



SHEET METAL & AIR CONDITIONING  
CONTRACTORS' NATIONAL ASSOCIATION



# Insurance Claims & Coverages

Managing Your Risk

It's Our Business to Protect Yours  
**FEDERATED**  
INSURANCE 

Patrick Cunningham  
National Account Executive



**Insurance is designed to help pay for the direct costs of a loss, including:**



Medical Expenses



Indemnity Costs



Property Damage



Defense Costs



**There are more than  
1,800 ISO forms and  
endorsements that can  
add, delete, or change  
coverage.\***

\*Federated Information Services and Home Office P&C Underwriting

GL

**SCHEDULE OF FORMS AND ENDORSEMENTS**

| <u>Title as on Form or Endorsement</u>   | <u>Form Edition</u>   |
|--|-----------------------|
| General Liability Schedule   | CG-F-8 (01-21)        |
| Deletion Of Additional Insured   | IL-F-8.9 (09-95)      |
| Primary And Noncontributory-Other Insurance                                      | CG 20 01 (12-19)      |
| Condition Endorsement  |                       |
| Additional Insured-Owners, Lessees Or Contractors- Automatic Status              | CG 20 33 (12-19)      |
| Additional Insured-Lessor Of Leased Equipment-Automatic Status When              | CG 20 34 (12-19)      |
| Waiver of Transfer of Rights of Recovery Against Other to Us                     | CG 24 53 (12-19)      |
| Additional Insured - Engineers, Architects, Or Surveyors                         | CG 20 07 (12-19)      |
| Addl Insured - Owners, Lessees Or Contractors - Scheduled Person Or Organization | CG 20 10 (12-19)      |
| Extension Endorsement  | IL-F-40 (05-10)       |
| Addtl Insd - Engineers, Architects Or Surveyors Not Engaged By The Named Insd    | CG 20 32 (12-19)      |
| Additional Insured-Owners, Lessees Or Contractors-Completed Operations           | CG 20 37 (12-19)      |
| Extension Endorsement  | IL-F-40 (05-10)       |
| Additional Insured - Owners, Lessees Or Contractors (Form B)                     | CG-F-64 (06-19)       |
| Extension Endorsement  | IL-F-40 (05-10)       |
| Quick Reference  | CG 00 01 (QR) (04-13) |
| Commercial General Liability Coverage Form                                       | CG 00 01 (04-13)      |
| Exclusion-Unmanned Aircraft  | CG 21 09 (06-15)      |
| Communicable Disease Exclusion   | CG 21 32 (05-09)      |
| Employment-Related Practices Exclusion   | CG 21 47 (12-07)      |
| Fungi or Bacteria Exclusion  | CG 21 67 (12-04)      |
| Cap on Losses From Certified Acts Of Terrorism                                   | CG 21 70 (01-15)      |
| Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism            | CG 21 76 (01-15)      |
| Cond Excl - Terrorism Involving Nucl, Bio, or Chem Terrorism                     | CG 21 88 (01-15)      |
| Snowplow Operations Coverage   | CG 22 92 (12-07)      |
| Amendment Of Coverage Territory - Worldwide Coverage                             | CG 24 22 (04-13)      |
| Cannabis Exclusion with Hemp Exception   | CG 40 15 (12-19)      |
| Controlled (Wrap-Up) Insurance Program Coverage Limitation Endorsement           | CG-F-102 (GL) (12-19) |
| Voluntary Property Damage Coverage   | CG-F-103 (01-15)      |
| Amendment Of Liquor Liability Exclusion  | CG-F-109 (03-12)      |
| Additional Condition - Two Or More Coverage Forms Or Policies Issued By Us       | CG-F-111 (03-12)      |
| Premium Audit Noncompliance Charge   | CG-F-126 (12-19)      |
| Pollution Exclusion Modification   | CG-F-53 (02-10)       |
| Multi - Cover Liability Endorsement  | CG-F-6 (04-19)        |
| Coverage Limitation - Continuous or Progressive Injury or Damage                 | CG-F-68 (CO) (05-17)  |
| Business Operations - Pollution Exclusion  | CG-F-92 (04-05)       |
| Executive Personal Liability Coverage  | CG-F-98 (07-05)       |

Continued on Next Page

WF-50 (08-78)

Policy Number:

Transaction Effective Date: 06-22-2021





# You have insurance...



# ...but are you covered?





## Inland Marine

### In the Event of a Claim...

#### Contractor's Tools and Equipment

- Market Value vs. Brand New
- Adequate Limits of Insurance
- Coinsurance Penalty
- Common Causes of Loss Limited or Excluded





## General Liability

### Top 5 Standard ISO GL Exclusions:

1. Designated Products, Work, or Ongoing Operations Exclusions
2. Abuse or Molestation Exclusion
3. Wrap-Up Designated Operations Coverage Exclusion
4. Fungi or Bacteria Exclusion
5. Silica Dust Exclusion







## Business Errors and Omissions

- Fills Coverage Gaps in General Liability
- Covers:
  - Cost to Redo Your Product and Work
  - Fix Errors Not Covered by GL
- Coverage May be Needed Due to:
  - Job Contract Requirement
  - Your Performance of Professional Services

GL

- (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 working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) 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 (6) of this exclusion do not apply to liability assumed under a sidetrack 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 it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**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"; or
- (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"; or
- (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 liability for damages because of "bodily injury".

