CSU Fitting the Pieces Development & Professional Training

Insurance Requirements in Contracts: How to Review and What to Look For

Presented by:
Daniel J. Howell,
CSURMA Program Director
Alliant Insurance Services
Presentation Outline

- Indemnification
- Insurance Requirements – Drafting to Fit the Need
- Verification of Coverage
- Document Retention Policy & Procedure
- Claims
- Sources of Knowledge
- Conclusion & Questions
Hidden (and Uninsured) Costs of Accidents

- Time lost from work by injured
- Lost time by fellow workers
- Loss of efficiency due to breakup of crew
- Lost time of supervision
- Decreased output of injured worker on return
- Cost to hire replacement employee
- Cost of training and/or break-in of new employee
Hidden (and Uninsured) Costs of Accidents (cont.)

- Overtime paid to remaining employees
- Clerical time
- Building or facility damage
- Tool and equipment damage

- Production and/or schedule delays and liquidated damages potential

*From International Risk Management Institute, Inc.*
Indemnification

I. A. How Does it Work?

Insurance language flows from agreements made in indemnification.

Insurance is the "collateral" for the indemnification. Ensures that there are funds available to back up most of the indemnity provisions.

Start with negotiating CSU’s preferred indemnity language and then move on to the insurance to support the indemnity.
Hold Harmless vs. Additional Insured

Coverage flows from Indemnity

Hold Harmless

“Insured Contract”

Coverage flows direct via Additional Insured Endorsement
I. B. Three Main Types of Indemnification

1. Strict (or “Type I”) Indemnification
   - Contractor indemnifies entity for all claims costs arising from project except entity’s sole negligence or willful misconduct.

2. Intermediate Form (Construction Projects)
   - Contractor indemnifies except for entity’s active negligence or willful misconduct

3. Limited Form
   - Contractor indemnifies for contractor’s negligence
   - Can be used for cross indemnity comparative negligence

See OGC requirements.
Note On Hold Harmless Agreements:

- It is important to make certain that attorney fees and litigation expenses are assumed by the contractor in the indemnity and hold harmless section of the contract. Failure to do so will result in these expenses not being covered.

Additionally, the new Commercial General Liability form restricts defense costs to only those lawsuits involving issues that are covered perils under the contractor's insurance.
Additional Insured Endorsement

- The most preferred insurer endorsement is Insurance Services Office (ISO) Form No. CG 20 10 11 85, covering damages arising from “your work”. 11 85 = rev. date = Nov. 1985.

- Covers both “products and completed operations” (“your work”) as well as “ongoing operations”, with potential to cover your sole negligence as well.

- Newer forms may have to be accepted – rev. dates 10 01 or latest = 07 04.
Additional Insured Endorsement

- Newer endorsements forms that are acceptable, if CG 20 10 11 85 not available:
  - CG 2010 10 01 = “ongoing operations”
  - CG 2037 10 01 = “your work” = “products – completed operations hazard”
- Must have both to get the same coverage as the 11 85 form
- The 07 04 and 04 13 versions of the forms above eliminate coverage for your sole negligence
04 13 changes Impact to AI Endorsement

- Provides AI coverage only for contractor’s sole negligence.
- Sets up potential for conflict of interest between named and additional insureds
  - Insurer will want to show named insured 0% at fault, to eliminate coverage for AI
  - AI will want to show named insured at least 1% at fault, to trigger coverage
  - Conflict could serve no other purpose than to erode the available limits by paying for AI defense!
- Due to changes in “Insured Contract” definition
Changes in Latest Endorsements

- Limits contractual liability coverage to vicarious liability of the indemnitee
- Only provides coverage to the amount of insurance requested.
  > We have added suggested language to the manual that should be reviewed with University Counsel
- New CG 20 38 04 13 endorsement is a benefit for handing AI status with subcontractors where there is a written requirement for subs to indemnify owner
Additional Insured Endorsement

- Be wary of non ISO / carrier specific endorsements
- Can contain limitations, such as
  - Amended “Duties in the event of occurrence, claim or suit” Condition
I. C. Just Say No?
Where to Draw the Line

- At what point will the campus/organization be so exposed that the proposed indemnity clause is too risky?

- **Recommendation:** Focus on indemnification before insurance.

