



SHEET METAL & AIR CONDITIONING
CONTRACTORS' NATIONAL ASSOCIATION



Insurance Claims & Coverages

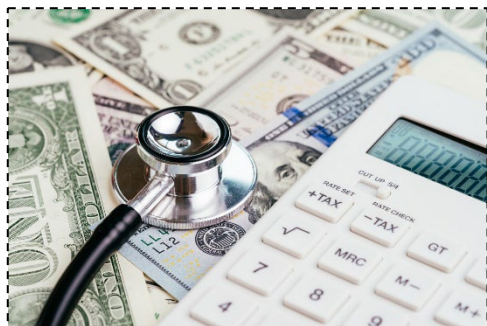
Managing Your Risk

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



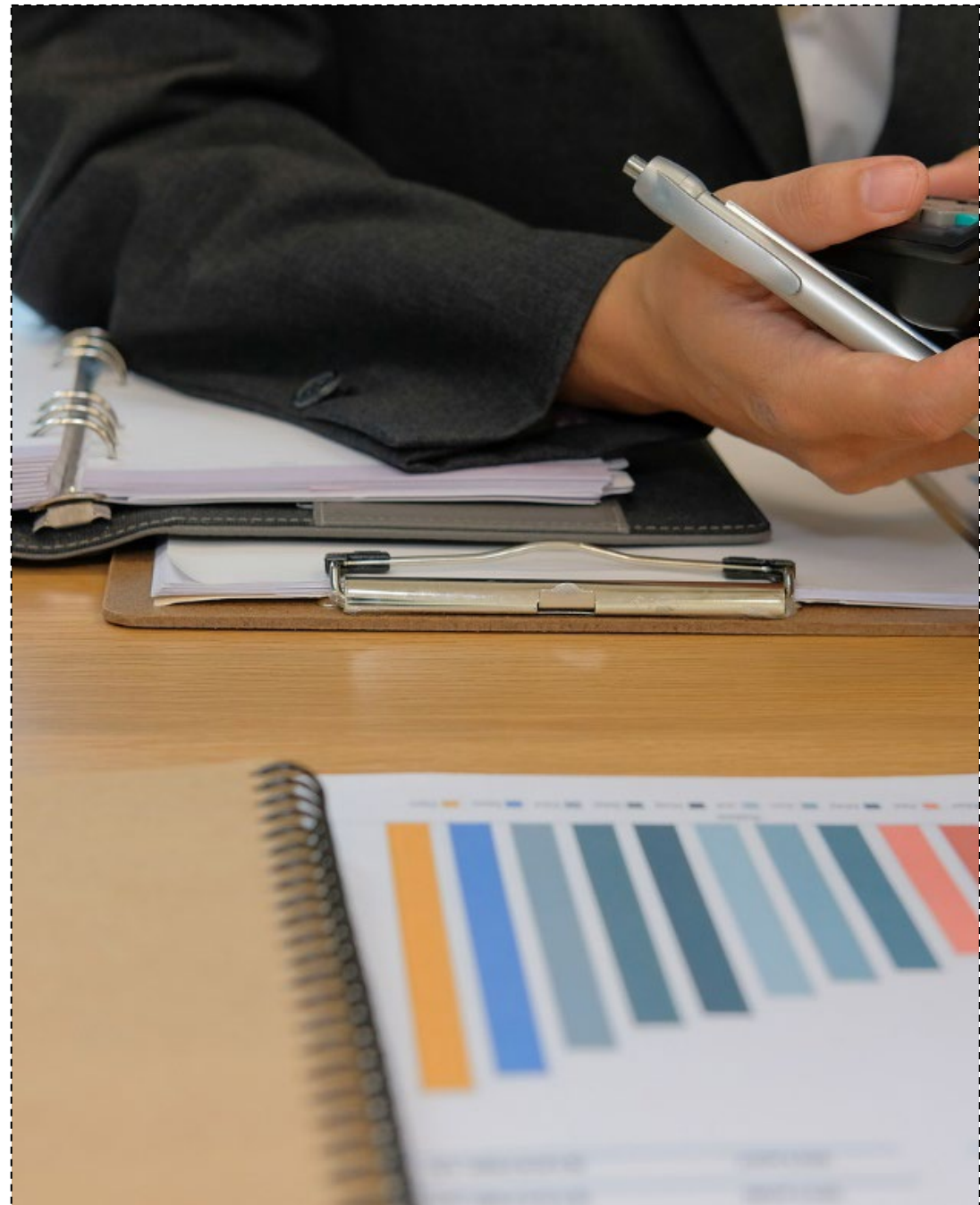


Workers Compensation

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