As used in this exclusion, 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.

**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 of 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



## Employment Related Practices Liability (ERPL)

- Employees Bringing Suits Alleging:
  - Wrongful Termination
  - Discrimination
  - Sexual Harassment
  - Retaliation
- Potential Claims from Job Applications





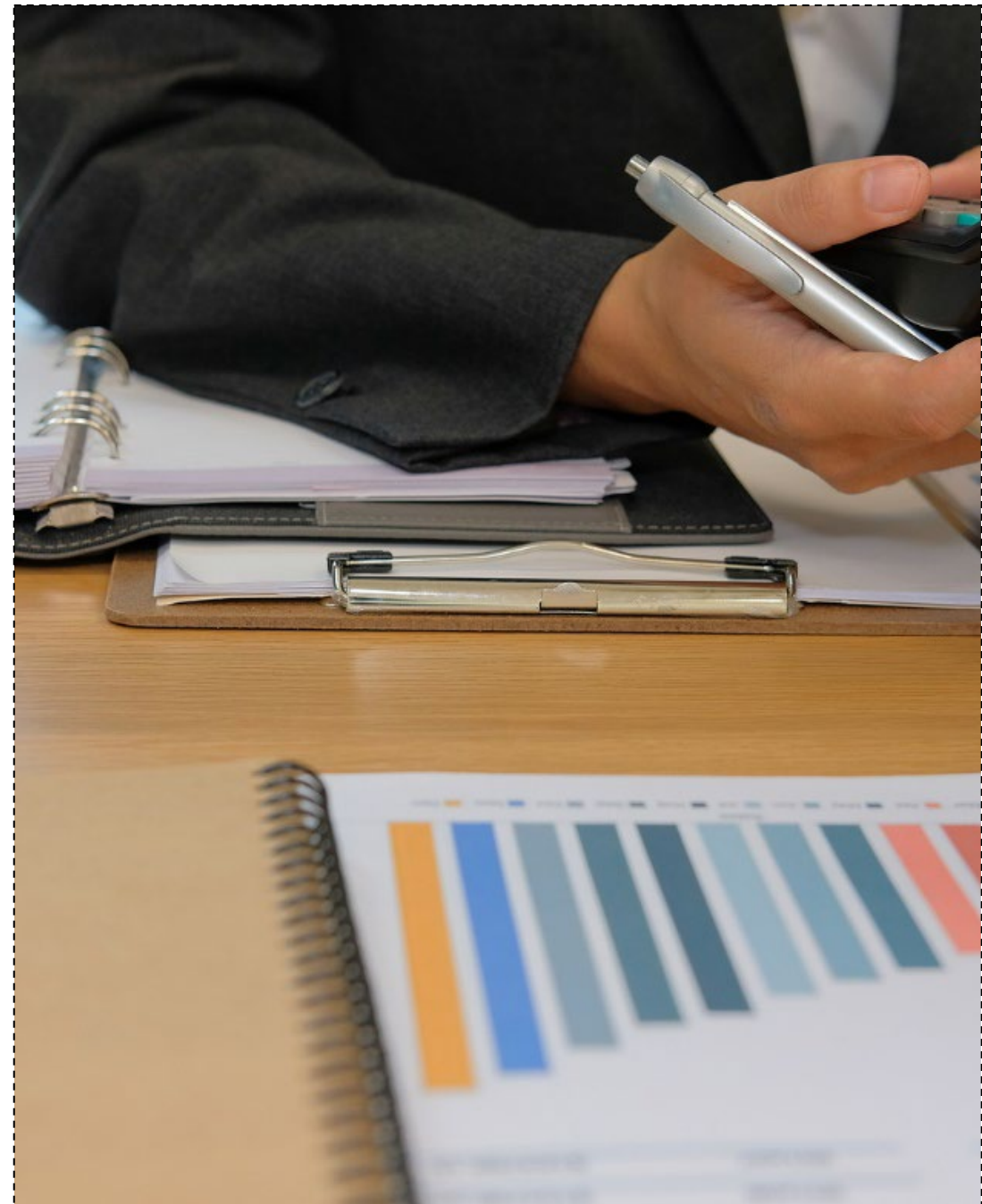


## Workers Compensation

|                    |          |
|--------------------|----------|
| Current WC Mod     | 0.98     |
| Current WC Premium | \$31,277 |
| Average WC Mod     | 1.00     |
| Average WC Premium | \$31,915 |
| Lowest WC Mod      | 0.73     |
| Lowest WC Premium  | \$23,298 |

Your experience modifier is costing you...