- **Recommendation:** Involve campus’ Risk Management team in negotiations that deviate from approved indemnity language.
II. Insurance Requirements
Drafting to Fit the Need

- Evaluate the risk
  - **Who** could be harmed? Visitors attracted?
  - **What** are the activities and maximum likely loss? Dangerous? Crowds? Pollution? Alcohol?
  - **Where**? On vs. off campus? Site control?
  - **When**? Night? During sporting events?
  - **How** likely would the campus/organization be a defendant if there is a loss?
The Risk Management Process

- Identify exposures
- Analyze exposures
- Consider feasibility of alternative techniques to treat exposure
  1. Prevention/reduction
  2. Retention
  3. Risk financing
  4. Avoidance
  5. Transfer
- Select the best technique
- Implement technique
- Monitor results and change as needed.
Key Insurance Industry Terminology

- (First) Named Insured, Additional named insured, Additional insured
- Severability of interest – this “cross liability” clause describes the separation of insureds and allows additional insured to claim against insured but also be treated separately
- Insured contract definition
- “Occurrence” vs. “claims-made” coverage
- Prior acts (nose) and extended reporting (tail) coverage
- Per Occurrence vs. Annual Aggregate limit
- Deductible vs. Self-Insured Retentions

See also on-line insurance dictionaries.
II. A. The Basics

- Avoid terms that do not have meaning in the insurance industry
- Request coverage on an “occurrence” basis, except professional liability can be “claims-made.”
- Describe maximum deductibles or self insured retentions
- Require the addition of the campus or organization, etc. as an additional insureds by endorsement to all policies except workers' compensation and professional liability.
II. A. The Basics (cont’d)

- Require the other party's insurance be primary
- Require at least 30 days notice of cancellation
- Require an aggregate limit higher than the occurrence limit (note TULIP program has 1x agg.)
- Specify that insurance be placed with insurers that meet a A.M. Best's minimum rating of A-:VII
  - Financial Strength to determine if carrier is strong enough to back the insurance contract that is backing the indemnification language
  - Management Rating = Letters
  - Financial Size Category = Roman Numerals
  - A “Cut-through” endorsement to a higher rated reinsurer may be used to solve a low rated carrier problem with SORM review.
II. A. The Basics (cont’d)

- Require that the contractor’s insurer waive subrogation against University
  - Subrogation is the requirement that the insured transfer rights of recovery to the insurer.
    - i.e., Insurer pays claim for property damage, seeks recovery from third party – CSU does not want to be that third party!
  - If necessary, only waive CSU’s right to subrogation on property, and even that creates significant exposure.
- Example claim: The vending machine.
Basic Types of Insurance Coverage

- **Contractor Bonds:**
  - **Bid Bond:** Contractor will enter contract at bid amount.
  - **Performance Bond:** Contractor will perform job and complete the contract.
  - **Payment Bond:** Contractor will deliver the project free of subcontractor/materials providers’ liens.
Basic Types of Insurance Coverage

- Liability - for torts, Fed/State statutory actions
  - **General Liability**: “Commercial General Liability” form, formerly “Comprehensive General Liability.”
    - Bodily Injury,
    - Personal Injury,
    - Liquor liability - Host vs. sales
    - Property Damage - third party property
    - Products & Completed Operations - includes “insured contracts,” but not breach of contract.
Basic Types If Insurance Coverage

- Liability Coverages - (cont’d)
  - Auto Liability - note transportation of hazardous substances and the MCS 90 form
  - Directors & Officers Liability (D&O) - called Public officials liability if contracting with a public entity
    - Employment Practices Liability (EPL)
    - Employee benefits liability (plan management)
  - Professional Liability (E&O)

When is professional liability needed in addition to general liability? Hands vs. Head

Additional insured status is not applicable to D&O and E&O.
Basic Types of Insurance Coverages

- **Property Insurance Coverages**
  - **Special Form** – formerly called “All risk,” form
    - broader coverage than “named perils” or “extended perils.”
    - Excludes earthquake and flood
  - **Course of Construction** – sometimes called “Builder’s Risk” – may include Eq. & Flood
  - Inland Marine/Installation Floaters

- **Miscellaneous Coverages**
  - Aircraft
  - Watercraft
  - Technology/research/spacecraft
Basic Types of Insurance Coverages