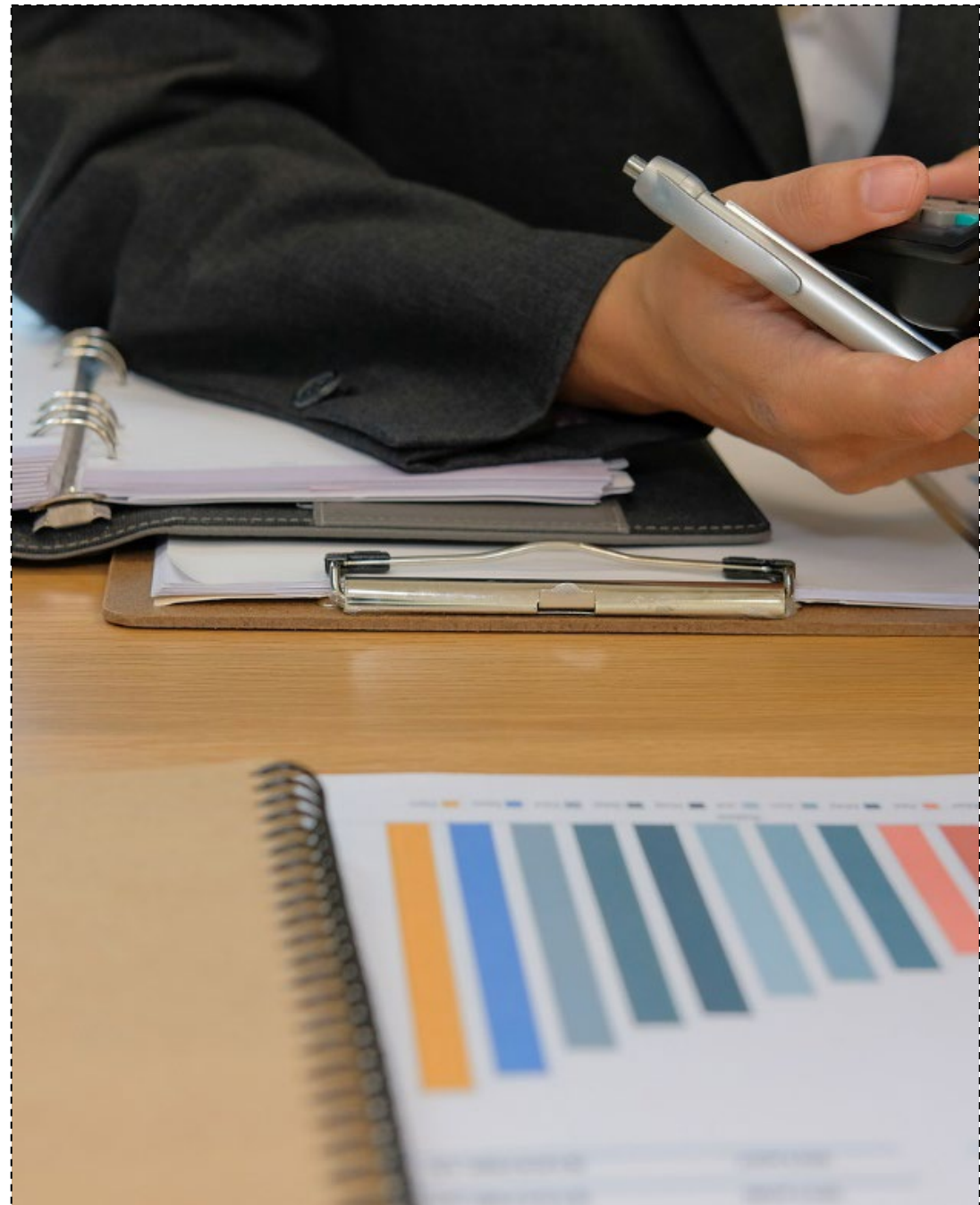


Workers Compensation

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

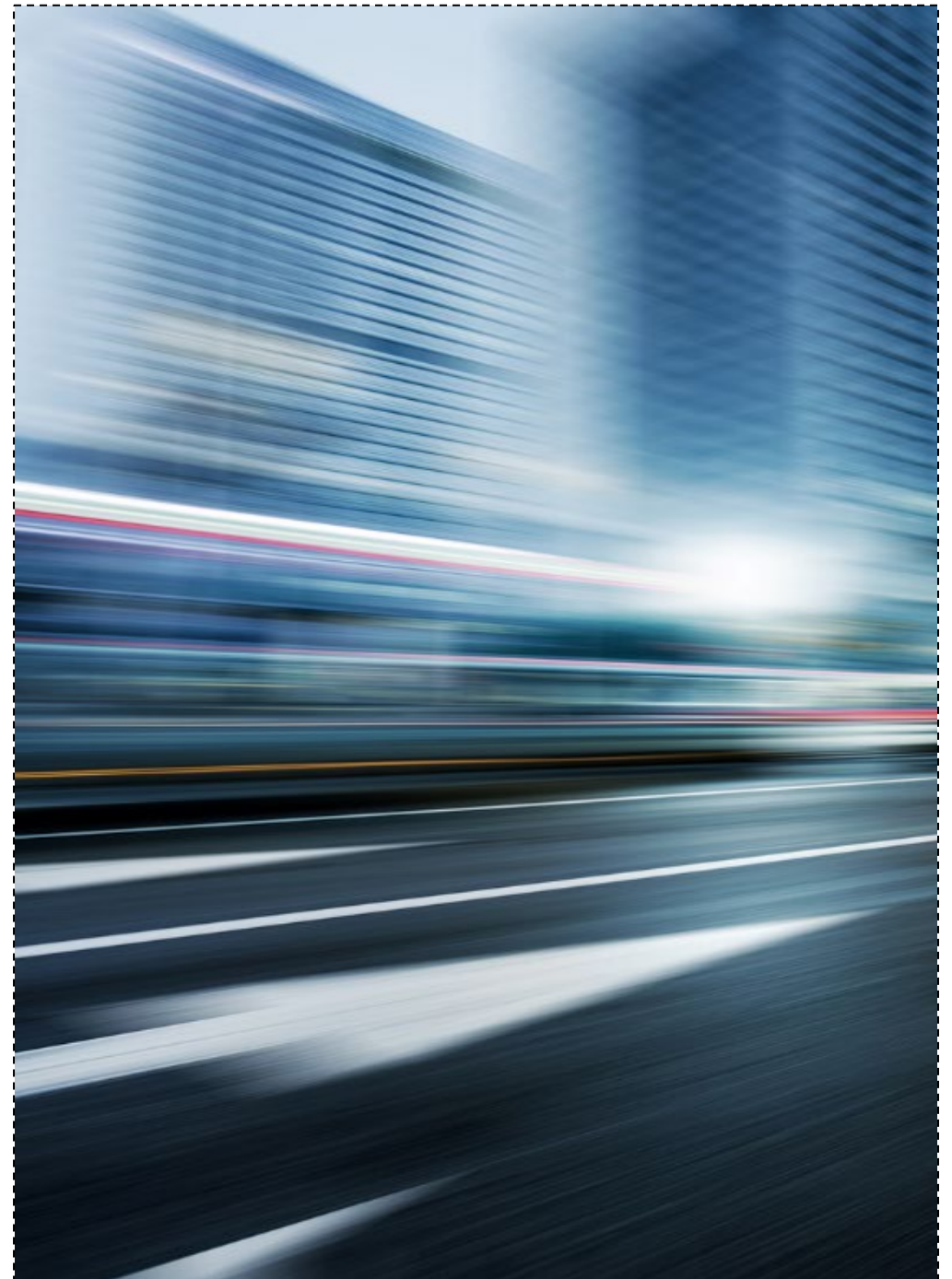




Vicarious Liability