**\$7,979**



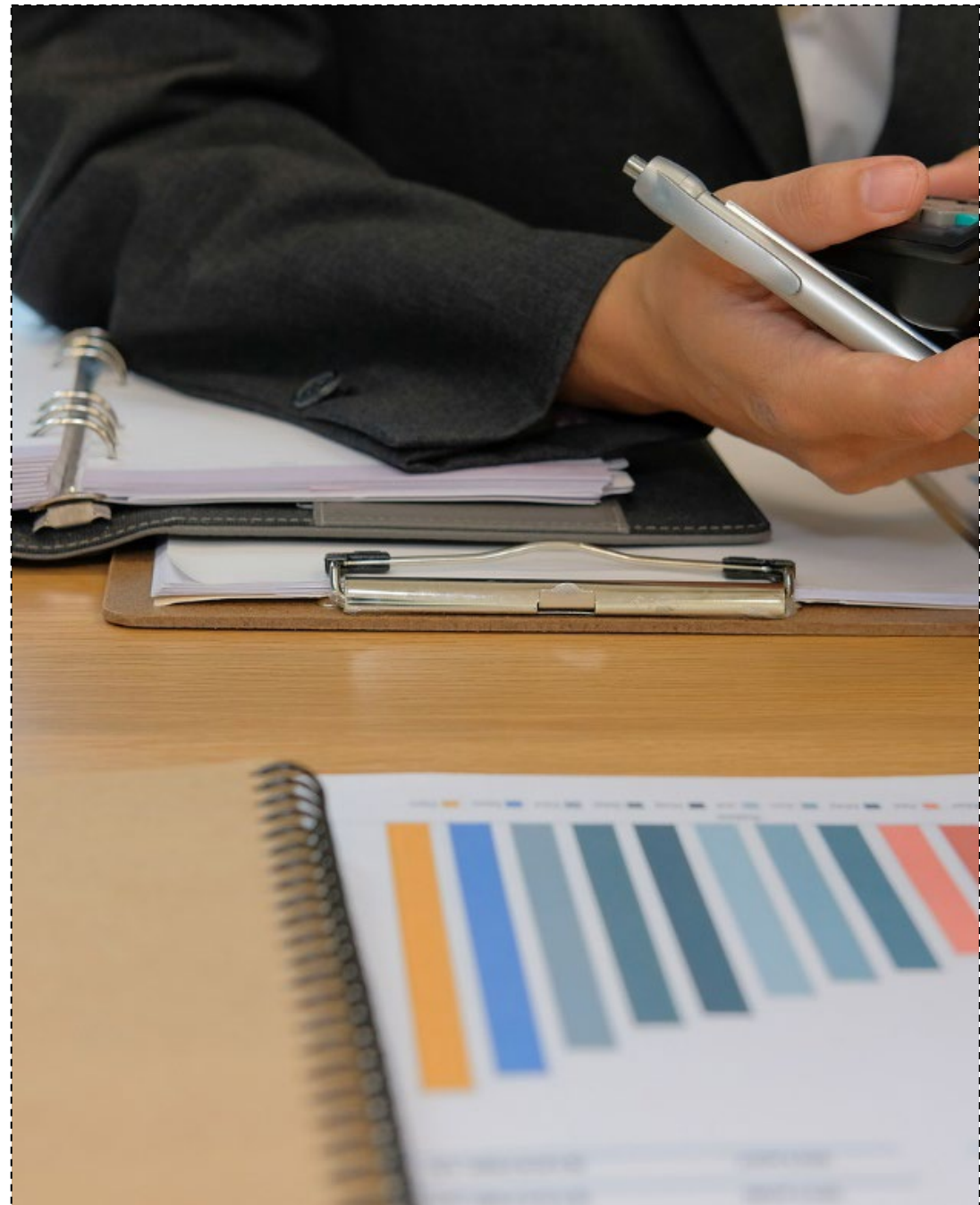


## Workers Compensation

|                        |          |
|------------------------|----------|
| Current WC Mod         | 0.98     |
| Current WC Premium     | \$31,222 |
| With additional losses | 1.45     |
| New WC Premium         | \$46,277 |

Additional losses could cost you...