- Workers’ Compensation
  - Coverage A: “Statutory benefits” – prescribed by law
  - Coverage B: Employer’s Liability (EL) – this is not employment practices liability (EPL). EL covers common law actions outside of the statutory benefits coverage

- Other Related Coverages:
  - USL&H – long shore and harbor workers (on the dock)
  - Jones Act – workers on the water
  - Railroad
  - Defense Base Act
Insurance Policy Forms

- Standard forms issued by the insurance Services Office (ISO).
  - Larger insureds can negotiate manuscript forms.
- Recent “Additions” to ISO CGL policy forms and additional insured endorsement forms severely limit coverage
  - Definition of insured contract
  - Defense within the limits for non vicarious liability
  - Elimination of coverage for completed operations
- Review of Sample forms and a workaround to keep coverages
II. B. Insurer Ratings – Will they be there?

- Two Main Insurer Rating Agencies
  - Standard & Poor’s
  - A.M. Best

<table>
<thead>
<tr>
<th>Best’s Ratings</th>
<th>Standard and Poor’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>A++, A+</td>
<td>AAA</td>
</tr>
<tr>
<td>A, A-</td>
<td><strong>Excellent</strong></td>
</tr>
<tr>
<td>B++, B+</td>
<td>Very Good</td>
</tr>
<tr>
<td>B, B-</td>
<td>Good</td>
</tr>
<tr>
<td>C++, C+</td>
<td>Fair</td>
</tr>
<tr>
<td>C, C-</td>
<td>Marginal</td>
</tr>
<tr>
<td>D</td>
<td>Below Minimum Standards</td>
</tr>
<tr>
<td>E</td>
<td>Under State Supervision</td>
</tr>
<tr>
<td>F</td>
<td>In Liquidation</td>
</tr>
</tbody>
</table>

+,- These signs following the letter rating indicate the relative position within the class

*Italics represent minimum recommended.*
Best’s Financial Size Category (FSC)

- Reported Capital, Surplus and Conditional Reserve Funds (in Millions)
  - **FSC VII** $50 to $100 – Minimum rec.
  - FSC VIII 100 to 250
  - FSC IX 250 to 500
  - FSC X 500 to 750
  - FSC XI 750 to 1,000
  - FSC XII 1,000 to 1,250
  - FSC XIII 1,250 to 1,500
  - FSC XIV 1,500 to 2,000
  - FSC XV Greater than $2,000
Cumulative Average Impairment Rates by Best Financial Strength Rating*

Insurers with strong ratings are far less likely to become impaired over long periods of time. Especially important in long-tailed lines.

*US P/C and L/H companies, 1977-2002
II. C. How Much Coverage is Enough?

- Guidelines matrix
  - High, Moderate, Low

- Tort costs increased 5.1% in 2010, – 8.7% average annual increase since 1951!
  (Towers Watson’s US Tort Costs: 2011 Update)

- Jury verdicts continue to rise
  (See www.iii.org)

- Analyze the Exposure

- Maximum Possible vs. Maximum Probable Loss
## Project Name/Purchase

Check One:  
- [ ] Construction  
- [ ] Services (specify)  
- [ ] Purchase  
- [ ] Lease (specify)

### Insurance Company Ratings, Coverage and Limit Guideline

<table>
<thead>
<tr>
<th>Rating</th>
<th>Superior</th>
<th>A++</th>
<th>A+</th>
<th>Excellent</th>
<th>A</th>
<th>A-</th>
<th>Very Good</th>
<th>B++</th>
<th>B+</th>
</tr>
</thead>
</table>

### BEST Financial Size Categories

<table>
<thead>
<tr>
<th>Class</th>
<th>Coverage</th>
<th>Minimum Limit Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>XI-V</td>
<td>Occurrence</td>
<td>High Risk</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$5 million</td>
</tr>
<tr>
<td></td>
<td>Aggregate</td>
<td>$10 million</td>
</tr>
<tr>
<td></td>
<td>Occurrence</td>
<td>$2 million</td>
</tr>
</tbody>
</table>

WC and EL - Statutory Limits  
- $1 million  
- $500,000  
- $250,000

Not applicable

*Option for sole proprietors and excluded employees

<table>
<thead>
<tr>
<th>Property</th>
<th>CC/BR</th>
<th>E&amp;O/PL</th>
<th>Pollution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Completed Project Value</td>
<td>Full Replacement-No Coinsurance</td>
<td>Occurrence</td>
</tr>
<tr>
<td></td>
<td>$10 million</td>
<td>$5 million</td>
<td>$1 million</td>
</tr>
</tbody>
</table>

