



## Nasty Endorsements In The Commercial General Liability Program

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The Commercial General Liability policy is the most commonly used instrument to address liability exposures of our commercial/business clients. This coverage form has proven itself to be a comprehensive and versatile answer for the risk finance needs of these clients. Unfortunately, numerous endorsements can be added to the policy that reduce the scope of coverage in this form. This presentation will introduce some of these *nasty* endorsements and will remind participants that the agent must be on the lookout for these problematic changes to the policy. We will end our time together with a review of a few endorsements that can broaden coverage and should always be considered.

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## Overview – CGL Coverage A Insuring Agreement

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 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.

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## Overview – CGL Coverage A Insuring Agreement

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. 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
  - (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.

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## The Pollution Exclusion in the CGL

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 2. Exclusions

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";

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## The Pollution Exclusion in the CGL

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 2. Exclusions

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":
  - (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

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## The Pollution Exclusion in the CGL

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 2. Exclusions

This insurance does not apply to:

##### f. Pollution

- (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;

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## The Pollution Exclusion in the CGL

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 2. Exclusions

This insurance does not apply to:

##### f. Pollution

- (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:**
- (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".

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## The Pollution Exclusion in the CGL

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 2. Exclusions

This insurance does not apply to:

##### f. Pollution

- (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.

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## The Pollution Exclusion in the CGL

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 2. Exclusions

This insurance does not apply to:

##### f. Pollution

- (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.

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## CGL Pollution Exclusion Summary

- Even though the CGL pollution exclusion is thorough – the exclusion precludes coverage for BI, PD and cleanup costs arising out of most pollution risk - it does have exceptions that ‘give back’ coverage for some pollution exposures
- Generally, by exception to exclusion, coverage applies with respect to BI or PD (not including cleanup costs) arising from these occurrences
  - Fumes from water heating or building heating equipment (premises)
  - Fumes released from materials used by the insured in off-site work (operations)
  - Smoke, heat or fumes released by a hostile fire (both premises and operations)
  - Some types of off-premises pollution releases (when the insured did not bring the pollutants to the site)
  - Accidental discharge of operating fuels or lubricants from mobile equipment
  - Some product or completed operation exposures

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## What is a “Hostile Fire”

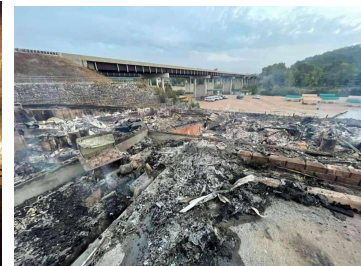
### SECTION V – DEFINITIONS

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

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## Nasty Pollution Exclusions

- Total Pollution Exclusion With A Building Heating, Cooling And Dehumidifying Equipment Exception And A Hostile Fire Exception CG 21 65
  - This endorsement removes all exclusion exceptions ***OTHER THAN***
    - BI 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
    - BI or PD arising out of heat, smoke or fumes from a hostile fire

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## Nasty Pollution Exclusions

- Total Pollution Exclusion With A Hostile Fire Exception CG 21 55
  - This endorsements removes all exclusion exceptions ***OTHER THAN***
    - BI or PD arising out of heat, smoke or fumes from a hostile fire

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## Nasty Pollution Exclusions

- **Total Pollution Exclusion Endorsement CG 21 49**
  - **This endorsement removes all exclusion exceptions**

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## The Liquor Liability Exclusion in the CGL

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 2. Exclusions

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.

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## The Liquor Liability Exclusion in the CGL

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 2. Exclusions

This insurance does not apply to:

##### c. Liquor Liability

**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.

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## Nasty Liquor Liability Exclusions

- Amendment Of Liquor Liability Exclusion CG 21 50
  - This endorsement removes several exceptions to the Liquor Liability exclusion found in the unendorsed CGL
  - The exclusion removes the exception for an insured NOT in a liquor business when alcoholic beverages are furnished for a charge and such activity:
    - Requires a liquor license
    - Is for the purpose of financial gain or livelihood
  - The exclusion removes the exception for an insured NOT in a liquor business when alcoholic beverages are furnished WITHOUT a charge and such activity requires a license
  - The exclusion removes the exception for BYOB

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COMMERCIAL GENERAL LIABILITY  
CG 21 50 04 13

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

**AMENDMENT OF LIQUOR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Exclusion c. under Paragraph 2, Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

**2. Exclusions**

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, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises, for consumption on your premises;
- (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.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
  - (a) Requires a license;
  - (b) Is for the purpose of financial gain or livelihood;
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity; or
- (4) Permit any person to bring any alcoholic beverages on your premises, for consumption on your premises.