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>





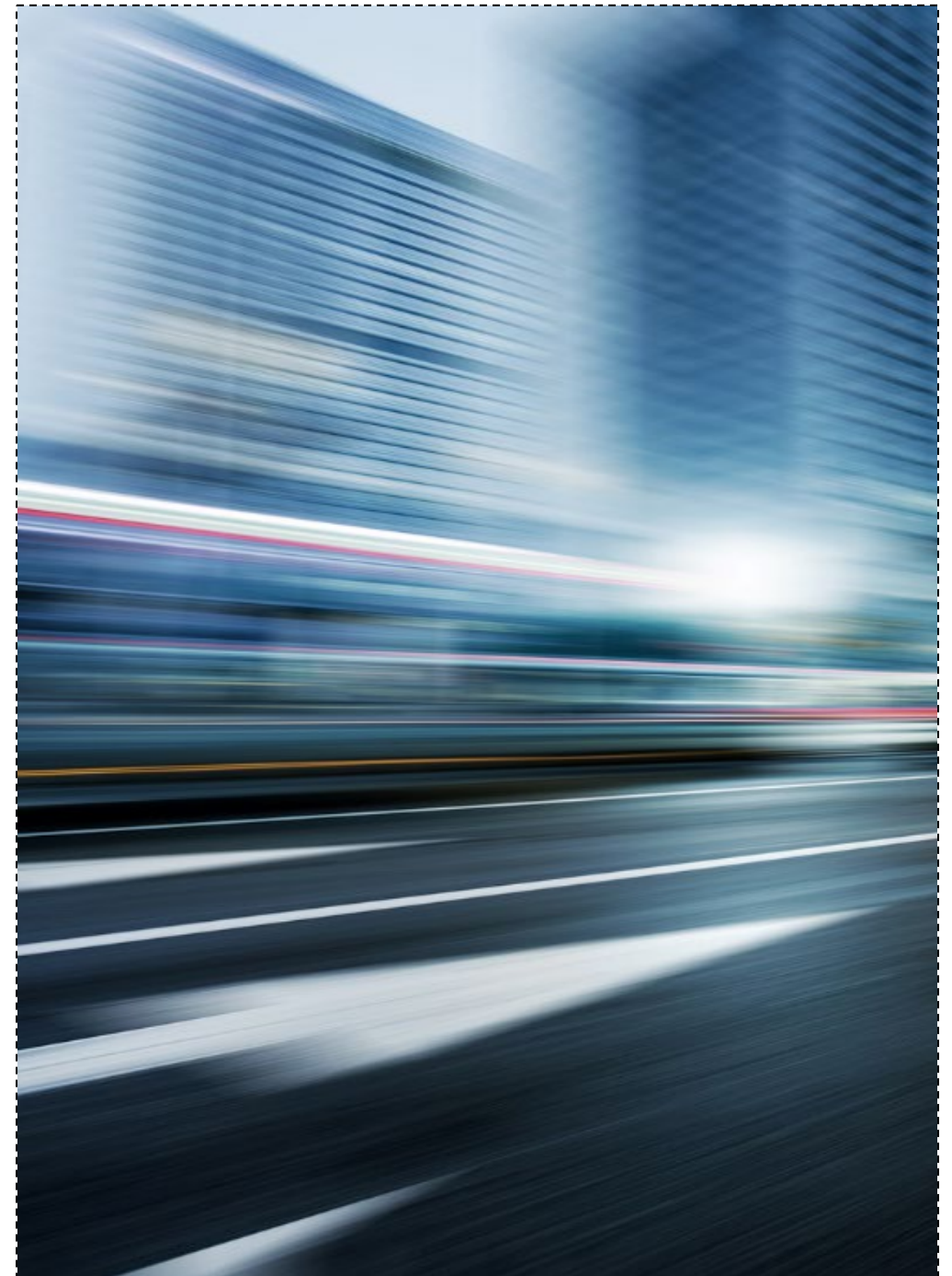
Vicarious Liability





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?