*Claims Made
- 5 year tail  
- 3 year tail  
- 1 year tail  
- no tail

Indicate approved amount unless recommended coverage is not applicable

Recommendation  
Project Manager/Purchasing Agent  
Date

Approval  
Director Facilities Planning/Director Support Services  
Date
Rating Alternative Risk Transfer Vehicles

- Many organizations are moving to alternative Risk Financing Vehicles
- Self Insurance
  - Workers’ Compensation – regulated stand alone, and Self Insured Groups
  - Liability – not regulated
    - High self insured retention
    - Risk Retention Groups
    - Captive Insurance Company
- How does one evaluate these ART Vehicles?
II. D. Bid Situations

- Would your campus/organization decline a bid not meeting the minimum requirements?
- Drafting with wiggle room to allow the entity to accept the best bid in light of all the facts and circumstances.
II. E. Case Study

- The Recently Retired Expert

How would you handle indemnification by a recently retired expert who your campus/organization would like to serve as construction manager on a complex capital project? What do you do about insurance requirements?

- General Liability
- Auto Liability
- Professional Liability
- Workers’ Compensation
II. H. When CSU is the Contractor

- Role Reversal
- Can the CSU or Auxiliary Organization comply with the Insurance Requirements?
  - CSURMA’s programs have significant elements of self-insurance and pooling that is not traditional insurance
  - CSURMA issues “certificates of coverage” not “certificates of insurance.”
  - The University and auxiliary organizations should include agreement language that allows for self-insurance and/or pool participation
III. Verification of Coverage

- **Having a Process**
  - What is your threshold for obtaining certificates, vs. policies vs. endorsements?
  - How do you determine the appropriate coverages and limits?
  - How do you determine and respond to non-compliance? Will the job be delayed or halted? Leverage after commencement?

- **Using the Process**
  - HDIKT – How do I know that... an audit trail documenting compliance

- **Get Involved Early**

- **Sample Certificate**

- **Sample Checklist**
Sample Certificate

Certificate of Liability Insurance (Annotated Form)

<table>
<thead>
<tr>
<th>Certificate of Liability Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CERTIFICATE OF LIABILITY INSURANCE</strong></td>
</tr>
<tr>
<td><strong>DATE (DAY/MONTH/YEAR)</strong></td>
</tr>
</tbody>
</table>

- **This notice confirms the provisions of the California Insurance Code, §584. Other states have similar provisions. It states that the policy, not the certificate governs coverage.**

- **This block identifies the Agent or Broker.**

- **The insured is your entity’s contractor or lessee.**

- **The insurer will be identified here. The insurer letter appears again near the left margin at (2) to show which insurer provides which coverage.**

- **This notice again states that the policy supersedes the certificate.**

- **Plot section shows the type of coverage provided through the agent or broker identified in (1) above. If the insured uses more than one broker, this certificate will not identify all existing.**

- **These sections show inception and expiration dates for policies identified. Pay special attention that coverage does not expire before or during your project or lease.**

- **This column identifies limits per occurrence and aggregate for each type of coverage afforded. Pay special attention to low aggregate limits for public works-type contractors. Losses on other jobs may reduce your coverage.**

- **Certificate holder is your entity.**

- **The authorized representative of the insurer should be an employee, unless the agent or broker is specifically authorized to sign on behalf of the company.**

---

**Note:** The above annotation highlights the key sections of a Certificate of Liability Insurance, explaining their significance and purpose in providing liability coverage.
Sample Checklist

Contract Review Checklist

Hold Harmless Indemnification Review

1. Contract Date/Party:
2. Party(a) Accepting Risk:
   - [ ] Negligence
   - [ ] Other
3. Type of Risk Accepted:
   - [ ] Direct
   - [ ] Consequential
4. Benefits of Risk Accepted:
   - [ ] Own
   - [ ] Joint
   - [ ] Sole
5. Notice of Damage/Injury Accepted:
   - [ ] Property Damage
     - [ ] Our property
     - [ ] Other party’s property
     - [ ] Property of third persons
   - [ ] Bodily injury/personal injury:
     - [ ] Our employees
     - [ ] Other party’s employees
     - [ ] Third party employees

INSURANCE REVIEW

No answer means either it is not mentioned in the contract or it is specifically rejected.