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## Nasty Liquor Liability Exclusions

- Amendment Of Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities CG 21 51
  - This endorsement removes several exceptions to the Liquor Liability exclusion found in the unendorsed CGL
  - The exclusion DOES NOT APPLY to the specified activity described in the Schedule
  - The exclusion DOES NOT APPLY to permitting any person to bring any alcoholic beverages on the premises described in the Schedule, for consumption on the premises described in the Schedule

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POLICY NUMBER: COMMERCIAL GENERAL LIABILITY  
CG 21 51 04 13

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

**AMENDMENT OF LIQUOR LIABILITY EXCLUSION –  
EXCEPTION FOR SCHEDULED PREMISES OR ACTIVITIES**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
**SCHEDULE**

**Description Of Premises Or Activities:**

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

The following replaces Exclusion c. under Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

**2. Exclusions**  
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, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises, for consumption on your premises;
- (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.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
  - (a) Requires a license;
  - (b) Is for the purpose of financial gain or livelihood;
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity; or
- (4) Permit any person to bring any alcoholic beverages on your premises, for consumption on your premises.

However, this exclusion does not apply to "bodily injury" or "property damage" arising out of:

- (i) The selling, serving or furnishing of alcoholic beverages at the specified activity described in the Schedule; or
- (ii) Permitting any person to bring any alcoholic beverages on the premises described in the Schedule, for consumption on the premises described in the Schedule.

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## Nasty Premises Limiting Endorsements

- Unendorsed, the GGL does not limit coverage to a particular location
- Of course, the coverage form is subject to its “coverage territory” – but, otherwise, there is no limitation of coverage to a premises, project or operation
- ISO makes available a very concerning endorsement that works to limit CGL coverage
- You ***MUST*** pay attention to the edition date of the endorsement

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## Limitation Of Coverage To Designated Premises, Project Or Operation CG 21 44

- Differences between the 07 98 and 04 17 editions of this endorsement
  - CG 21 44 **07 98**

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule

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POLICY NUMBER:	COMMERCIAL GENERAL LIABILITY CG 21 44 07 98
<b>THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.</b>	
<b>LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT</b>	
This endorsement modifies insurance provided under the following:	
COMMERCIAL GENERAL LIABILITY COVERAGE PART SCHEDULE	
Premises:	
Project:	
<small>(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)</small>	
<small>This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:</small>	
<ol style="list-style-type: none"> <li>1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or</li> <li>2. The project shown in the Schedule.</li> </ol>	
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## Limitation Of Coverage To Designated Premises, Project Or Operation CG 21 44

- Differences between the 07 98 and 04 17 editions of this endorsement
  - CG 21 44 **04 17**
  - This exclusion has 'grown' from ½ page to 3 pages
  - There is no exception to this exclusion – in this edition – for activities necessary or incidental to the premises named in the endorsement's Schedule
  - How might this affect the Lessor's Risk client with this endorsement?

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POLICY NUMBER: **COMMERCIAL GENERAL LIABILITY**  
CG 21 44 04 17

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

**LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

<b>Premises:</b>
<b>Project Or Operation:</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** If this endorsement is attached to Commercial General Liability Coverage Form **CG 00 01**, the provisions under this Paragraph **A.** apply:
- Paragraph **1.b.** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:
    - This insurance applies to "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:
      - The "bodily injury" or "property damage":
        - Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
        - Arises out of the project or operation shown in the Schedule;
      - The "bodily injury" or "property damage" occurs during the policy period; and
  - 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.
- B.** If this endorsement is attached to Commercial General Liability Coverage Form **CG 00 02**, the provisions under this Paragraph **B.** apply:
- Paragraph **1.b.** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:
    - This insurance applies to "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:
      - The "bodily injury" or "property damage":
        - Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
        - Arises out of the project or operation shown in the Schedule;
      - The "bodily injury" or "property damage" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
      - A claim for damages because of the "bodily injury" or "property damage" is first made against any insured, in accordance with Paragraph **1.c.** of this Insuring Agreement, during the policy period or any Extended Reporting Period we provide under Section **V – Extended Reporting Periods.**
  - Paragraph **1.b.** under **Section I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:
    - This insurance applies to "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:
      - The offense arises out of your business:
        - Performed on the premises shown in the Schedule, or
        - In connection with the project or operation shown in the Schedule;
      - The offense was not committed before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

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- In connection with the project or operation shown in the Schedule; and
  - The offense was committed during the policy period.

However, with respect to Paragraph **1.b.(1)(a)** of this Insuring Agreement, if the "personal and advertising injury" is caused by:

  - False arrest, detention or imprisonment; or
  - 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.
- Paragraph **1.a.** under **Section I – Coverage C – Medical Payments** is replaced by the following:
  - We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":
    - Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
    - Arises out of the project or operation shown in the Schedule, provided that:
      - The accident takes place during the policy period;
      - The expenses are incurred and reported to us within one year of the date of the accident; and
      - The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

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(3) A claim for damages because of the "personal and advertising injury" is first made against any insured, in accordance with Paragraph 1.c. of this Insuring Agreement, during the policy period or any Extended Reporting Period we provide under Section V – Extended Reporting Periods.