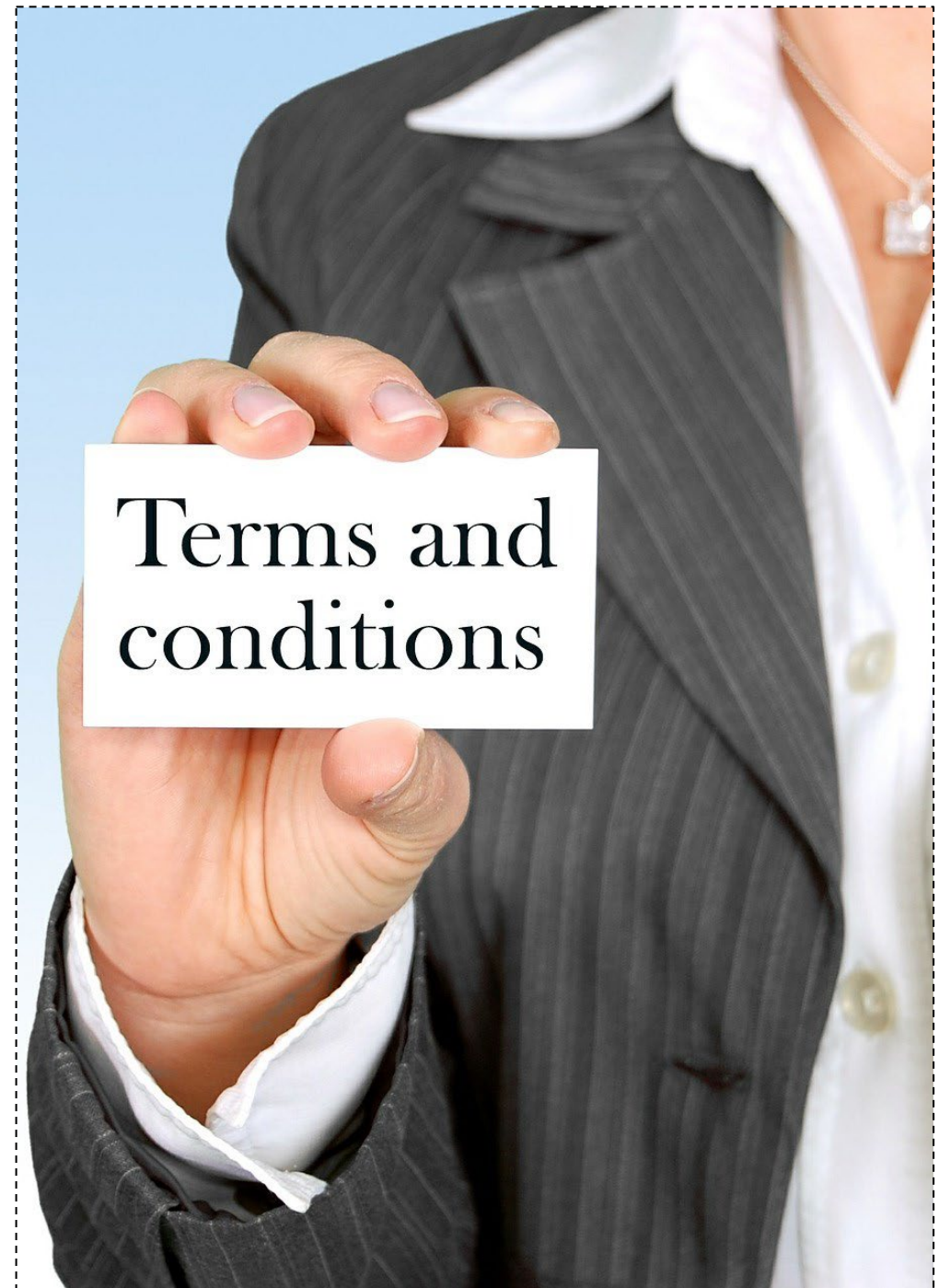
- Compliance with state breach notification laws
- Forensic analysis to identify what information was breached
- Credit monitoring and identity theft case management
- Public relations strategy to minimize reputational risk
- Fines and/or penalties from Payment Card Industry (PCI) or other regulatory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