<table>
<thead>
<tr>
<th>Required of you</th>
<th>Required of Other Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>

1. Liability Insurance
   a. Is it required?
   b. Limits of Liability
   c. Special coverages required
   d. Occurrence vs. claims made coverage
   e. Named as additional insured
   f. Cross liability
   g. Contributory limits required
   h. Cancellation notice
   i. Certificate of other evidence
   j. Other

2. Workers’ Compensation
   a. Is it required?
   b. Contractor’s employees / borrowed servants
   c. Waiver of subrogation
   d. Federal acts
   e. All states and employer’s step top
   f. Cancellation notice
   g. Certificate of other evidence
   h. Other

3. Property Insurance
   a. Is it required?
   b. Valuation method required
   c. Additional insured / additional insured
   d. Waiver of subrogation
   e. Cancellation notice
   f. Certificate of other evidence
   g. Other

4. Automobile Liability Insurance
   a. Is it required?
   b. Valuation method required
   c. Additional insured / additional insured
   d. Waiver of subrogation
   e. Cancellation notice
   f. Certificate of other evidence
   g. Other
IV. Document Retention Policy & Procedure

- Your Certificates & Endorsements are your insurance policy.
- How long does your campus/organization keep its own insurance policies?
- Alternative storage methods.
V. Claims

- Responding to Loss Events
- Reporting to Contractor’s Insurers
- The Subcontractor’s Subcontractor
  - Chasing Certificates and Endorsements
  - Special Situations (such as Underwater Construction, Asbestos Removal, Blasting).
- Negotiating Your Coverage
Sources of Knowledge

- Peer group
- **Campus Risk Management team**
  - Access to their resource pool
- **Systemwide Office of Risk Management**
  - Main line (562) 951-4580
- **CSURMA Program Administrators at Alliant**
  - Main line (415) 403-1400
- **The risk management community**
  - Manuals
  - Feedback through campus risk management
  - Developing a library based on experience

Odds are, this is not the first time the issue has come up – no need to reinvent the wheel!
VI. Sources of Knowledge
Discussion and Questions
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

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s)</th>
<th>Location(s) Of Covered Operations</th>
</tr>
</thead>
</table>

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 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 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 shown in the Declarations, whichever is less.

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

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s)</th>
<th>Location And Description Of Completed Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 the 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 shown in the Declarations, whichever is less.

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

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. Supervision, 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 described in Paragraph A.1.; or

2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II — Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V — Definitions.

SECTION I — COVERAGE

COVERAGES A — BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay for all damages of which the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" which occurs during the policy period and which is reported to us during the policy period or within 30 days after the policy period.

b. This insurance applies to "bodily injury" and "property damage", only if:

1. (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 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 "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.

4. (b) Actual knowledge of the occurrence, or an occurrence, which substantially increases the risk of liability, is not an "occurrence" or claim.

5. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

6. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

7. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

8. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

9. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

10. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

11. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

12. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

13. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

14. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

15. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

16. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

17. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

18. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

19. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

20. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

21. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

22. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

23. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

24. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

25. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

26. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

27. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

28. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

29. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

30. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

31. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

32. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

33. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

34. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

35. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

36. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

37. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

38. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

39. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

40. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

41. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

42. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

43. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

44. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

45. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.

46. (b) The insured shall promptly give written notice to us of an "occurrence", or a claim, as above.
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" or "property damage" 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;
      (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;
      (ii) Any person or organization for whom you may be legally responsible;
      (iii) Any insured or any contractors or subcontractors working directly or indirectly on any insureds 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".
   (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insureds 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".
   (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insureds 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 last for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants";
      (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".
   (3) Any loss, cost or expense arising out of any:
      (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 financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged;
      (b) The operation of any of the machinery or equipment listed in Paragraphs 1(d) or 1(e) or 1(f) of the definition of "mobile equipment".

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;
   (2) The use of "mobile equipment", in or while in practice for, or while being prepared for, any planned, speed, demonstration, or stunt activity.

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 the above.

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 are performing operations, if the property damage arises out of those operations;

(6) That particular part of any property that must be restored, repaired or replaced because “your work” was incorrectly performed on it.

Paragraphs (1), (4), and (6) 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 (9) of this exclusion do not apply to liability assumed under a contract or agreement.