However, with respect to Paragraph 1.b.(1)(a) of this Insuring Agreement, if the "personal and advertising injury" is caused by:

(1) False arrest, detention or imprisonment; or

(2) 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

3. Paragraph 1.a. under Section I – Coverage C – Medical Payments is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

(1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(2) Arises out of the project or operation shown in the Schedule;

provided that:

(a) The accident takes place 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.

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## The Damage To Your Work Exclusion In the CGL

- The CGL has an exclusion for Damage To Your Work
- There is a very important exception to this exclusion

**2. Exclusions**  
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.

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## Nasty Damage To Your Work Exclusionary Endorsements

- CG 22 95 Exclusion – Damage To Work Performed By Subcontractors On Your Behalf – Designated Sites Or Operations
  - This endorsement removes the exception to the exclusion for sites or operations indicated in the endorsement's Schedule

With respect to those sites or operations designated in the Schedule of this endorsement, Exclusion I. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

### 2. Exclusions

This insurance does not apply to:

#### **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".

CG 22 95 10 01

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## Nasty Damage To Your Work Exclusionary Endorsements

- CG 22 94 Exclusion – Damage To Work Performed By Subcontractors On Your Behalf
  - This endorsement removes the exception to the exclusion

Exclusion I. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

### 2. Exclusions

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".

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## Problematic Endorsement For Clients Who Enter Hold Harmless Agreements

- CG 24 26 Amendment Of Insured Contract Definition
  - This endorsement revises the definition of “insured contract” by revising item f. of the definition

9. "Insured contract" means:

- 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 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.

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The result of this revision is that the indemnitee of a hold harmless agreement ***IS NOT COVERED FOR BI OR PD ARISING OUT THEIR SOLE NEGLIGENCE***

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## Problematic Endorsement For Clients Who Enter Hold Harmless Agreements

- CG 21 39 Contractual Liability Limitation
  - This endorsement revises the definition of “insured contract” by removing item f. of the definition

9. "Insured contract" means:

- 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.

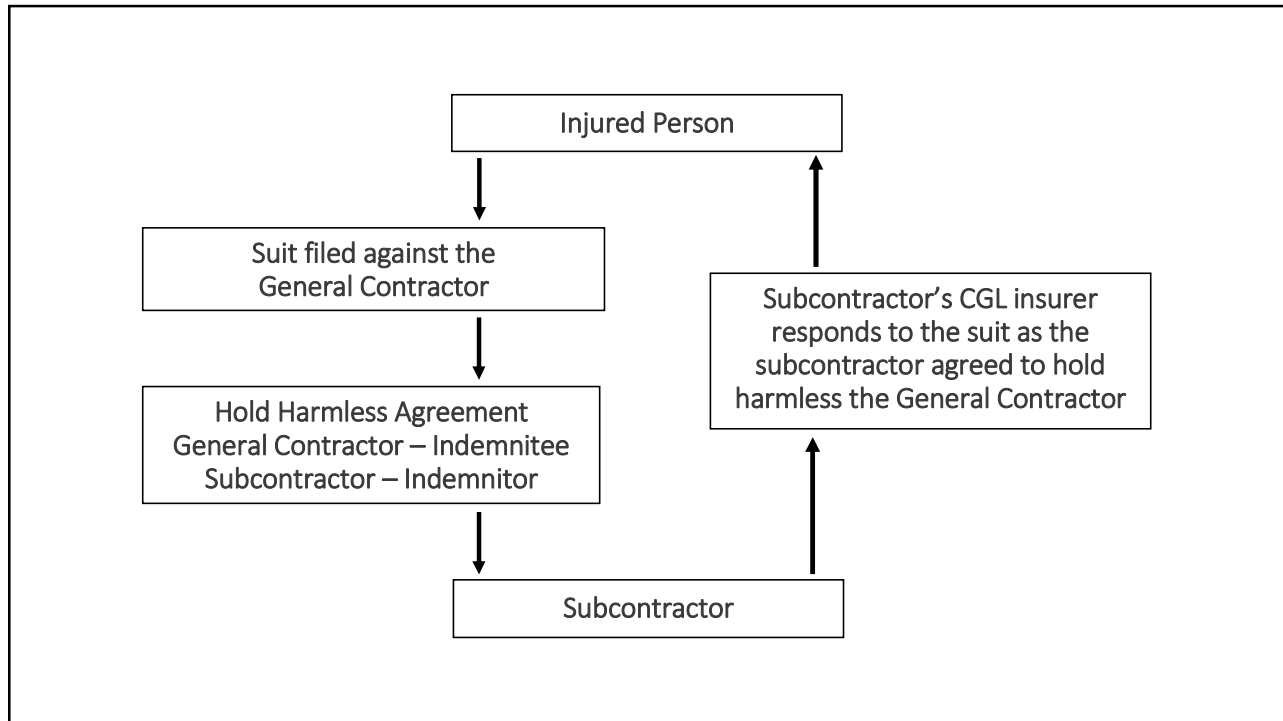
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- What are the ramifications of the removal of item f.?

