

UC Limits and Coverage

Commercial General Liability

Subject to its exclusions and conditions, this insurance covers a wide range of liability loss exposures faced by most organizations.

- **Premises and operations liability:** Bodily Injury and Property Damage for accidents occurring at any premises owned, rented or used by the insured and accidents occurring away from such premises, but only if they arise out of the insured's ongoing (as opposed to *completed*) operations.
- **Products and completed operations liability:** This coverage responds to claims for Bodily Injury and Property Damage arising out of the named insured's products or completed operations.
- **Contractual Liability:** Bodily Injury and Property Damage assumed under an *insured contract*. Insured contracts include leases of premises, sidetrack agreements, easement or license agreements, obligations to indemnify a municipality, and elevator maintenance agreements.
- **Fire Legal Liability:** Subject to a separate fire damage limit, this coverage will respond to pay for fire damage to premises rented to or temporarily occupied by the named insured. Damage to such property would otherwise be excluded (care, custody & control).
- **Personal Injury** means injury, other than "bodily injury" arising out of one or more of the following offenses:
 1. False arrest, detention or imprisonment
 2. Malicious prosecution
 3. Wrongful eviction or wrongful entry
 4. Oral/Written publication of material that slanders or libels.
 5. Oral /Written publication of material that violates a person's right of privacy.
- **Advertising Injury** means injury arising out of one or more of the following offenses:
 1. Oral/Written publication of material that slanders or libels.
 2. Oral/Written publication of material that violates a person's right of privacy.
 3. Misappropriation of advertising ideas or style.
 4. Infringement of copyright, title or slogan

Coverage A - Bodily Injury and Property Damage Liability

Coverage B - Personal and Advertising Injury Liability

Coverage C - Medical Payments

Limits of insurance defined:

- **General Aggregate** is the most the insurer will pay for the sum of the following:
 1. Damages under Coverage A other than damages within the products-completed operations hazard.
 2. Damages under Coverage B
 3. Medical expenses under Coverage C
- **Products-Completed Operations Aggregate** is the most the insurer will pay under Coverage A for damages within the product-completed operations hazard.
- **Each Occurrence Limit** is the most the insurer will pay for all damages under Coverage A and all medical expenses under Coverage C for any one occurrence.
- **Personal and Advertising Injury Limit** is the most the insurer will pay under Coverage B for all damages because of personal injury and advertising injury sustained by an one person or organization.
- **Fire Damage Limit** is the most the insurer will pay under Coverage A for damage resulting from any one fire covered by fire legal liability coverage.
- **Medical Expense Limit** is the most the insurer will pay under Coverage C to any one person.

Miscellaneous General Liability Coverage

- Railroad Protective Liability (coverage for the benefit of the railroad only)
- Liquor Liability
- Recall
- Owners and Contractors Protective Liability
- Care, custody and control (excluded under the GL form). May need to secure Inland Marine type coverage for fine arts, equipment, etc.

Business Auto Liability

Business Auto Coverage is for liability arising out of the ownership, maintenance or use of automobiles.

Truckers Coverage &/or Motor Carrier Coverage Forms are modified versions of the Business Auto policy designed to meet the special coverage needs of truckers (broader named insured).

MCS 90 Endorsement - Endorsement for Motor Carrier Policy of Insurance for Public Liability under Sections 29 and 30 of the Motor Carrier Act of 1980. This act requires certain minimum liability limits be maintained for the following vehicles:

1. All trucks 10,000 pounds or more of gross vehicle weight carrying certain hazardous cargo.
2. Trucks for hire used for interstate transportation of any type of material.
3. All trucks that transport hazardous cargo in bulk that are not included in item #2 above.

Limit of Liability: The most the carrier will pay for any one accident or loss.

