

# Module 3

## Commercial General Liability Insurance, Part II

**Commercial General  
Liability Insurance, Part II**

**Module 3  
Chapter 3**

1

1

---

---

---

---

---

---

---

**Learning Objectives**

- ☐ Obj I – Who is an Insured Provisions
- ☐ Obj II – Limits of Insurance
- ☐ Obj III – Conditions
- ☐ Obj IV – Rating CGL Coverage
- ☐ Obj V – ISO Claims-Made Provisions
- ☐ Obj VI – Modifying the CGL Coverage Form
- ☐ Obj VII – Unmanned Aircraft Endorsement
- ☐ Obj VIII – Other General Liability Coverage

2

2

---

---

---

---

---

---

---

**Who is an  
Insured Provisions**

**Objective I**

3

3

---

---

---

---

---

---

---

**Named Insured and Related Parties**

- ❑ The named insured may be a(n):
  - ❑ Individual, trust.
  - ❑ Partnership, joint venture.
  - ❑ Corporation, LLC.
- ❑ If the named insured is an individual, his or her spouse is also an insured.
  - ❑ Not covered for nonbusiness activities.

4

4

---

---

---

---

---

---

---

**Named Insured's Employees**

- ❑ The named insured's employees and volunteer workers are also insureds, except for:
  - ❑ Injury to the named insured (or partners), or to a co-employee or other volunteer worker.
  - ❑ Injury arising out of the worker's providing or failing to provide healthcare services.
  - ❑ Property damage to property owned or in the care of named insured.

5

5

---

---

---

---

---

---

---

**Other Persons and Organizations**

- ❑ Additional insureds:
  - ❑ Real estate managers – real estate manager for the named insured is an insured.
  - ❑ Legal representatives – if the named insured dies, any person with temporary custody of the insured's property is an insured.
  - ❑ Newly acquired organizations – any new organization qualifies as a named insured.
    - ❑ Covered for 90 days.

6

6

---

---

---

---

---

---

---

### Unlisted Entity

- ❑ Coverage does not apply to the conduct of any partnership, joint venture, or LLC that is not shown as a named insured.
  - ❑ Such entities are covered only if they are specifically declared and named in the policy.
- ❑ A policy issued in the name of the corporation will not cover a former sole proprietor who is sued for injury arising when the business was a proprietorship.

7

7

### Practice

- ❑ Which one of the following losses would be covered under a Commercial General Liability (CGL) policy?
  - ❑ A. Sharon, an employee of Anderson Company, caused damage to the company car when she ran into a tree while driving the car to deliver goods to a customer.
  - ❑ B. Dave, a volunteer worker for Ultimate Food Bank, accidentally damaged a donor's car when the forklift Dave was operating ran into the car in the parking lot of Ultimate's warehouse.
  - ❑ C. Gabe, a nurse employed by Systemic Manufacturing Company, provides improper medical treatment to a guest visiting Systemic Manufacturing Company's office.
  - ❑ D. Sandra, an employee of JustWin Company, received second-degree burns at work when another employee, Val, spilled coffee on Sandra's leg in the company's break room.

8

8

### Limits of Insurance

#### Objective II

9

9

**Limits and Sublimits**

- ❑ The dollar amounts of the CGL coverage form's limit are shown in the policy declarations.
  - ❑ General Aggregate Limit.
    - ❑ Personal and Advertising Injury Limit.
    - ❑ Each Occurrence Limit.
      - ❑ Damage to Premises Rented to You.
      - ❑ Medical Expense.
  - ❑ Products-Completed Operations Aggregate Limit.
    - ❑ Each Occurrence Limit.

10

10

---

---

---

---

---

---

---

**General Aggregate Limit**

- ❑ The General Aggregate Limit is the most the insurer will pay for the sum of damages under Coverage A, B, and C.
  - ❑ Except for products-completed operations.
- ❑ The personal and advertising injury limit is the most the insurer will pay under Coverage B.
  - ❑ Damages arising out of personal and advertising injury to any one person or organization.

