogation has been waived on the general liability policy. |
| COVERAGE INFORMATION | Policy Number | 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. |
| COVERAGE INFORMATION | Policy Eff (MM/DD/YYYY) | Enter date: The effective date of the general liability policy. The date that the terms and conditions of the policy commence. |
| COVERAGE INFORMATION | Policy Exp (MM/DD/YYYY) | Enter date: The date on which the terms and conditions of the general liability policy will expire. |
| COVERAGE INFORMATION | Limits - Each Occurrence \$ | 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. |
| COVERAGE INFORMATION | Damage to Rented Premises \$ | 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. |
| COVERAGE INFORMATION | Med Exp \$ | 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. |
| COVERAGE INFORMATION | Personal & Adv Injury | 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. |
| COVERAGE INFORMATION | General Aggregate \$ | 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. |

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| COVERAGE INFORMATION | Products- Comp/Op Agg \$ | 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. |
| COVERAGE INFORMATION | Other Limits | 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). |
| COVERAGE INFORMATION | Other Occurrence \$ | 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). |
| COVERAGE INFORMATION | Insr Ltr | Enter code: The Company Letter of the insurer, as identified in the "Insurer(s) Affording Coverage" form section, associated with the policy. |
| COVERAGE INFORMATION | Automobile Liability - Any Auto | 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. |
| COVERAGE INFORMATION | All Owned Autos | Check the box (if applicable): Indicates the commercial vehicle policy covers owned autos only. |
| COVERAGE INFORMATION | Hired Autos | Check the box (if applicable): Indicates the vehicle policy covers hired autos only. |
| COVERAGE INFORMATION | Other Covered Auto | Check the box (if applicable): Indicates the vehicle policy covers autos other than those listed. |
| COVERAGE INFORMATION | Other Covered Auto Description | Enter text: The description of the other covered autos. |
| COVERAGE INFORMATION | Scheduled Autos | Check the box (if applicable): Indicates the vehicle policy covers scheduled autos. |
| COVERAGE INFORMATION | Non- Owned Autos | Check the box (if applicable): Indicates the vehicle policy covers non-owned autos only. |
| COVERAGE INFORMATION | Other Covered Auto | Check the box (if applicable): Indicates the vehicle policy covers autos other than those listed. |
| COVERAGE INFORMATION | Other Covered Auto Description | Enter text: The description of the other covered autos. |
| COVERAGE INFORMATION | Add Insd | 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. |
| COVERAGE INFORMATION | Subr Wvvd | Enter Y for a "Yes" response. Input N for "No" response. Indicates if subrogation has been waived on the automobile policy. |
| COVERAGE INFORMATION | Policy Number | 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. |
| COVERAGE INFORMATION | Policy Eff (MM/DD/YYYY) | Enter date: The effective date of the automobile liability policy. The date that the terms and conditions of the policy commence. |

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| COVERAGE INFORMATION | Policy Exp (MM/DD/YYYY) | Enter date: The date on which the terms and conditions of the automobile liability policy will expire. |
| COVERAGE INFORMATION | Combined Single Limit \$ | 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. |
| COVERAGE INFORMATION | Bodily Injury (Per Person) \$ | 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. |
| COVERAGE INFORMATION | Bodily Injury (Per Accident) \$ | 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). |
| COVERAGE INFORMATION | Property Damage | 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. |
| COVERAGE INFORMATION | Other Description | Enter text: The description of the coverage. |
| COVERAGE INFORMATION | Other Limit | Enter limit: The limit amount of the other coverage. |
| COVERAGE INFORMATION | Insr Ltr | 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. |
| COVERAGE INFORMATION | Umbrella Liab | 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. |
| COVERAGE INFORMATION | Excess Liab | 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. |
| COVERAGE INFORMATION | Type of Insurance - Excess/Umbrella Liability - Occur | Check the box (if applicable): Indicates "coverage trigger" is on an occurrence basis on an excess or umbrella liability policy. |
| COVERAGE INFORMATION | Claims-Made | Check the box (if applicable): Indicates the "coverage trigger" is on a claims-made basis on an excess or umbrella liability policy. |
| COVERAGE INFORMATION | Deductible | Check the box (if applicable): Indicates a deductible amount applies to the excess or umbrella liability policy. |
| COVERAGE INFORMATION | Retention | Check the box (if applicable): Indicates a retention amount applies to the excess or umbrella liability policy. |
| COVERAGE INFORMATION | \$ Field Box | Enter deductible: The excess or umbrella liability deductible or retention amount. |