**\$15,055**



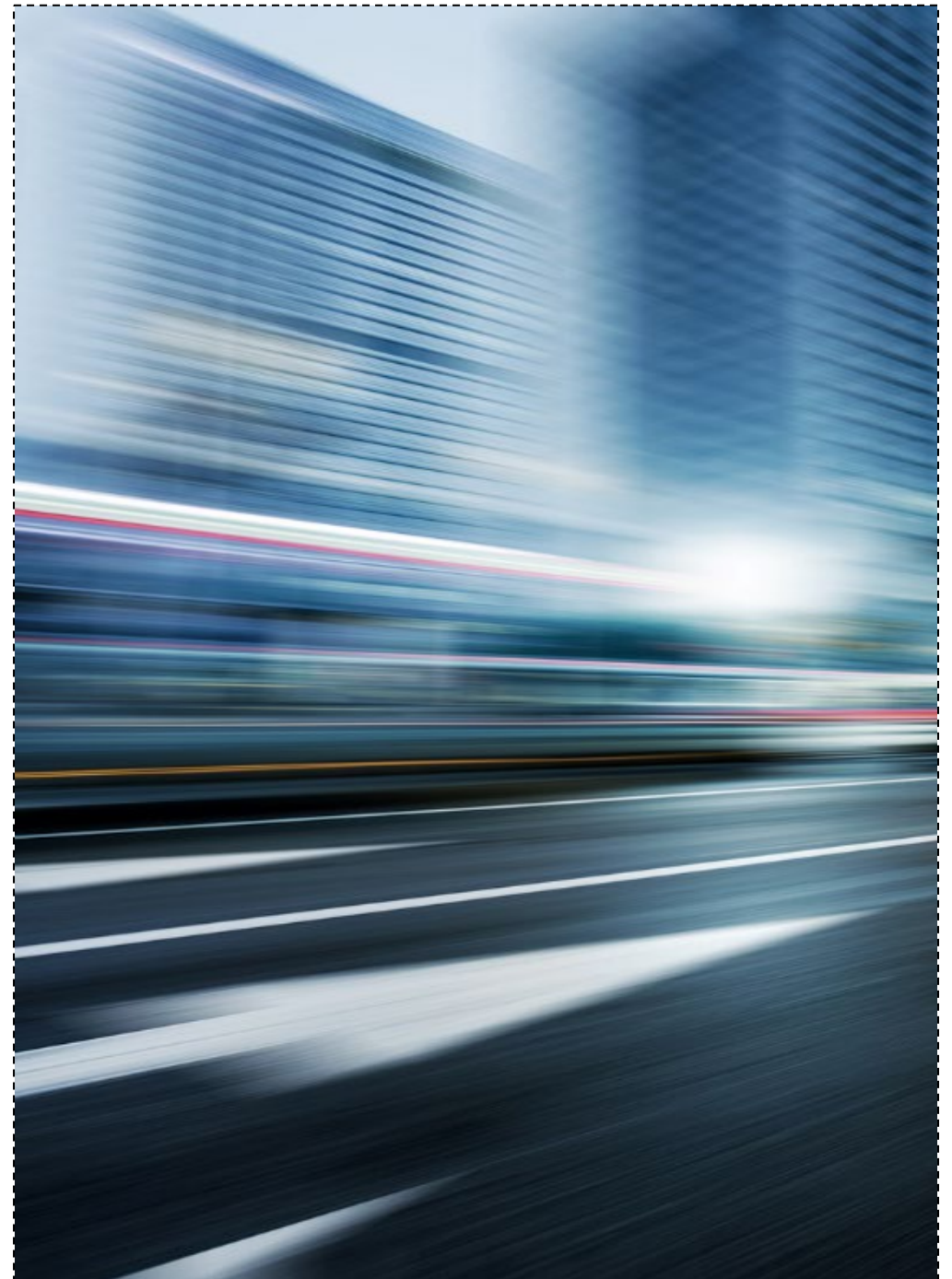




## Vicarious Liability

An employer can be liable for the acts or omissions of its employees, provided it can be shown that they took place in the course of their employment.\*