11

11

---

---

---

---

---

---

---

**General Aggregate Limit**

- ❑ The Each Occurrence Limit is the most the insurer will pay for any one occurrence.
  - ❑ Including all damages under Coverage A and medical payments under Coverage C.
  - ❑ Defense costs do not apply to the each occurrence limit.
- ❑ Coverage A Each Occurrence sublimits:
  - ❑ Damage to premises rented to you limit.
  - ❑ Medical expense limit.

12

12

---

---

---

---

---

---

---

### Products Aggregate Limit

- ❑ The Products-Completed Operations Aggregate Limit is the most the insurer will pay under the products-completed operations hazard.
  - ❑ Bodily injury and property damage occurring away from premises and arising out of the named insured's product or work.
- ❑ If policy does not have a products-complete operations aggregate limit, the general aggregate limit applies.

13

13

### Practice

- ❑ Aaron owns a manufacturing business in West Virginia. The business is insured by an unendorsed Commercial General Liability policy (occurrence version). The policy has the following limits:
  - ❑ General aggregate limit - \$2,000,000
  - ❑ Products-Completed Operations Aggregate Limit - \$2,000,000
  - ❑ Each Occurrence Limit - \$1,000,000
  - ❑ Personal and Advertising Injury Limit - \$1,000,000
  - ❑ Damage to the Premises Rented to You Limit - \$100,000
  - ❑ Medical Expense Limit - \$5,000
  - ❑ Deductible - \$0
- ❑ Aaron was found liable for the following liability losses during the policy period, each resulting from a separate occurrence.
  - ❑ August – Personal Injury - \$800,000
  - ❑ September – Personal Injury - \$900,000
  - ❑ October – Product Liability - \$600,000
  - ❑ November – Product Liability - \$300,000
- ❑ How much of the total loss will be paid by the insurer?
  - ❑ A. \$1,700,000.
  - ❑ B. \$2,000,000.
  - ❑ C. \$2,300,000.
  - ❑ D. \$2,600,000.

14

14

### Conditions

### Objective III

15

15

### Duties

- ❑ The insured must perform the duties required by the Duties in the Event of Occurrence, Offense, Claim or Suit condition.
  - ❑ Otherwise, the insurer may be relieved of its duty to defend and pay claims.
- ❑ When the insured becomes aware of an occurrence that may result in a claim, notice must be given to the insurer as soon as practicable.

16

16

---

---

---

---

---

---

---

---

### Duties

- ❑ When a claim is brought against any insured, the insured must:
  - ❑ Immediately record the details of the claim.
  - ❑ Immediately forward to the insurer copies of any legal papers received.
  - ❑ Authorize the insurer to obtain legal records.
  - ❑ Cooperate in the investigation or settlement.
- ❑ No insured may make voluntary payment, or incur any expense without the insurer's consent, other than first aid.

17

17

---

---

---

---

---

---

---

---

### Other Insurance

- ❑ The Other Insurance condition applies when insured has other insurance that also covers the claim.
  - ❑ Coverages are classified as primary or excess.
  - ❑ If two policies are primary, liability is shared between the two policies.
- ❑ If the CGL policy is excess, the insurer generally has no obligation to provide defense coverage.

18

18

---

---

---

---

---

---

---

---

**Other Insurance**

- CGL policy is excess if the other insurance is:
  - Fire, builders risk, installation risk, or similar coverage on the named insured's work.
  - Fire ins. on premises rented to the insured.
  - Aircraft, auto, or watercraft coverage.
  - Any primary insurance available covering liability for damages arising out of:
    - Premises or operations.
    - Products and completed operations.

19

19

**Other Insurance**

- If two or more policies apply at the same level, the policy provides for two methods of sharing:
  - Contribution by equal shares – each insurer pays an equal amount until the claim is fully paid or until one insurer exhausts its limit.
  - Contribution by limits – each insurer pays that proportion of the claim that the insurer's limit bears to the total of all applicable insurance.