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| COVERAGE INFORMATION | Add Insd | 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. |
| COVERAGE INFORMATION | Subr Wvrd | 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. |
| COVERAGE INFORMATION | Policy Number | 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. |
| COVERAGE INFORMATION | Policy Eff (MM/DD/YYYY) | Enter date: The effective date of the excess liability policy. The date that the terms and conditions of the policy commence. |
| COVERAGE INFORMATION | Policy Exp (MM/DD/YYYY) | Enter date: The date on which the terms and conditions of the excess liability policy will expire. |
| COVERAGE INFORMATION | Limits - Each Occurrence \$ | 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). |
| COVERAGE INFORMATION | Aggregate \$ | 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). |
| COVERAGE INFORMATION | Field Box | 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). |
| COVERAGE INFORMATION | \$ Field Box | 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). |
| COVERAGE INFORMATION | Insr Ltr | 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. |
| COVERAGE INFORMATION | Type of Insurance - Workers Compensation and Employers' Liability - Any Proprietor/Partner/Executive/ Officer/Member Excluded? | 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. |
| COVERAGE INFORMATION | Subr Wvrd | Enter Y for a "Yes" response. Input N for "No" response. Indicates if subrogation has been waived on the workers compensation policy. |

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| COVERAGE INFORMATION | Policy Number | 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. |
| COVERAGE INFORMATION | Policy Eff (MM/DD/YYYY) | Enter date: The effective date of the workers' compensation and employers liability policy. The date that the terms and conditions of the policy commence. . |
| COVERAGE INFORMATION | Policy Exp (MM/DD/YYYY) | Enter date: The date on which the terms and conditions of the workers' compensation and employers liability policy will expire. |
| COVERAGE INFORMATION | Limits - Per Statute | Check the box (if applicable): Indicates that workers compensation coverage is per statute. |
| COVERAGE INFORMATION | Limits - Other | Check the box (if applicable): Indicates that additional coverage above the workers compensation statutory limits applies (permitted in some states). |
| COVERAGE INFORMATION | Field Box | 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. |
| COVERAGE INFORMATION | E.L. Each Accident \$ | 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). |
| COVERAGE INFORMATION | E.L. Disease- EA Employee \$ | 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. |
| COVERAGE INFORMATION | E.L. Disease- Policy Limit \$ | 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). |
| COVERAGE INFORMATION | Insr Ltr | Enter code: The Company Letter of the insurer, as identified in the "Insurer(s) Affording Coverage" form section, associated with the other policy. |
| COVERAGE INFORMATION | Type of Insurance - Other | Enter text: The description of the other policy not listed on the form. |
| COVERAGE INFORMATION | Add Insd | 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. |
| COVERAGE INFORMATION | Subr Wvd | Enter Y for a "Yes" response. Input N for "No" response. Indicates subrogation has been waived on the other policy. |
| COVERAGE INFORMATION | Policy Number | Enter identifier: The other policy number exactly as it appears on the policy, including prefix and suffix symbols. |
| COVERAGE INFORMATION | Policy Eff (MM/DD/YYYY) | Enter date: The date on which the terms and conditions of the other policy commence. |

| | | |
|-----------------------------|---|---|
| COVERAGE INFORMATION | Policy Exp (MM/DD/YYYY) | Enter date: The date on which the terms and conditions of the other policy expires. |
| COVERAGE INFORMATION | Coverage Code | Enter code: The coverage code for the other policy. |
| COVERAGE INFORMATION | Limits | 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. |
| COVERAGE INFORMATION | Coverage Code | Enter code: The coverage code for the other policy. |
| COVERAGE INFORMATION | Limits | 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. |
| COVERAGE INFORMATION | Coverage Code | Enter code: The coverage code for the other policy. |
| COVERAGE INFORMATION | Limits | 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. |
| COVERAGE INFORMATION | Description of Operations / Locations / Vehicles | 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. |
| CERTIFICATE HOLDER | Certificate Holder Name & Address | Enter text: The certificate holder's full name. |
| CERTIFICATE HOLDER | | Enter text: The certificate holder's mailing address line one. |
| CERTIFICATE HOLDER | | Enter text: The certificate holder's mailing address line two. |
| CERTIFICATE HOLDER | | Enter text: The certificate holder's mailing address city name. |
| CERTIFICATE HOLDER | | Enter code: The certificate holder's mailing address state or province code. |
| CERTIFICATE HOLDER | | Enter code: The certificate holder's mailing address postal code. |
| SIGNATURE | Authorized Representative | 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): | |
| INSURED | E-MAIL ADDRESS: | | |
| | PRODUCER CUSTOMER ID #: | | |
| | INSURER(S) AFFORDING COVERAGE | | NAIC # |
| | 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"/> | \$ DED |