\*<https://legaldictionary.net/vicarious-liability>





## Vicarious Liability

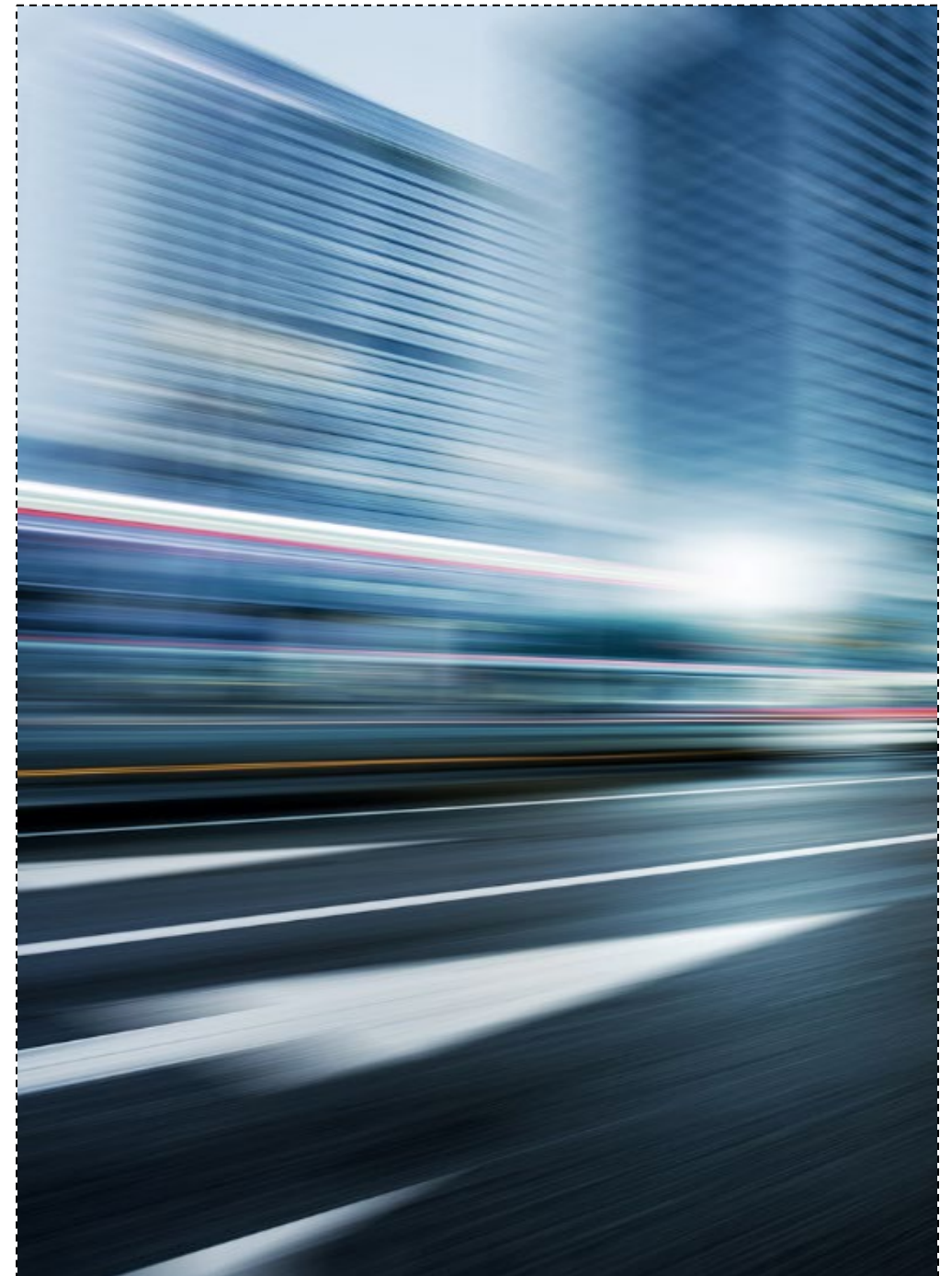






## Reinforce Safe Driving

- Have a Driving Policy
- Educate Employees
- Driver Screening and Monitoring
- Mobile Solutions
- Fleet Technology





## Cyber Insurance

What issues does a business need to consider with cyber security?

- Compliance with state breach notification laws
- Forensic analysis to identify what information was breached
- Credit monitoring and identity theft case management
- Public relations strategy to minimize reputational risk
- Fines and/or penalties from Payment Card Industry (PCI) or other regulatory agencies
- Potential legal action from affected individuals