20

20

**Other Conditions**

- Other CGL Conditions include:
  - Bankruptcy – establishes that the bankruptcy of an insured will not relieve the insurer of any of its policy obligations.
  - Legal Action Against Us – provides that no person can bring the insurer into any suit seeking damages from an insured.
  - Premium Audit – condition requires the named insured to keep adequate records to permit correct calculation of the premium.

21

21



### Other Conditions

- Other CGL Conditions include:
  - Representations – insured agrees statements in the declarations are accurate/complete.
    - Places a heavy burden on the named insureds to read the policy declarations.
  - Separation of Insureds – the insurance provided by the policy applies separately to each person insured.

22

22

---

---

---

---

---

---

---

---

### Other Conditions

- Other CGL Conditions include:
  - Transfer of Rights of Recovery Against Others to Us – when the insured has rights to recover a claim from a third party, it must transfer those rights to the insurer.
    - Subrogation provision.
  - When We Do Not Renew – requires insurer to give written notice of non-renewal to the first named insured at least 30 days before the expiration date of the policy.

23

23

---

---

---

---

---

---

---

---

### Practice

- Which one of the following statements is correct regarding the conditions applicable to the Commercial General Liability (CGL) Coverage Form?
  - A. No insured may make voluntary payments without the insurer's consent, except for first aid expenses at the time of the occurrence.
  - B. Third-party claimants are required to include the insurer as a defendant in any suit seeking damages from the insured.
  - C. The insured's bankruptcy relieves the insurer of its obligations under the policy.
  - D. Written notice must be provided to an insurer as soon as practicable after an insured becomes aware of an occurrence that may result in a claim.

24

24

---

---

---

---

---

---

---

---

### Practice

- Geraldo is an employee and salesman of Vitamins-R-Us. Vitamins-R-Us is covered under a Commercial General Liability (CGL) Coverage Form, and Geraldo is covered under a Personal Auto Policy (PAP). Geraldo was driving his own car making sales calls for the company, when he accidentally crashed into a customer's building. The accident injured two people and caused damage to the customer's building and business personal property. The CGL policy would be considered:
- A. Strict.
  - B. Vicarious.
  - C. Excess.
  - D. Primary.

25

25

---

---

---

---

---

---

---

---

### Rating CGL Coverage

#### Objective IV

26

26

---

---

---

---

---

---

---

---

### CGL Rating Formula

- The basic formula used to determine the premium for a CGL policy is:  
Rate x Exposure = Premium
- Rate depends on the classification of the insured organization's operations.
  - Rate reflects the organization's susceptibility to liability losses.
- Exposure is a measure of the size of the business operations to be insured.
  - Expressed in terms of the premium base.

27

27

---

---

---

---

---

---

---

---

### Rates for Business Classifications

- ❑ Insurer develops a rate for each business classification that it is willing to insure.
  - ❑ Classifications are listed in the classification table of the ISO Commercial Lines Manual.
- ❑ CGL rates applicable for most classifications:
  - ❑ Premises-operations rate.
  - ❑ Products-completed operations rate.

28

28

### Premium Base

- ❑ The premium base is also indicated in the classification table.
- ❑ Common premium bases:
  - ❑ Mercantile businesses – gross sales.
  - ❑ Contracting businesses – payroll.
  - ❑ Building and premises risks – area, gross sales, or the number of units in the building.
  - ❑ Special events – number of admissions.

29

29

### Other Rating Considerations

- ❑ Information about an organization must be gathered carefully and completely in order to measure the exposure accurately.
- ❑ Actual premium is often calculated at the end of the policy period after the exposure can be determined accurately.
  - ❑ Premium is then reconciled with the estimated premium.