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

ADDITIONAL INTEREST**CANCELLATION**

| | | | | | |
|--|--|--------|---|--|--|
| Select one of the following: <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). | | | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. | | |
| VEHICLE / EQUIPMENT INTEREST: | | LEASED | FINANCED | DESCRIPTION OF THE ADDITIONAL INTEREST | |
| NAME AND ADDRESS OF ADDITIONAL INTEREST | | | ADDITIONAL INSURED | LOSS PAYEE | |
| | | | LENDER'S LOSS PAYABLE | | |
| | | | 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): |
| INSURED | E-MAIL ADDRESS: | |
| | PRODUCER CUSTOMER ID: | |
| | INSURER(S) AFFORDING COVERAGE | |
| | NAIC # | |
| | 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 | | | | | BUILDING | \$ |
| | CAUSES OF LOSS | DEDUCTIBLES | | | | PERSONAL PROPERTY | \$ |
| | <input type="checkbox"/> BASIC | BUILDING | | | | BUSINESS INCOME | \$ |
| | <input type="checkbox"/> BROAD | CONTENTS | | | | EXTRA EXPENSE | \$ |
| | <input type="checkbox"/> SPECIAL | | | | | RENTAL VALUE | \$ |
| | <input type="checkbox"/> EARTHQUAKE | | | | | BLANKET BUILDING | \$ |
| | <input type="checkbox"/> WIND | | | | | BLANKET PERS PROP | \$ |
| | <input type="checkbox"/> FLOOD | | | | | BLANKET BLDG & PP | \$ |
| | | | | | | | \$ |
| | | | | | | | \$ |
| | <input type="checkbox"/> INLAND MARINE | | TYPE OF POLICY | | | | \$ |
| | CAUSES OF LOSS | | | | | | \$ |
| | <input type="checkbox"/> NAMED PERILS | | POLICY NUMBER | | | | \$ |
| | | | | | | | \$ |
| | <input type="checkbox"/> CRIME | | | | | | \$ |
| | TYPE OF POLICY | | | | | | \$ |
| | | | | | | | \$ |
| | <input type="checkbox"/> BOILER & MACHINERY / EQUIPMENT BREAKDOWN | | | | | | \$ |
| | | | | | | | \$ |
| | | | | | | | \$ |

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 |



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: | | LOAN NUMBER |
| CODE: | | SUB CODE: | | |
| AGENCY CUSTOMER ID #: INSURED | | | | |
| | | | | POLICY NUMBER |
| | | 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 | 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: | | | | |
| AGENCY CUSTOMER ID #: | | POLICY TYPE | | LOAN NUMBER | |
| NAMED INSURED AND ADDRESS | | 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 | DED: |
|--|----------------|-------|-------|---------|---|
| 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

| |
|--|
| 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. |

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

| |
|---|
| <p>State Or Governmental Agency Or Subdivision Or Political Subdivision:</p> |
| <p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p> |

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 – 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

| 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. | |

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

| |
|--|
| <p>Name Of Additional Insured Person(s) Or Organization(s):</p> <div style="height: 150px; border: 1px solid black; margin-top: 10px;"></div> |
| <p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p> |

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 – 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

| |
|--|
| Description Of Operation(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 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:
- "Bodily injury" or "property damage" not included in the "products-completed operations hazard"; or
 - "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:
- Only applies to the extent permitted by law; and
 - 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:
- Legal, accounting or advertising services;
 - Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications;
 - Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;
 - Engineering services, including related supervisory or inspection services;
 - Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;
 - Any health or therapeutic service treatment, advice or instruction;
 - Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;
 - 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;
 - 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;
 - Body piercing services;
 - Services in the practice of pharmacy;
 - Law enforcement or firefighting services; and
 - 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;
 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.
- 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.