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## CGL Definition of “Products-Completed Operations Hazard”

### SECTION V – DEFINITIONS

#### 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:
- (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.

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## CGL Definition of “Products-Completed Operations Hazard”

### SECTION V – DEFINITIONS

16. "Products-completed operations hazard":

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.

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### This Definition Is Used In Several Nasty Endorsements

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## Exclusion – Products-Completed Operations Hazard

### • CG 21 04 11 85

- This endorsement eliminates all BI or PD otherwise included within the “products-completed operations hazard”

#### EXCLUSION – PRODUCTS-COMPLETED OPERATIONS HAZARD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

This insurance does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard".

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## Exclusion – Designated Work

### • CG 21 34 01 87

- This endorsement eliminates all BI or PD otherwise included within the “products-completed operations hazard” arising out of “your work” shown in the endorsement’s Schedule

#### SECTION V – DEFINITIONS

##### 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.

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## Exclusion – Designated Products

### • CG 21 33 11 85

- This endorsement eliminates all BI or PD included in the “products-completed operations hazard” and arising out of any of “your products” shown in the endorsement’s Schedule

#### EXCLUSION – DESIGNATED PRODUCTS

This endorsement modifies insurance provided under the following:

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

#### SCHEDULE

##### Designated Product(s):

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

This insurance does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of any of "your products" shown in the Schedule.

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## CGL Definition of “Your Product”

### SECTION V – DEFINITIONS

#### 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.

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## Exclusion – Coverage C – Medical Payments

### • CG 21 35 10 01

- This endorsement eliminates Coverage C – Medical Payments arising from any premises or classification shown in the endorsement’s Schedule

With respect to any premises or classification shown in the Schedule:

1. Section I – Coverage C – Medical Payments does not apply and none of the references to it in the Coverage Part apply; and

2. The following is added to Section I – Supplementary Payments:

h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

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With this endorsement, Medical Payments are eliminated – but - this also means that the occurrence and general aggregate limits are not impaired by Medical Payment claims

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## Real Estate Property Managed – CG 22 70 04 13

- This endorsement is required when the GL Class Code 47052 - Property Management is used
  - This endorsement excludes “property damage” to property the Named Insured operates, manages or acts as an agent for the collection of rents or in any other supervisory capacity
  - This endorsement makes limits for any covered CGL loss excess insurance to any other valid and collectible insurance available to the Named Insured

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## Real Estate Property Managed – CG 22 70 04 13

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- **This endorsement is required when the GL Class Code 47052 - Property Management is used**
  - This endorsement excludes “property damage” to property the Named Insured operates, manages or for which they act as an agent for the collection of rents or in any other supervisory capacity
  - This endorsement makes limits for any covered CGL loss excess insurance to any other valid and collectible insurance available to the Named Insured



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COMMERCIAL GENERAL LIABILITY  
CG 22 70 04 13

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

**REAL ESTATE PROPERTY MANAGED**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A.** The following is added to Exclusion **j. Damage To Property** of Paragraph **2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability**:

**2. Exclusions**

**j. Damage To Property**

This insurance does not apply to:

**j. Damage To Property**

"Property damage" to:

Property you operate or manage or as to which you act as agent for the collection of rents or in any other supervisory capacity.

**B.** The following is added to Paragraph **4.b.(1) of Other Insurance of Section IV – Commercial General Liability Conditions**:

**4. Other Insurance**

**b. Excess Insurance**

With respect to your liability arising out of your management of property for which you are acting as real estate manager, this insurance is excess over any other valid and collectible insurance available to you, whether such insurance is primary or excess.

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### Conclusion:

CGL endorsements that limit or exclude coverage (and defense) must be noted for each and every client. These endorsements can be underwriting tools that allow us to place coverage with terms acceptable to our carriers. We must recognize that policies can be issued or renewed with endorsements that may not have been requested. When this happens, it is the agent's job to understand how coverage is adversely affected.

Ultimately, the agent is responsible for the coverages placed on behalf of their clients. This begins with a thorough understanding of the unendorsed CGL and recognition of how endorsements change the coverage form.

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Thank You For Inviting Me

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