30

30

### Other Rating Considerations

- An increased limits factor is used to generate higher premiums for policies written with coverage amounts greater than the basic limits.
  - Premium credits are offered if the insured chooses not to buy or the underwriter is unwilling to provide certain coverages.
- Any coverages added to the CGL form by endorsement will increase the premium.

31

31

---

---

---

---

---

---

---

---

### Practice

- Ronald owns and operates a contracting business. If Ronald purchased a Commercial General Liability (CGL) policy for the business, the premium base would most likely be rated on the basis of:
  - A. Gross sales.
  - B. Payroll.
  - C. Inventory.
  - D. Number of floors in the building.

32

32

---

---

---

---

---

---

---

---

### ISO Claims-Made Provisions

#### Objective V

33

33

---

---

---

---

---

---

---

---

**Problem With Occurrence Trigger**

- ❑ A claim could be made today for something that occurred decades ago.
  - ❑ May be difficult to determine policy premiums for these long-tail claims.
- ❑ Liability policy with occurrence trigger covers injury occurring during policy period, regardless of when claim is made.
  - ❑ Some insurance companies became insolvent as a result of claims made long after policies were written.

34

34

---

---

---

---

---

---

---

**Claims-Made Trigger**

- ❑ A claims-made policy covers only claims first made against the insured during policy period.
  - ❑ Can help insurers control problems associated with long-tail claims.
  - ❑ Not widely used outside of specialty coverage.
- ❑ Insureds usually select policies with occurrence triggers, unless claims-made policy is required by insurer.

35

35

---

---

---

---

---

---

---

**Retroactive Dates**

- ❑ Under the claims-made coverage trigger, the claim must first be made during the policy period, or an extended reporting period.
  - ❑ Event cannot occur before retroactive date.
- ❑ Policy may or may not have retroactive date.
  - ❑ Retroactive date – policy covers claims made during the policy period, if event causing the loss occurred on or after the retroactive date.
  - ❑ No retroactive date – policy covers claims made during the policy period, regardless of when event occurred.

36

36

---

---

---

---

---

---

---

**Retroactive Dates**

- ❑ After a retroactive date has been established, the insurer cannot advance the retroactive date:
  - ❑ Without insured's consent and,
  - ❑ If at least one of these events has occurred:
    - ❑ Insured has changed insurers.
    - ❑ Insured's operations have changed, with a resulting increase in loss exposure.
    - ❑ Insured failed to provide insurer with material information.
    - ❑ Insured has requested the change.

37

37

**Extended Reporting Periods**

- ❑ An extended reporting period is an additional period after expiration of a claims-made policy.
  - ❑ Also called a tail.
- ❑ Expired policy covers claims first made against any insured during this additional period.
  - ❑ Injury must have occurred on or after the retroactive date (if any) and before policy expiration.

38

38

**Extended Reporting Periods**

- ❑ Some policies automatically provide a basic extended reporting period.
  - ❑ Other forms give the insured the right to purchase an optional extended reporting period through an endorsement.
- ❑ CLM rules apply caps on the amount the insurer can charge for an optional extended reporting period.

39

39

### Extended Reporting Periods

- Extended reporting periods also available if:
  - Insurer replaces coverage with claims-made coverage having a later a retroactive date.
  - Insurer replaces coverage with coverage that does not apply on a claims-made basis.
  - Coverage form is canceled or nonrenewed.

40

40

---

---

---

---

---

---

---

---

### Practice

- A claim that is characterized by an extended delay between the claim's triggering event and the reporting of the event to the insurer is known as a(n):
  - A. Extended claim.
  - B. Delayed claim.
  - C. Retroactive claim.
  - D. Long-Tail claim.

41

41

---

---

---

---

---

---

---

---

### Modifying the CGL Coverage Form

#### Objective VI

42

42

---

---

---

---

---

---

---

---

**Endorsements**

- ❑ Over 200 endorsements are available for modifying the ISO CGL Coverage Form.
  - ❑ Endorsements are divided into categories.
  - ❑ Each endorsement begins with “CG” and has a two digit code afterward.
- ❑ Some insurers have drafted additional endorsements.