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

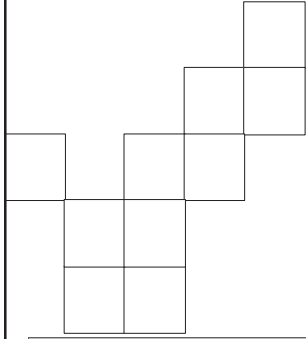


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Section 4

Doing the Right Thing: Ethics for Insurance Producers



Doing the Right Thing: Ethics for Insurance Producers

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To educate a person in mind and not in morals is to educate a menace to society.

Theodore Roosevelt

Integrity without knowledge is weak and useless, and knowledge without integrity is dangerous and dreadful.

Samuel Johnson

Relativity applies to Physics, not Ethics.

Albert Einstein



Why Be Ethical

- Ethical behavior for its own sake

- Are Ethics and E&O related?

- Does behaving ethically reduce the chance of an E&O claim?

- How important is Ethics in the practice of insurance?



What is Ethics?

Ethics (as defined by *Merriam Webster*)

1. the discipline dealing with what is good and bad and with moral duty and obligation

2. a: a set of moral principles; a theory or system of moral values
b: the principles of conduct governing an individual or a group
c: a guiding philosophy



What is Ethics?

Law vs. Ethics

- Self regulation is Ethics
- Imposed regulation is Law

Morality vs. Ethics

- Morality – right vs. wrong decisions
- Ethics – right vs. right decisions



Ethical Paradigms

4 Paradigms

- Truth vs. loyalty
- Short-term vs. long-term
- Justice vs. mercy
- Individual vs. community



Ethical Paradigms

Why determine the paradigm?

- It reduces the dilemma to a common pattern.
- It gets to the heart of the matter. Each value is right and appears to exclude the other.
- It separates the moral dilemma from the ethical one.



Determining Whether an Action is Ethical

- The Self-Test a.k.a. The Butterfly Test
- The Authority Test
 - i. What Would Mamma Say?
 - ii. Imagine Yourself in a Position of Authority
- The Public Scrutiny Test
 - i. What Would the Neighbors Think?



Approaches to Decision Making



Approaches to Decision Making

- Situation Based/Ends Based
- Rule Based
- People Based/Care Based



Situation-based/Ends-based

- Teleological approach
 - ✓ Teleos – end or issue (Greek)
- Consequentialism
- Considers the consequences of the action
- Actions are not inherently right or wrong



Situation-based/Ends-based

Utilitarianism – Jeremy Bentham

Nature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as to determine what we shall do.

Hedonistic/Hedonic/Felicific Calculus



Situation-based/Ends-based

Strengths

- Takes a long view
- One must pause to think of the consequences before acting

Weaknesses

- Hard to determine the long term accurately
- One may lack proper facts to make a decision
- May lead to rationalization



Rule-Based

- Deontological approach
 - ✓ Deon – obligation or duty (Greek)
- Socrates – Healthy Soul



Rule-based

Immanuel Kant - Categorical Imperative

“ Act only according to that maxim by which you can at the same time will that it should become a universal law of nature. ”

“Act in such a way that you always treat humanity, whether in your own person or in the person of any other, never simply as a means, but always at the same time as an end.”



Rule-based

Strengths

- Can simplify decision and clearly indicate action

Weaknesses

- Depends on the validity of the rules
- Ignores the long-term implications
- Ignores unique aspects of a situation



People/Care Based

The Golden Rule

- Do to others as you would have them do to you (Christianity)
- What is hateful to you, do not do to your neighbor (Judaism)
- Not one of you truly believes until you wish for others what you wish for yourself (Islam)
- Treat not others in ways that you yourself would find hurtful (Buddhism)
- Do not do to others what would cause pain if done to you (Hinduism)



People/Care Based

Strengths

- Closest to a universally accepted value
- Validated over many centuries

Weakness

- Assumes the individual has the proper values



"I have always strenuously supported the right of every man to his opinion, however different that opinion might be to mine. He who denies to another that right, makes a slave of himself to his present position, because he precludes himself from changing it."

Thomas Paine (U.S. political philosopher and author, 1737-1809)



Responsibilities of the Insurance Producer

- To the Client/Prospect
- To the Insurance Carrier
- To Third Parties



Responsibilities to the Client/Prospect

Knowledge and Expertise

- Develop the knowledge and skills needed to evaluate and service the needs of the client.
- Keep knowledge and skills current – continuing education is key!
- Commit to educating the client about why a particular product is being recommended and how it will serve them.
- Service after a sale is as important as service during the sale.