Paragraph (6) of this exclusion does not apply to “property damage” included in the “products-completed operations hazard”.

k. Damage To Your Product
“Property damage” to “your product” arising out of or at any part of it.

l. Damage To Your Work
“Property damage” to “your product” arising out of or at 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 arose was performed on your behalf by a subcontractor.

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”;

(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.

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”;

(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.

o. Personal And Advertising Injury
“Bodily injury” arising out of “personal and advertising injury”.

p. Electronic Data
Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to “property damage” included in the “products-completed operations hazard”.

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 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.

Exclusions c. through n. do not apply to damage by fire to property 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.

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 option, defend the insured against one or more “suits” that do not arise out of a single occurrence, provided that we do not commit an act that we believe in good faith will prejudice our defense against any “suit” to which we would have been liable.

b. We will not defend the insured against any “suit” that is brought by or at the direction of the insured to the extent that the insured has assumed liability in a contract or agreement.

c. We will not pay damages incurred before the beginning of the policy period.

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 such act would violate the rights of another and would infringe “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 “property damage” 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 “advertising material.

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 “advertising material.

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 “advertising material.”
n. Pollution-related
Any loss, cost or expense arising out of any:
(1) Request, demand, order or statutory or regulatory requirement that any insurer or other person test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants";
(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":

War
"Personal and advertising injury", however caused, arising directly or indirectly out of:
(1) War, including undeclared or civil war;
(2) Wartime 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 forces;
(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 Credit Repair Organizations 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, FCRA or FACTA 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.

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;
(3) Because of your operations, provided that:
   (a) The accident takes place in the "covered 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.

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 you 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 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.

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.

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 indemnitee;

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 cannot 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 in 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";

(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 indemnity, 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 of (2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury," "personal and advertising injury," or "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.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insured, 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 insured, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insured, but only with respect to the conduct of your business. Your members are insured, but only with respect to their duties as members.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insured, but only with respect to their duties as your officers or directors. Your stockholders are also insured, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insured, but only with respect to their duties as trustees.

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 insured for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, your partners or members (if you are a partnership or joint venture), to your managers (if you are a limited liability company), to a "employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that "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 exercised for any purpose by you, 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);

b. Any person (other than your "employees" or "volunteer workers"), or any organization while acting as your real estate manager.

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.

t. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and on 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 50th 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 "personal injury" 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.

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.

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;

c. Persons or organizations making claims or bringing "suits".

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 "personal injury" included in the "products-completed operations hazard"; and

c. Damages under Coverage B.
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."

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.

5. Subject to Paragraph 2, 3, or 4, 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.

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 care of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

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.

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.

SECTION IV – COMMERCIAL LIABILITY CONDITIONS
1. Bankruptcy
   Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

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", 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 number and addresses of any injured persons and witnesses; and
   b. If a claim is made or "suit" is brought against any insured for injuries or damages arising out of the "occurrence" or offense, 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 you provide 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 of settlement of the claim or defense against the "suit";
      (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 for which this insurance may also apply;
      (5) Insure that no insured, except at the insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us
   No person or organization has a right under this Coverage Part to:
   a. To join us as a party or otherwise bring us into a "suit" for damages from an insured; or
   b. To sue us on this Coverage Part unless all of its terms have been fully complied with.
   A person or organization may sue us to recover on an "occurrence", an offense, a final judgment against an insured, but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

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 g. 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;
         (b) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for your work;
         (c) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
         (d) That is insurance purchased by you to cover your liability as a tenant for "bodily injury" or "property damage" to premises rented to you or temporarily occupied by you with the permission of the owner;
         (e) If the loss arises out of the maintenance or use of aircraft, "aeror" 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 the other insurers.

5. 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 other insurance.

6. 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.

7. 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.

   a. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insured's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Premium Audit
   a. We will compute all premiums for this Coverage Part in accordance with our rules and regulations.
   b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown on the closing certificate of the claim. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
   c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

9. Representations
   a. The statements in the Declarations are accurate and complete.
b. Those statements are made upon representations you made to us; and

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured the written notice of the nonrenewal not less than 30 days before the expiration date, unless it is mailed, proof of mailing will be sufficient proof of notice.

SECTION V—DEFINITIONS

1. "Advertising" 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 broadcast 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.