43

43

---

---

---

---

---

---

---

---

**Deductible Endorsement**

- ❑ Deductible Liability Insurance endorsement adds a deductible for bodily injury liability, property damage liability, or both.
  - ❑ Per-claim deductible – applies to all damages sustained by any one person or organization as a result of any one occurrence.
    - ❑ Example – 4 claims filed from 1 occurrence; deductible applies to each claim.
  - ❑ Per-occurrence deductible – applies only once to the total of all claims paid arising out of one occurrence.

44

44

---

---

---

---

---

---

---

---

**Additional Coverage Endorsements**

- ❑ Additional Coverage Endorsements include:
  - ❑ Employee Benefits Liability Coverage – covers negligence in the administration of the insured’s employee benefits program.
    - ❑ Intentional torts or breach of contract are not covered.
    - ❑ Usually has claims-made coverage trigger.
  - ❑ Electronic Data Liability – limited coverage for loss of electronic data.
    - ❑ Must result from physical injury to property.

45

45

---

---

---

---

---

---

---

---



**Additional Insured Endorsements**

- Additional Insured-Owners, Lessees, or Contractors-Scheduled Person or Organization.
  - Used for naming owners or lessees as insureds under CGL policies of organizations entering into contracts with those parties.
  - Covers injury or damage caused only by the acts or omissions of the named insured at the designated location of operations.
  - Additional insured is not included in the definition of “named insured.”

46

46

---

---

---

---

---

---

---

**Additional Insured Endorsements**

- Additional Insured-Owners, Lessees, or Contractors-Automatic Status.
  - Provides coverage in construction agreements for an additional insured without having to name the additional insured.
  - The named insured and the person requesting additional insured status must have agreed to this in a written contract.

47

47

---

---

---

---

---

---

---

**Exclusion Endorsements**

- Exclusion endorsements add exclusions to the CGL coverage form.
  - These endorsements may be optional.
- Examples of optional exclusion endorsements:
  - Products/Completed Operations Hazard – excludes injury or damage arising from products-completed operations hazard.
  - Coverage C-Medical Payments – omits Cov C.
  - Personal/Advertising Injury – omits Cov B.

48

48

---

---

---

---

---

---

---

**Exclusion Endorsements**

- Examples of required exclusion endorsements:
  - Nuclear Energy Liability – eliminates coverage for bodily injury or property damage resulting from hazards of nuclear material.
  - Employment-Related Practices – eliminates coverage for injury arising out of any employment-related practice.
    - Required for CGL insureds with employment practices liability policies.
    - Optional for insureds without EPL policies.

49

49

**Classification Endorsements**

- Examples of classification endorsements:
  - Exclusion – Corporal Punishment.
    - Intended for schools to exclude coverage for injury to a student.
  - Exclusion – Construction Management Errors and Omissions.
  - Exclusion – Public Utilities – Failure to Supply.
  - Misdelivery of Liquid Products Coverage.
    - Intended for fuel oil dealers.

50

50

**Endorsements for Amending Limits**

- Examples of amending limits endorsements:
  - Amendment of Limits of Insurance – replaces limits shown in the policy declarations.
  - Designated Construction Project(s) General Aggregate Limit – provides a separate general aggregate limit for each construction project designated in the endorsement's schedule.
  - Designated Locations(s) General Aggregate Limit – provides a separate general aggregate limit for each location designated.

51

51

**Claims-Made Endorsements**

- Examples of claims-made endorsements:
  - Supplemental Extended Reporting Period Endorsement.
  - Supplemental Extended Reporting Period Endorsement for Employee Benefits Liability Coverage.