Responsibilities to the Client/Prospect

Regarding the Application for Coverage

- Application must be done accurately and completely.
- Client should understand what to expect in the underwriting process. – e.g.
 - ✓ Additional applications
 - ✓ Credit check
 - ✓ MVR check
 - ✓ Review of financial statements
 - ✓ Phone survey
 - ✓ Inspection
 - ✓ Etc.



Ethical Dilemma - The Application

You are remarketing property coverage for one of your clients. The insurer requests the Acord application and five years of loss runs. In addition to the losses that appear on the loss runs, you know that your insured has had numerous incidents over the years that he has not reported and has paid out of pocket.

How do you complete the loss history section of the Acord?

| LOSS HISTORY | | | | | | Check if none (Attach Loss Summary for Additional Loss Information) | |
|---|------|---|---------------|-------------|-----------------|---|----------------|
| ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE LAST ____ YEARS | | | | | | TOTAL LOSSES: \$ | |
| DATE OF OCCURRENCE | LINE | TYPE / DESCRIPTION OF OCCURRENCE OR CLAIM | DATE OF CLAIM | AMOUNT PAID | AMOUNT RESERVED | SUBROGATION Y/N | CLAIM OPEN Y/N |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |



Ethical Dilemma - The Application (Underwriter Perspective)

You are an underwriter and received an application for GL coverage for a construction account from your largest retail agent. The submission appeared to be complete and included five years of loss runs. Your relationship with this agency has been strained over the past year because of some claims issues, but you are trying to get the relationship back on track. You received an application for GL coverage for the same account from a second retail agent. That submission was more complete and included information on additional exposures that were not revealed in the first submission. It also included what appeared to be the same loss runs, except that two large claims that weren't in the original submission appeared. Upon closer inspection, you notice that the original agent removed two claims from the loss runs and left a blank space where the claims would have been.

What would you do?



Responsibilities to the Client/Prospect

Disclosure

- Disclose all of the information a client needs to make a decision.
- Discuss the advantages and disadvantages of the proposed program.
- Disclose any conflicts of interest.

Privacy

- A client's financial and personal information must be treated with care.
- Make sure the client understands what must be shared with the insurer.
- Personally identifiable information (pii) is of particular concern.



Ethical Dilemma

You work in the commercial lines department of an agency, and your closest friend is a producer for another agency in town. His largest account generates approximately \$50,000 in annual commissions for him. You just learn that the marketing department of your agency is working on a proposal for your friend's largest account. You find out that the producer in your agency is confident that he will write the account because the combination of price and coverage that is being put together is far better than the current program. In addition, your producer and the owner of the business have become very close over the past few months because their sons play on the same baseball team. The expiration date is one month away. Because you and your friend don't discuss the details of your accounts, you don't know whether he is obtaining alternate quotes or not.

Your friend is getting ready to make an offer to buy a new house. You know that, if he loses the account, there is no way that he will be able to afford the mortgage on the house.

What would you do?



Responsibilities to the Client/Prospect

Claims

- Claims Personnel – skills needed
 - Coverage
 - Carrier procedures and requirements
 - Legal proceedings
 - Communication and people skills



Claims – Dealing with the Client

- Don't tell insureds which losses to report.
- Don't confirm or deny coverage.
- Do tell the insured what to expect in the claims process.
- Do tell the insured his duties under the policy.
- Do help the insured to mitigate damage.
- Do document all conversations with the insured.
- Do send written confirmation of any instructions given to an insured.



Ethical Dilemma - Claims

A thief broke into your client's garage and stole two expensive bicycles. Damages to the garage and the value of the bicycles total \$5,000, and your insured has a \$500 deductible. Your client lives in a coastal area and had a liability claim last year. You know that, if this claim is made, there is a good chance the insurer will non-renew, and your only option will be the non-admitted market.

What are the considerations?



Ethical Dilemma - Claims

You have a large account coming up for renewal in the next thirty days. You have competition on the account, have marketed it to several carriers, and are expecting to have quotes in hand in from the incumbent and at least one other carrier in the next two weeks. The competing agency is expected to present a proposal in two weeks as well.

