Achievable

CASUALTY INSURANCE DUMP SHEET

Commercial general liability

Occurrence, claims-made, and the tails

- An **occurrence** form is triggered by the date the injury happened, whenever the claim arrives. A **claims-made** form is triggered by the date the named insured reports it, and a **laser beam endorsement** on one lets the insurer exclude named accidents, products, work or locations
  It covers nothing before the retroactive date in the declarations; with none shown, it covers any injury for a claim made during the term.
- Extended reporting periods belong to the **claims-made form only**, and two are built in:
  - **Mini tail:** 60 days after expiry, for occurrences after the retroactive date
  - **Midi tail:** five years from expiry, for happenings reported during the term or in that 60 days
  - **Maxi tail:** bought for extra premium, at most **200%** of the annual premium, and the insurer cannot end it. It lengthens the time to submit a claim, never the policy term

Coverage A — bodily injury and property damage

- Two exposures: **premises and operations**, and **products and completed operations**
- Premises and operations covers the declared locations, newly acquired property (tell the insurer **within 30 days**), the ways immediately adjoining, and incidental operations elsewhere
- Insured contracts are the **L.E.A.S.E.** five: Lease of premises, Easement agreements, Agreement to indemnify a municipality, Sidetrack agreement, Elevator maintenance
- Products and completed operations covers injury away from the premises from the insured's products or finished work. **The product must have been relinquished** to be a products claim
  The claim may rest on negligence — bad design, bad assembly, no inspection, no warning, deceptive advertising, or the container — on breach of an implied warranty, or on strict liability.
- Excluded: intentional injury; contractual liability outside an insured contract; injury to an employee eligible for workers compensation; property in the insured's care; the insured's own product; **impaired property** — undamaged but worth less for a defect; and **product recall**
  Three exclusions have an exception: liquor liability is out where the insured makes, sells, serves or distributes alcohol, but host liquor liability at a non-business event is covered; pollution is out, but smoke from a hostile fire is covered; autos, aircraft and watercraft are out, but watercraft under 26 feet and mobile equipment used off-road as intended are covered.

Coverages B and C, and the limits

- Coverage B — **personal and advertising injury**, which is not bodily injury:
  - **False arrest, detention or imprisonment**
  - **Malicious prosecution** — suing without cause, out of malice, and losing
  - **Wrongful eviction** from a room, dwelling or premises
  - **Defamation** — slander spoken, libel written
  - **Invasion of privacy**
  - **Advertising injury:** defamation while advertising, copyright infringement, misappropriating advertising ideas
- No Coverage B at all if the insured's business IS advertising, broadcasting, publishing or telecasting
- Coverage C — **medical payments**, as under a homeowners policy: no negligence need be shown, and it never pays a named insured. The occurrence must be accidental, on premises owned or rented, or from the insured's operations
  Exams test expenses incurred within one year of the accident; the modern ISO form allows three.
- Three limits:
  - **General aggregate** — the most for A, B and C together, except products and completed operations
  - **Per occurrence** — the most for A and C from one occurrence, inside whichever aggregate applies
  - **Products—completed operations aggregate** — the most under A for that hazard

Conditions, territory and who is insured

- **Duties after an occurrence:** prompt notice with the names of the injured and of witnesses, forward every suit, authorize records, cooperate, and help enforce subrogation. The insured may make no voluntary payment except first aid, unless at their own expense
- **Bankruptcy** of the insured does not release the insurer. **Legal action** against it waits until every condition is met, and no later than two years from the grievance
- **Premium audit:** premium is based on payroll, sales and receipts, and is audited after expiry. **Other insurance:** the primary pays to its limit, then the excess responds
- **Supplementary payments** cover the insured's reasonable expenses at the insurer's request, including lost earnings of **$250 a day** — the figure exams ask for. The current ISO form pays $500
- **Separation of insureds:** the policy reads as though each insured were the only one, and applies separately to each claim
- **Territory:** the United States, its territories and possessions, Puerto Rico and Canada; international waters and airspace; and anywhere in the world for a product made or sold in the territory
- Insureds: a sole owner and spouse for the business; partners and members of a partnership, joint venture or LLC for that business; officers, directors and stockholders for their duties; **employees within the scope of employment**; a real estate manager; a legal representative on the named insured's death; and anyone driving the insured's mobile equipment on a public road with permission