52

52

---

---

---

---

---

---

---

**Practice**

- Which one of the following endorsements to the Commercial General Liability (CGL) Coverage Form provides coverage for damages resulting from errors or omissions in administering an insured's benefits program?
  - A. Employment-related Practices Exclusion endorsement.
  - B. Employee Benefits Liability Coverage endorsement.
  - C. Additional Insured – Owners, Lessees, or Contractors endorsement.
  - D. Exclusion – Financial Services endorsement.

53

53

---

---

---

---

---

---

---

**Unmanned Aircraft  
Endorsement****Objective VII**

54

54

---

---

---

---

---

---

---

**Drones**

- Whether a drone is considered aircraft is subject to interpretation.
  - CGL Coverage A contains an exclusion for Aircraft, Auto, or Watercraft.
  - Coverage B does not exclude aircraft.
- ISO introduced drone-related endorsements for the CGL that define unmanned aircraft.
  - Resolves the ambiguity as to whether a drone is an aircraft.

55

55

---

---

---

---

---

---

---

**Unmanned Aircraft Endorsements**

- Three exclusion endorsements exist:
  - Exclusion – Unmanned Aircraft.
  - Exclusion – Unmanned Aircraft (Coverage A).
  - Exclusion – Unmanned Aircraft (Coverage B).
- Three coverage endorsements exist:
  - Limited Coverage for Unmanned Aircraft.
  - Limited Coverage for Unmanned Aircraft (A).
  - Limited Coverage for Unmanned Aircraft (B).

56

56

---

---

---

---

---

---

---

**Exclusion Endorsements**

- The Unmanned Aircraft exclusion is the most expansive of the endorsements.
  - Coverage A – coverage is not provided for bodily injury or damage from using drones.
    - Also excludes coverage for drones entrusted to others.
  - Coverage B – coverage is not provided for personal and advertising injury arising out of the use of drones.

57

57

---

---

---

---

---

---

---

**Exclusion Endorsements**

- ❑ **Exclusion-Unmanned Aircraft (Cov. A Only).**
  - ❑ **Modifies Coverage A exactly as the Unmanned Aircraft exclusion does.**
  - ❑ **Silent with respect to Coverage B.**
- ❑ **Exclusion-Unmanned Aircraft (Coverage B Only).**
  - ❑ **Modifies Coverage B in the same manner as the Unmanned Aircraft exclusion.**
  - ❑ **Silent with respect to Coverage A.**

58

58

**Coverage Endorsements**

- ❑ **Limited Coverage for Designated Unmanned Aircraft endorsement.**
  - ❑ **Excludes drone-related bodily injury, property damage, and advertising injury coverage.**
- ❑ **However, includes limited drone-related coverage under CGL.**
  - ❑ **Drone and its use must be scheduled for coverage to apply.**
  - ❑ **For example, a drone can be covered specifically for roof inspection.**

59

59

**Coverage Endorsements**

- ❑ **Limited Coverage for Designated Unmanned Aircraft (Coverage A Only).**
  - ❑ **Modifies Coverage A exactly as the Limited Coverage for Designated Unmanned Aircraft endorsement.**
  - ❑ **Silent with respect to Coverage B.**
- ❑ **Limited Coverage for Designated Unmanned Aircraft (Coverage B Only).**
  - ❑ **Modifies Coverage B.**
  - ❑ **Silent with respect to Coverage A.**

60

60

**Practice**

- Which one of the following statements is correct regarding CGL coverage of unmanned aircraft?
- A. The unmanned aircraft coverage endorsements indicate that no coverage will be provided under the CGL for drones.
  - B. The Limited Coverage for Designated Unmanned Aircraft (Coverage B Only) endorsement modifies Coverage A to exclude coverage for drones.
  - C. The Exclusion – Unmanned Aircraft (Coverage A) endorsement is the most expansive of the endorsements.
  - D. The definition of Aircraft in the CGL coverage form makes no specific reference to drones.