The insured calls to tell you that he has just been served with a complaint. It is a construction defect claim involving the settling of homes in a residential development. Your client supplied some of the building materials used in the project. You feel confident that, given your client's role in the project, he will not be found liable. Even if your client is found liable, the damages being claimed are all faulty workmanship issues; whether coverage under the CGL will apply at all is questionable.



Ethical Dilemma - Claims

Unsure of how to proceed, you bring the issue up at the weekly sales meeting. Several opinions are offered. Joe suggests that the claim be submitted immediately to the carrier on the risk. Paul suggests telling the insured that the claim is not covered and recommending that he get his own attorney. Sam suggests explaining to the insured how bad the timing on this is. Sam thinks the insured should have his own attorney respond to the complaint, and then report the claim after the policy renews. Maria brings up the question of whether or not the other company quoting should be told about the incident. If it is a legitimate construction defect claim, could it foreshadow similar claims in the future? Lastly, Jack suggests telling the insured how important it is that he make the competing agent aware of the lawsuit. Jack believes that failure to disclose this development could result in coverage being voided if another company writes the coverage. While you believe that Jack genuinely wants to protect the client, you know that his main agenda is scaring off the competing agent.

What would you do?



Responsibilities to the Insurer

Agency Relationship

Agent - A person authorized to act for and under the direction of another when dealing with third parties, binding that other party as if that other party were making the decisions

Principal - The party from which an agent has received instruction and authority and for whose benefit the agent is expected to perform and make decisions



Types of Authority

Express

Authority that is expressly given, in writing or verbally

Implied

Authority an agent is assumed to have, based on the express authority given, to transact business for the principal

Apparent

Actions of the principal result in a reasonable third party believing an agent has authority



Principles of Agency

1. The acts of the agent are the acts of the principal.
2. A contract completed by an agent on behalf of the principal is a contract of the principal.
3. Payments made to an agent on behalf of the principal are payments to the principal.
4. Knowledge of the agent regarding business of the insured is presumed to be knowledge of the principal.



Responsibilities to the Insurer

Loyalty to the Insurer

- An agent must act in the insurer's best interest.
- An agent cannot act for himself if his personal objectives run counter to the insurer's interest.
- An agent should build good will for the principal.
 - How do you handle a situation where you disagree with the insurer?



Responsibilities to the Insurer

Dealing with Conflicts of Interest – Dual Agency

- Agent's primary responsibility is to the insurer when insurance is being applied for and underwritten, in record keeping and in claims settlement activities.
- Agent's primary responsibility is to the client when helping the client to select the best plan.



Ethical Dilemma

You assume that your large account is going to allow a competing agency to quote, as this has been his habit in the past. The market is still somewhat soft, with most renewals coming in between expiring pricing and 3% above expiring pricing. There are carriers, though, that are dramatically underpricing accounts to write new business. You get quotes from several of your companies, but find that the best combination of price and coverage is from the incumbent carrier. Your underwriter, believing she has competition, quotes the account per expiring because this is the price she feels is appropriate for the exposure. Because she doesn't want to lose the account, though, she has given you the authority to quote the account up to 20% less if needed. A week before you are scheduled to deliver your proposal, you learn that the account has not gone to market this year.

What number do you quote to the insured?



Responsibilities to the Insurer

Skill and Professionalism

- Have the skill and knowledge to perform insurance functions.
- Carry out actions with the utmost care and skill.
- Know and abide by state laws and regulations.
- Promptly submit all applications and respond promptly to all requests for information.



Responsibilities to the Insurer

Solicitation of Business

- Solicit business that appears to be good and profitable for the insurer.
- Exercise reasonable care in soliciting quality business.
- AOR/BOR – blocking markets
- AOR/BOR – other ethical considerations



Ethical Dilemma – AOR/BOR

You have the opportunity to take a broker of record letter for a mid-sized commercial account. You have reviewed the coverage and realize that there are numerous problems with the way the policy was written and that the client is not properly protected. You pointed out the problems to the client and he is not concerned. The premium is low, and that is his primary concern. He wants to leave everything as it is.

Should you take the BOR?



Ethical Dilemma – AOR/BOR

You have the opportunity to take a broker of record letter for a large commercial account. Your relationship with the incumbent carrier has not been good in spite of your efforts to improve it, and you suspect one of you will sever the relationship within the next year. You know the incumbent agent has an excellent relationship with the carrier, and that this carrier is the best fit for the insured as the class of business is high hazard.

Should you take the BOR?