2. "A'uto" 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.

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

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

5. "Employee" includes a "leased worker":

"Employee" does not include a "temporary worker.

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

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

8. "Improperly" means "improperly" or "in an improper manner," other than "your product" or "your work," that cannot be used or is less useless because:

a. It incorporates your product or your work that is known 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, you are fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

a. A contract for the lease of premises. However, that portion of the contract for a lease of premises that indemnifies another person or organization to pay for bodily injury or for property damage while rented to you or temporarily occupied by you is not an insured contract.

b. A sidetack 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 for bodily injury or property damage to a third person or organization. Tort liability means 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 that:

(1) That indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations on or within 50 feet of a railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, 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 notes, change orders or drawings and specifications;

(b) Giving directions or instructions or failing to give to the architect, engineer or surveyor, in writing, any other directions or instructions; or

(c) Under which the indemnifier, if an architect, engineer or surveyor, has liability for injury or damage arising out of the architect's negligence or failure to render professional services, including those listed in (2) above and supervised, approved, or inspected, architectural or engineering activities.

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.

11. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is approved 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.

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 on public streets;

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 equipment:

(1) Power cranes, shovels, loaders, diggers or drills;

(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, d, e above maintained primarily for purposes other than the transportation of persons or cargo.
However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "truck":

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, geothermal exploration, lightning 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".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

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";
   g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalies, chemicals and waste. Waste includes materials to be recycled, reconditioned or reconditioned.

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;
      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.
   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, unstalled 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.

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;
   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.

18. "Suit" means a civil proceeding in which damages are sought because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. "Suit" includes:
   a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent;
   b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for the work performed for you.

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;
      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";
   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.

22. "Your work":
   a. Means:
      1. Work or operations performed by you or on your behalf;
   b. 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";
   2. The providing of or failure to provide warnings or instructions.
Certificate of Liability Insurance (Annotated Form)

- **This block identifies the Agent or Broker.**
- **The insured is your entity's contractor or lessee.**
- **The insurer will be identified here. The insurer letter appears again near the left margin at "3" to show which insurer provides which coverage.**
- **This notice states that the policy supersedes the certificate form.**
- **These sections show the type of coverage provided through the agent or broker identified in "1" above. If the insured uses more than one broker, this certificate will not identify all existing.**
- **This section will usually be used to restrict coverage to a specific job or lease. Watch for restrictions that would omit the coverage required by your specifications.**
- **Cancellation provisions**

---

**Certificate of Liability Insurance**

<table>
<thead>
<tr>
<th>INSURED</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**COVERAGES**

<table>
<thead>
<tr>
<th>TYPE OF INSURANCE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**AMOUNT LIMIT APPLIES PER POLICY**

<table>
<thead>
<tr>
<th>POLICY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CANCELLATION**

<table>
<thead>
<tr>
<th>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Representative</td>
<td></td>
</tr>
<tr>
<td>Example:</td>
<td></td>
</tr>
</tbody>
</table>

---

**Certificate holder is your entity.**

**The authorized representative of the insurer should be an employee, unless the agent or broker is specifically authorized to sign on behalf of the company.**
<table>
<thead>
<tr>
<th>CG 20 10 ED 07 04</th>
<th>CG 20 10 ED 04 13</th>
<th>Comments</th>
</tr>
</thead>
</table>
| **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. | **B. Section II 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. | 1. Restricts coverage to that required by contract, to the extent permissible by law  
2. Restricts limits of liability to those specified in the contract |
| **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 shown in the Declarations; whichever is less.  
This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations. |          |
<table>
<thead>
<tr>
<th>CG 20 37 ED 07 04</th>
<th>CG 20 37 ED 04 13</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>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 &quot;bodily injury&quot; or &quot;property damage&quot; caused, in whole or in part, by &quot;your work&quot; at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the &quot;products-completed operations hazard&quot;.</td>
<td>However:</td>
<td>1. Restricts coverage to that required by contract, to the extent permissible by law</td>
</tr>
<tr>
<td></td>
<td>However:</td>
<td>2. Restricts limits of liability to those specified in the contract</td>
</tr>
<tr>
<td></td>
<td>1. The insurance afforded to such additional insured only applies to the extent permitted by law; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>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:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Required by the contract or agreement; or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.</td>
<td></td>
</tr>
</tbody>
</table>