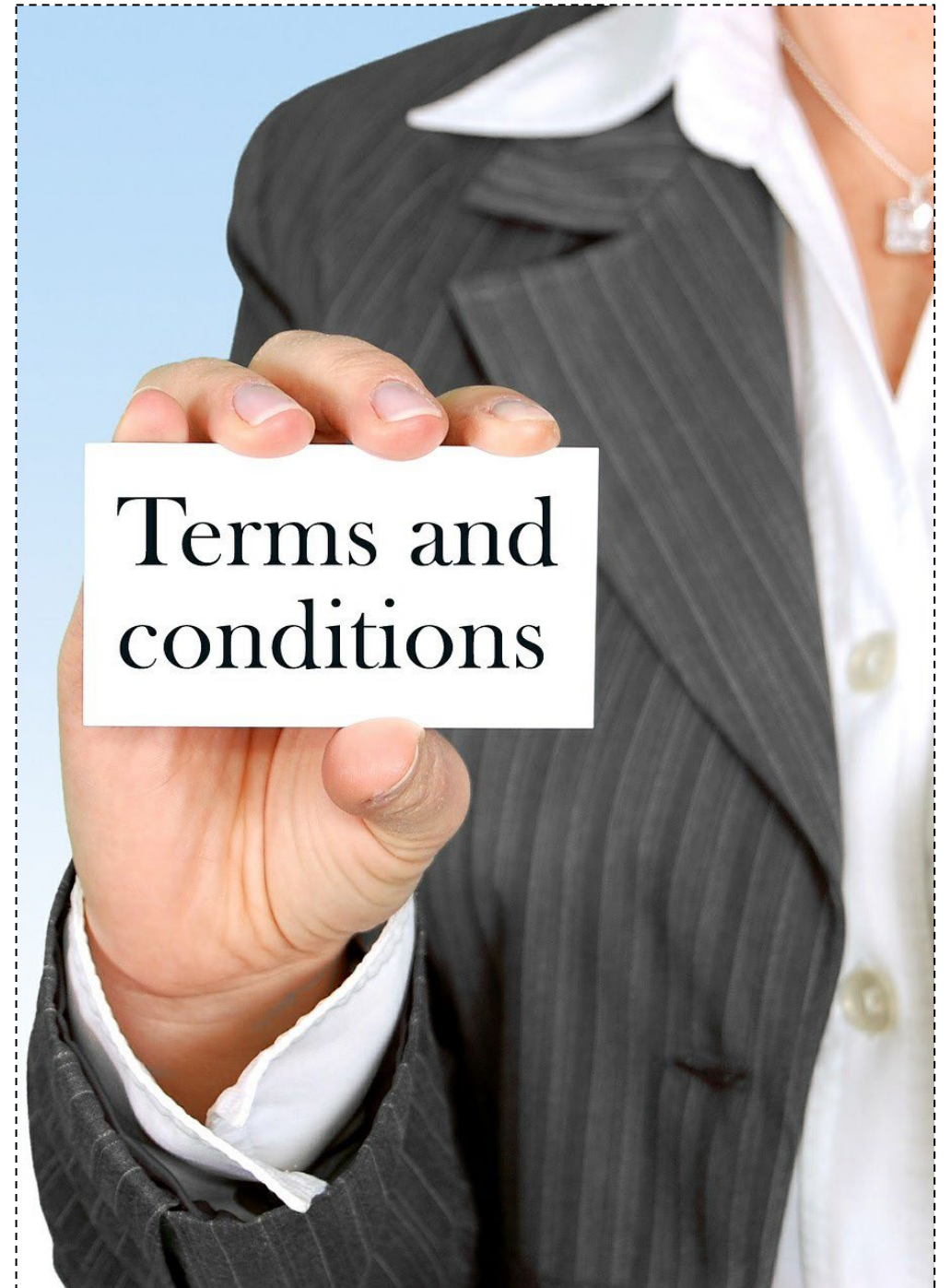






## Pollution

- Standard Total Pollution Exclusions:
  - CG 21 49
  - CG 21 55
  - CG 21 65

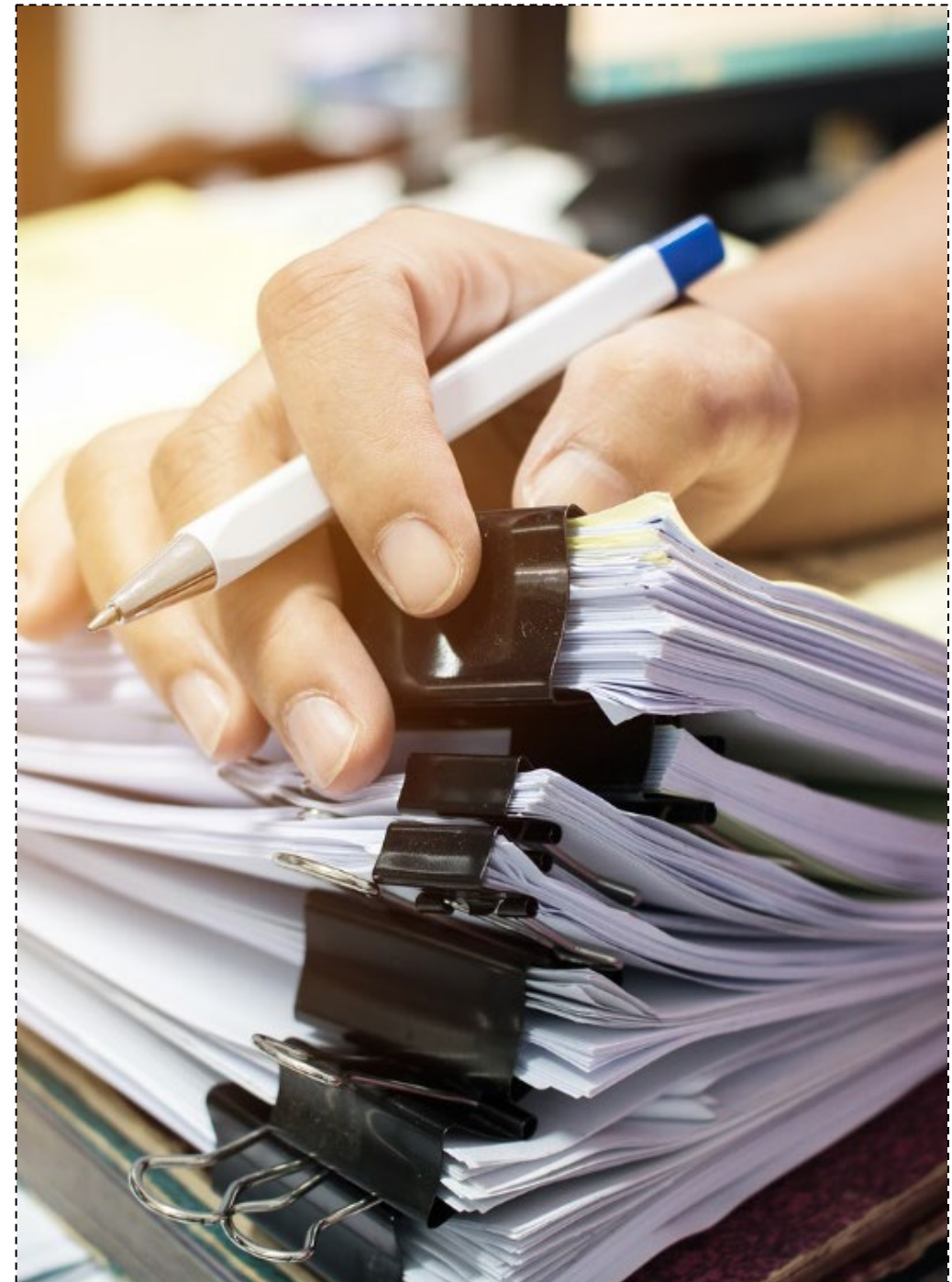




## Insurance Certificates and Endorsements

Certificates of Insurance and Additional Insured Endorsements

- GL Ongoing Operations Additional Insured
- GL Completed Operations Additional Insured