Responsibilities to the Insurer

Full Disclosure

- Disclose information that may affect the insurer.
- Accurately and completely complete applications and claim forms.



Ethical Dilemma - The Application

You have a client whose corporation was once in the business of building bridges. That same corporation stopped building bridges 7 years ago, and now does only street and road construction and paving. The insurance carrier through which you are planning to place coverage does not write bridge builders but does write street and road contractors. The policy you are applying for would include completed operations coverage. The company uses the Acord General Liability application, which asks whether any operations have been sold, acquired or discontinued in the last five years.

Do you tell the insurance carrier about the old bridge building operation?



Ethical Dilemma

You've written a Homeowners Policy for several years for your brother's best friend, Tom, who lives in a neighboring state. One day, you notice on Facebook that Tom has just gotten a new puppy, an adorable rottweiler his children have named Kona. You know the insurer has an underwriting guideline concerning certain dog breeds. Rottweiler is on the list.

Do you discuss the puppy with Tom?

Do you tell the insurance company about the puppy?



Responsibilities to the Insurer

Financial Responsibilities

- Remember that payment to the agent is payment to principal.
- Properly account for all funds received from the client and due the insurer; promptly turn them over to the carrier.
- Properly account for all funds received from the insurer and due the client; promptly turn them over to the client
- Do not commingle principal funds with personal funds.



Responsibilities to the Insurer

Integrity in Competition

- Compete on the basis of products and services offered.
- Misrepresentation or defamation of a competitor
 - This reflects poorly on the industry and on the insurer that appointed the competitor. It also reflects poorly on YOU!



Ethical Dilemma

You recently took a broker of record letter on a large contracting account. The owner of the business had already moved his personal policies to you, so the original agent probably suspected that the commercial account was going next. After submitting the BOR and applications to your carrier, you received a phone call from your underwriter. The account had already been quoted by the other agency's underwriter, as requested by the agency, with a commission of only 1%.

What, if anything, has the original agent done wrong?

What do you do now?



Responsibilities to Third Parties

- Third party claimants
- Certificate holders
- Others
- Professionalism



Ethical Dilemma - Certificates

Your largest client has been asked to provide a certificate of insurance for a large job he has been awarded. The project owner requires that notice of cancellation be provided, but your insurance carrier does not have such an endorsement available. You have tried to discuss the situation with the owner's risk management department, but they are not willing to change the requirement. You are considering including notice of cancellation language on the certificate and assuming responsibility for notifying the certificate holder of any pending cancellation.

What are the issues involved?



Ethical Dilemma - Certificates

Your insured calls to request a certificate of insurance. You check the file and see that a notice of cancellation for non-payment has been issued on the CGL policy and will be effective in ten days if payment is not made.

How would you handle this situation?



Ethical Dilemma - Certificates

Acord 25 (2016/03) – from Acord Forms Instruction Guide

- *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.*
- *Policy Effective Date – Enter date: The effective date of general liability policy. The date that the terms and conditions of the policy commence.*
- *Policy Expiration Date - Enter date: The date on which the terms and conditions of the policy will expire.*



Ethical Dilemma - Certificates

Your client calls you after he's completed a job. His customer needs a certificate of insurance showing that it is additional insured using the CG 20 10 12 19 endorsement. If the certificate isn't received, your insured will not get paid. There is no automatic additional insured endorsement on the policy, and your client didn't previously ask you to add an additional insured to his policy. The insurer will add the additional insured endorsement effective today, but you know that is meaningless as the job is complete.

What do you do?



E&O

What Determines the Standard of Care?

- State where insured is located
- How we present ourselves
 - The expert trap
 - The website
- How we are paid for our services
- Have we formed a special relationship?



Special Relationship What Might Create One?

- Producer as expert
 - Did agency claim it?
 - Did client rely upon it?
- Long-term, close relationship where customer seeks and relies on producer advice
- Producer agrees to advise the customer
- Fees for services in addition to commission
- Customer relies on producer's representations about coverage



Good Idea/Bad Idea?

Best Ever Insurance Company has a new endorsement to add coverage for certain Cyber exposures to Commercial Package Policies for a \$100 charge. Your agency asks that the endorsement be automatically added to all existing policies on renewal.




Good people do not need laws to tell them to act responsibly, while bad people will find a way around the laws.

Plato

Right is right, even if everyone is against it; and wrong is wrong, even if everyone is for it.

William Penn



Thank You For Being Here

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