Aviation Liability

- General Aviation - corporate flying of executives, air taxi, charter, aerial application and observation, law enforcement, flight training and business and pleasure flying. General Aviation is defined as all civil aviation except for airlines.
- Airlines
- Aviation Manufacturing and Distribution
- Airports
- Fixed Base (dealers, distributors, maintenance, repair and fuel suppliers).

Limits of Liability: Refer to Exhibit C

Protection and Indemnity Coverage (Marine/Watercraft)

- Loss of life, injury and illness
- Repatriation Expenses
- Damage to other vessels
- Damage to any other property
- Wreck removal
- Cargo Liability

Limits: Refer to the Vendor Matrix: Suggested Coverage Limits

Miscellaneous Marine Coverages

- Builders Risk
- Ship Repairers Liability
- Terminal Operators Legal Liability
- Marine Operators Legal Liability
- Boat Dealers Policy
- Charterer Liability

- Offshore Oil and Gas Facilities
- Detention/Demurrage

Limits: Vary per exposure.

Workers Compensation

- Statutory coverage providing fixed awards and medical reimbursement to employees or their dependents for employment-related injuries and diseases.
- **Federal Compensation Laws:**
 1. Federal Employers' Liability Act (FELA) - applicable to employees of interstate railroads.
 2. Longshore and Harbor Workers' Compensation Act (LHWCA) - applicable to employees engaged in longshoring or other maritime employment.
 3. Defense Base Act (DBA) - benefits are provided to employees at any military, air or naval bases.
 4. Nonappropriated Fund Instrumentalities Act - extends benefits to civilian employees which include various military base facilities such as stores and theatres.
 5. Outer Continental Shelf Lands Act (OCSLA) - extends benefits to workers, other than members of a vessel's crew, engaged in the exploration for or production of natural resources on the outer continental shelf of the United States (offshore drilling and production platforms).
- **Jones Act/Death on the High Seas Act** - benefits for vessel's crew or their survivors.
- **Migrant Seasonal Agricultural Worker Protection Act** - provides various protection to migrant and seasonal agricultural workers. Provides a right to sue even though the applicable workers compensation act might contain a provision declaring the coverage as an exclusive remedy for occupational illness of such workers.

Limits: Statutory

- **Employers Liability:**
 1. Third-party-over
 2. Care and Loss of Services (consortium)
 3. Consequential Bodily Injury
 4. Dual Capacity

Limits:

\$1,000,000 Each Accident
\$1,000,000 Policy Limit
\$1,000,000 Each Employee

Professional Liability

Because the liability exposures of one profession (e.g., medicine) differ considerably from the liability exposures of another profession (e.g., engineering), insurers use different policies to insure members of each profession.

Professional Liability policies are not designed to cover ordinary business exposures such as those covered under a Commercial General Liability policy. These policies are designed to cover errors and omissions and the failure to render professional services.

Defense coverage may exhaust the limit of liability so it is important to determine the application of this expense.

Some classifications requiring Professional Liability:

- Accountants
- Ambulance services
- Architects/Engineers
- Blood Banks
- Cemeteries/Crematories

- Fire Departments
- Health-care facilities
- Insurance Agents
- Laboratories/Medical Facilities
- Lawyers
- Paramedics
- Saunas
- Tanning Salons
- Veterinarians

Limits: Vary per exposure.

Directors and Officers Liability

To protect its directors and officers against D&O liability suits and to finance its own indemnification agreements with its directors and officers, a corporation typically buys a Directors and Officers Liability policy.

Coverage A insures the individual directors and officers.

Coverage B insures the corporation for the amounts that it is lawfully permitted or required to pay to defend or settle claims against the directors or officers.

Limits: Vary per exposure.

Environmental Insurance

First-party (property) and third-party (liability) coverage are available for pollution-related loss exposures. Environmental liability losses can be incurred through torts (negligence, intentional or strict liability), contractual obligations, or statute violations. Refer to Exhibit A.

Limits: Refer to the Vendor Matrix: Suggested Coverage Limits