61

61

---

---

---

---

---

---

---

**Other General Liability Coverage****Objective VIII**

62

62

---

---

---

---

---

---

---

**Electronic Data Liability Coverage**

- Electronic Data Liability (EDL) Coverage Form provides coverage for liability for loss of data caused by an “electronic data incident.”
- Includes accidents or negligent acts which result in loss of electronic data.
  - Applies on a claims-made basis.
- Provides much more broad coverage than the EDL endorsement to the CGL.

63

63

---

---

---

---

---

---

---

**Owners/Contractors Protective Liability**

- Property owners can be held vicariously liable for acts committed by their contractors.
  - CGL policies cover these losses.
  - However, some property owners prefer the contractor pay for coverage.
- Owners and contractors protective (OCP) liability insurance is purchase by the contractor.
  - The named insured is the project owner or contractor for whom the contractor has purchased the insurance.

64

64

---

---

---

---

---

---

---

**Owners/Contractors Protective Liability**

- OCP form provides coverage for losses from:
  - Operations performed for the named insured by contractor at the location specified.
  - Insured's own acts in connection with the general supervision of such operations.
- OCP exclusions are similar to exclusions contained in Coverage A of CGL policy.
  - Completed Operations – unique to OCP.
  - Acts or Omissions of Insured – unique to OCP.

65

65

---

---

---

---

---

---

---

**Owners/Contractors Protective Liability**

- OCP form is subject to a general aggregate limit and an each occurrence limit.
  - OCP does not cover personal/advertising injury, medical payments, or products and completed operations.
- OCP form has an occurrence coverage trigger.
  - ISO has not developed a claims-made version of the form.

66

66

---

---

---

---

---

---

---

**Alternatives to OCP insurance**

- Alternatives to OCP insurance:
  - Requiring the contractor to add the owner as an additional insured on contractor's CGL.
    - However, additional insured usually does not receive notice of cancellation.
  - Hold-harmless and indemnification agreement in the construction contract.
    - Contractor's CGL policy may cover the loss.

67

67

**Railroad Protective Liability Coverage**

- Railroad Protective Liability Coverage Form.
  - Covers injury or damage arising from acts at the job site related to contractor's work.
  - Occurrence basis form.
- Coverage agreements:
  - Coverage A – Bodily Injury and Property Damage Liability.
  - Coverage B – Physical Damage to Property.

68

68

**Railroad Protective Liability Coverage**

- Coverage A – Bodily Injury and Property Damage of RPL is similar to Coverage A of CGL.
  - However, contractor is not an insured.
  - Exclusion for liability assumed under any contract other than a "covered contract."
  - Completed work exclusion eliminates coverage for losses after work is completed.
  - Covers for injury or damage sustained by employees of the designated contractor.

69

69



**Railroad Protective Liability Coverage**

- Coverage B – Physical Damage to Property.
  - Provides first-party physical damage coverage for property of the insured.
  - Property includes rolling stock and contents, tracks, signals, bridges, and buildings.
- Exclusions under Coverage B:
  - Completed work.
  - Acts or omissions of the insured.
  - Nuclear incidents or conditions.
  - Pollution.

70

70

---

---

---

---

---

---

---

---

**Liquor Liability Coverage Form**

- Liquor Liability Coverage Form.
  - Covers losses resulting from the selling, serving, or furnishing of alcoholic beverages.
  - Both occurrence version and a claims-made version are available.
- Excludes coverage for injury arising out of any alcoholic beverage sold, served, or furnished while any required license is not in effect.
  - Also excludes coverage for injury arising out of the named insured's products.

71

71

---

---

---

---

---

---

---

---

**Practice**

- Which one of the following statements is correct regarding the Owners and Contractors Protective (OCP) Liability Cover form?
  - A. ISO has developed forms that cover both on an occurrence and claims-made basis.
  - B. The named insured is the project owner or contractor for whom the contractor has purchased the insurance.
  - C. It provides coverage for the named insured's day-to-day business operations.
  - D. It provides coverage for completed operations for up to three years after a project is finished.

72

72

---

---

---

---

---

---

---

---