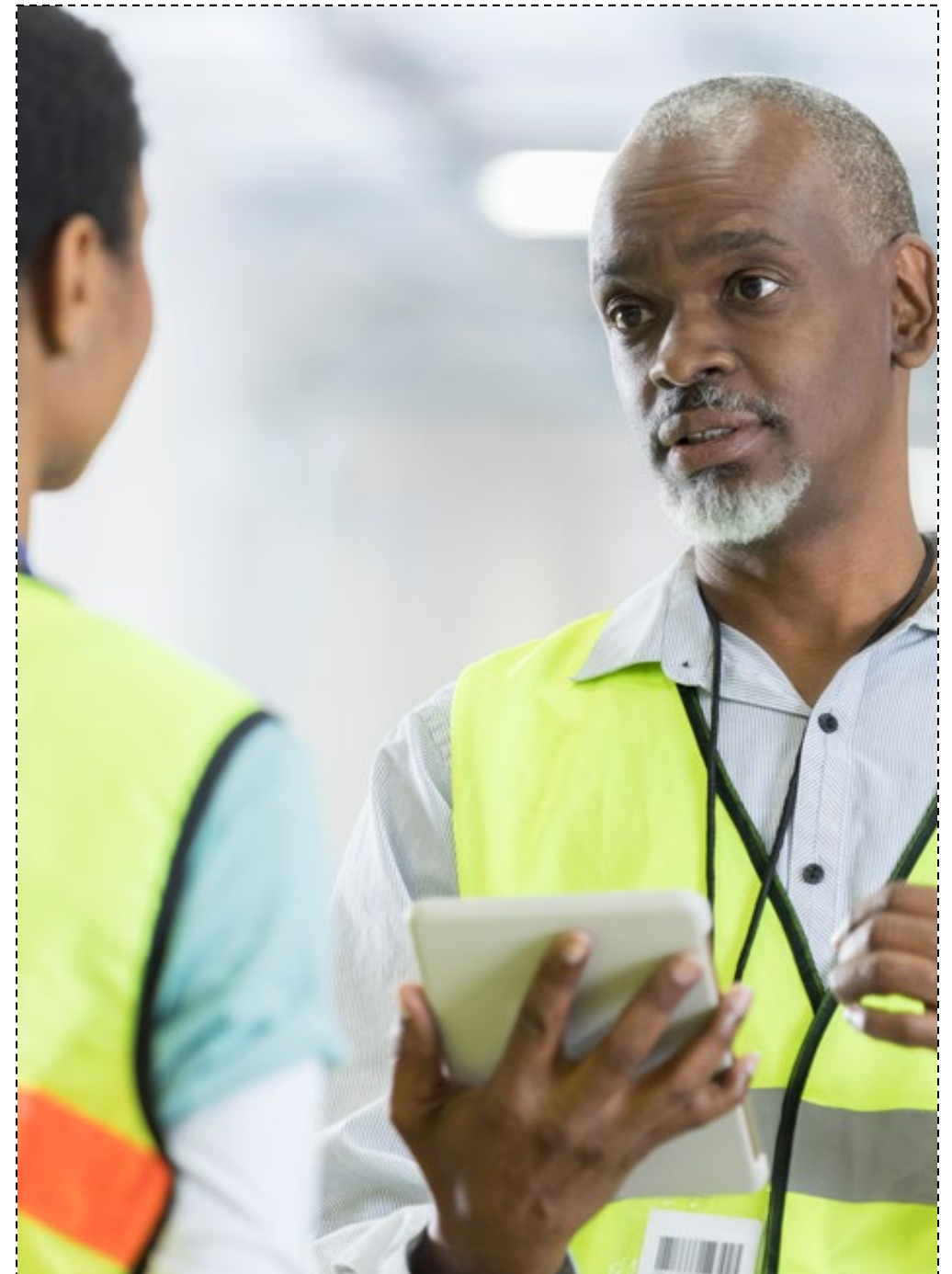
## OSHA Violations

According to the US Department of Labor Data Enforcement, in 2021 there were more than 61,000 OSHA inspections at both the state and federal levels resulting in more than 110,000 violations with potential fines of greater than \$267 million.\*

Resources available:



\*<https://enforcedata.dol.gov/views/oshalab.php> 5/22








## Disaster Planning

- 2017 was the costliest year on record for natural disasters in the United States at more than \$165 Billion<sup>1,2</sup>
- Forced many businesses to close their doors
- Business owners should have 2 things:
  1. Insurance
  2. A preparedness plan

**OFB-EZ**  
STAY OPEN FOR BUSINESS  
A PROGRAM OF IBHS

THE EASY WAY  
TO PREPARE YOUR  
BUSINESS FOR THE  
UNEXPECTED.

 Insurance  
Institute for  
Business &  
Home  
Safety®

Prepared by the Insurance Institute for Business & Home Safety (IBHS), which is an independent, nonprofit, scientific research and communications organization supported by the property insurance industry.

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It's Our Business to Protect Yours  
**FEDERATED**  
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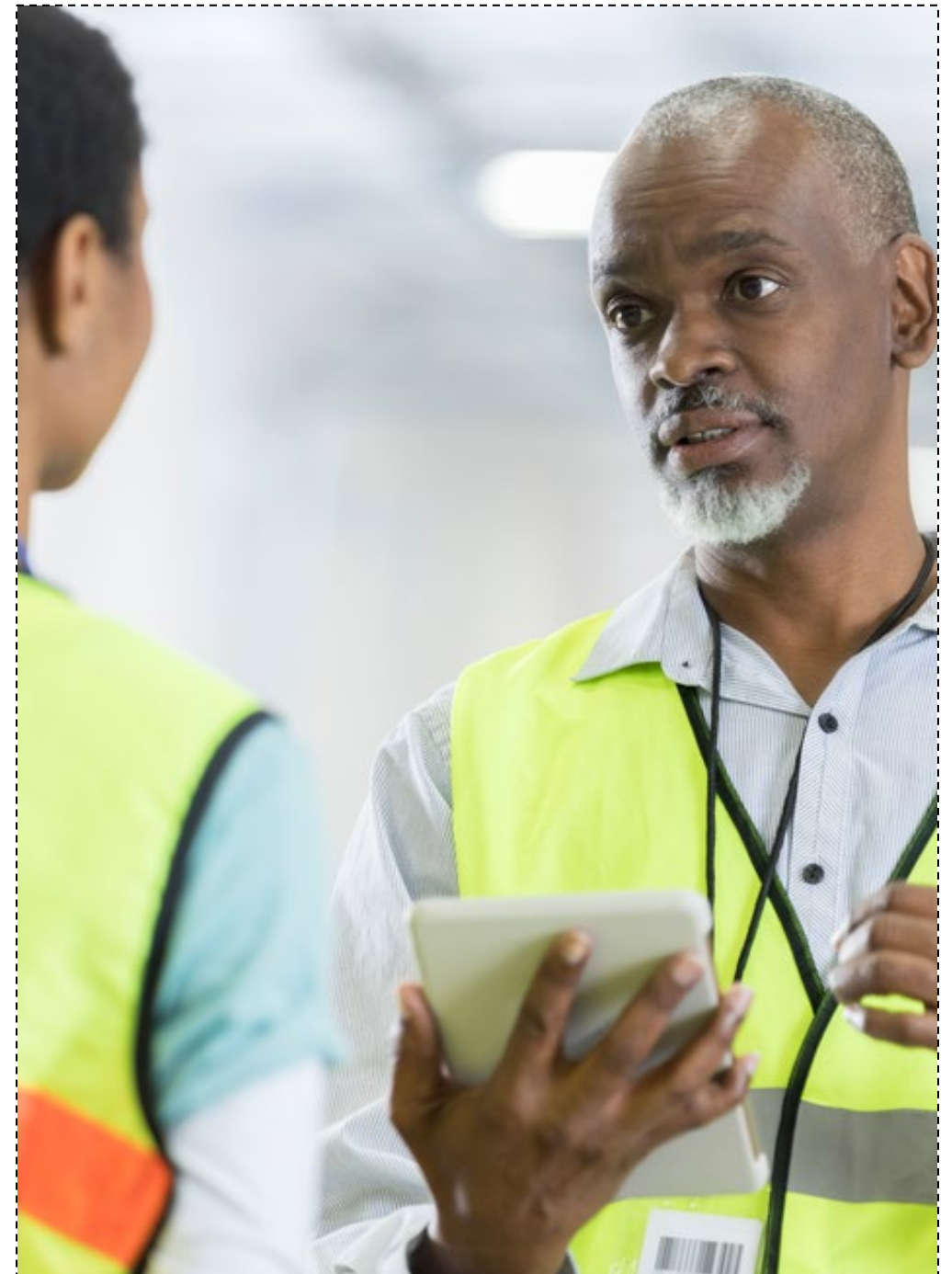
<sup>1</sup><https://www.iii.org/fact-statistic/facts-statistics-us-catastrophes>

<sup>2</sup>Climate.gov, pub. Jan. 2023 | 2022 U.S. Billion-Dollar Weather and Climate Disasters in Historical Context



## Risk Management

- Workers Compensation Managed Care Program
  - Prompt Reporting
  - Return to Work/Modified Duty Program
  - Providers In-Network with Occupational Focus
  - Drug-free Workplace
- Employment and Hiring Practices
- Employee Training
- Written Safety Program
- Safety Incentive Program
- Designated Risk Manager
- Limit Use of Company Vehicles
- Motor Vehicle Record Program
- Policy Programming – Watch Your Deductibles
- Control Claims





## Who Do We Want to Insure?

### Company A

- Few claims
- Well maintained property
- Regular fleet maintenance
- Formal hiring and training program
- Active, on-going safety training
- Annual MVR reports on all drivers
- “No nonsense” management attitude

### Company B

- Many claims
- Rundown property
- Fleet not maintained
- No formal hiring program
- Minimal safety training
- No driving standards set
- Indifferent management attitude





## Take Ownership

- Meet annually with your agent before the renewal to review coverages.
- Don't get caught in the apples-to-apples game. Your coverage needs to be written right to cover your exposures.
- Review all contracts before signing.





# Thank you!

## *Mission Statement*

As a mutual insurance company, we believe our value is measured by the success of our clients.

**It's Our Business to Protect Yours®**



This presentation is for general information and risk prevention only and should not be considered legal or coverage advice or an offer of insurance. All claims examples and other illustrations are meant for discussion only and coverage will be determined solely by the terms of your policy, if approved for issue. The information provided may be subject to federal or state laws and regulations and does not serve as a substitute for any laws or regulations. All products and services not available in all states. Qualified counsel should be sought with questions specific to your circumstances.