Pollution

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

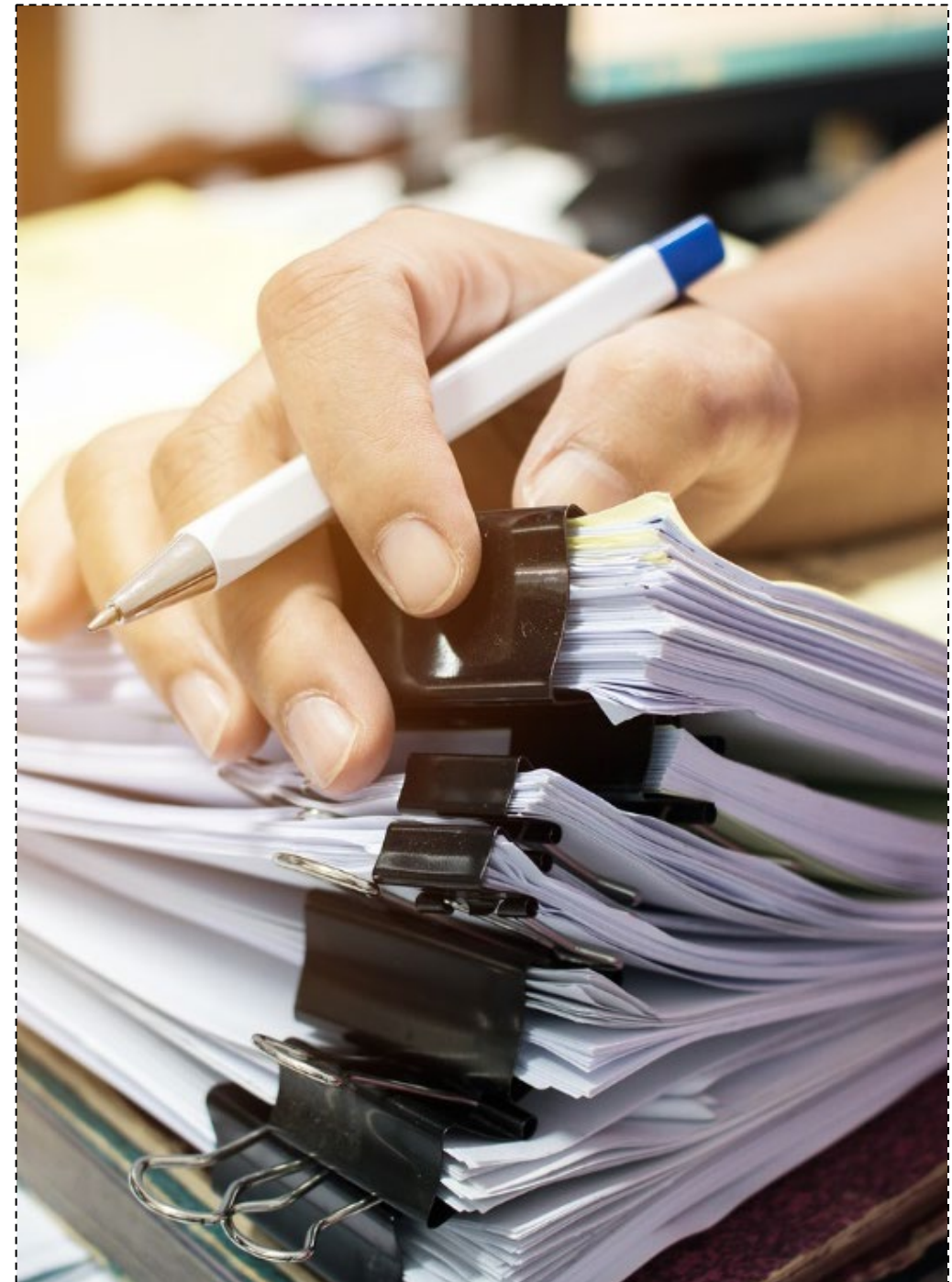




Insurance Certificates and Endorsements

Certificates of Insurance and Additional Insured Endorsements

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





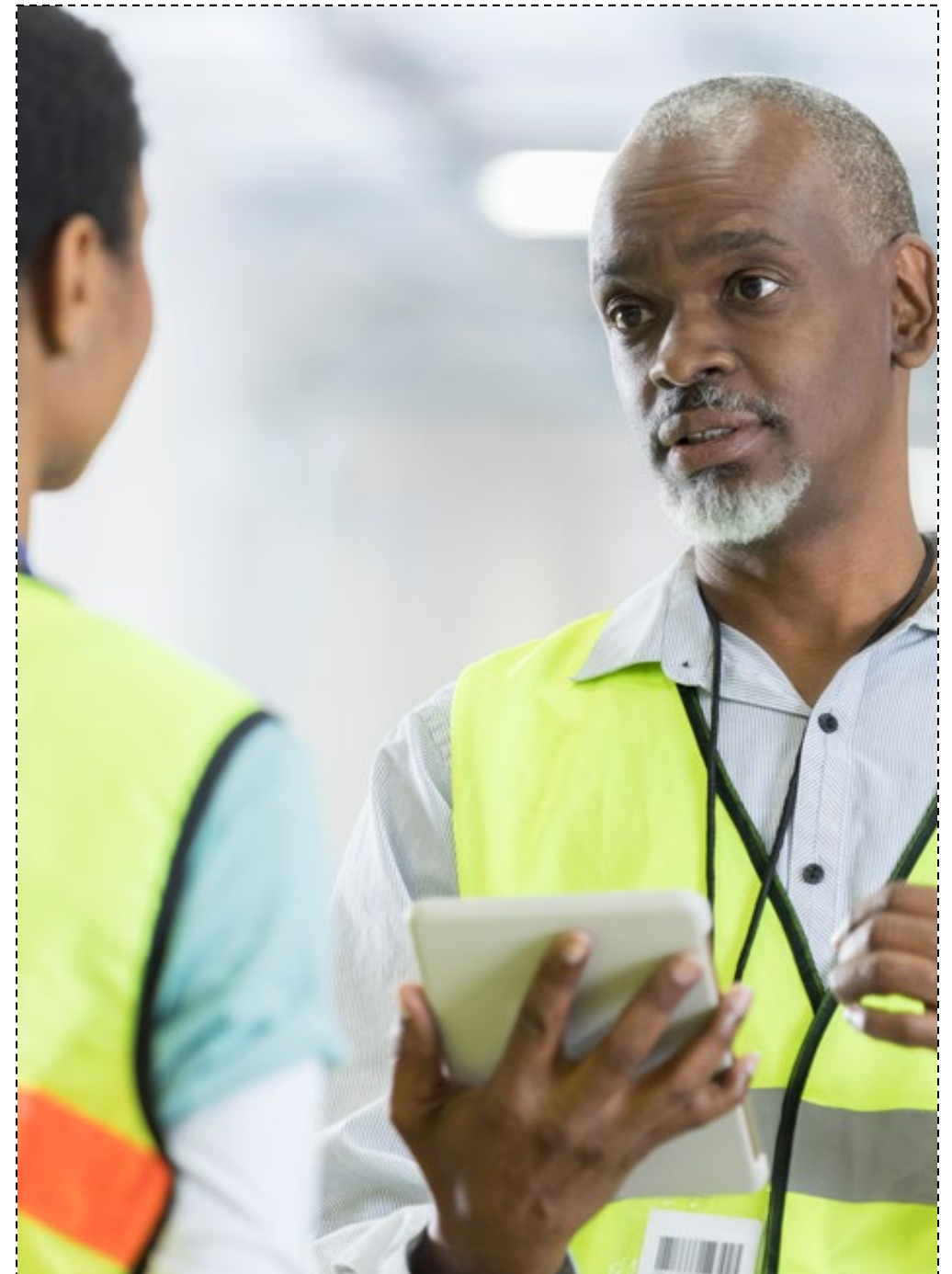
OSHA Violations

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^{1,2}
- Forced many businesses to close their doors
- Business owners should have 2 things:
 1. Insurance
 2. A preparedness plan

¹<https://www.iii.org/fact-statistic/facts-statistics-us-catastrophes>

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

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®

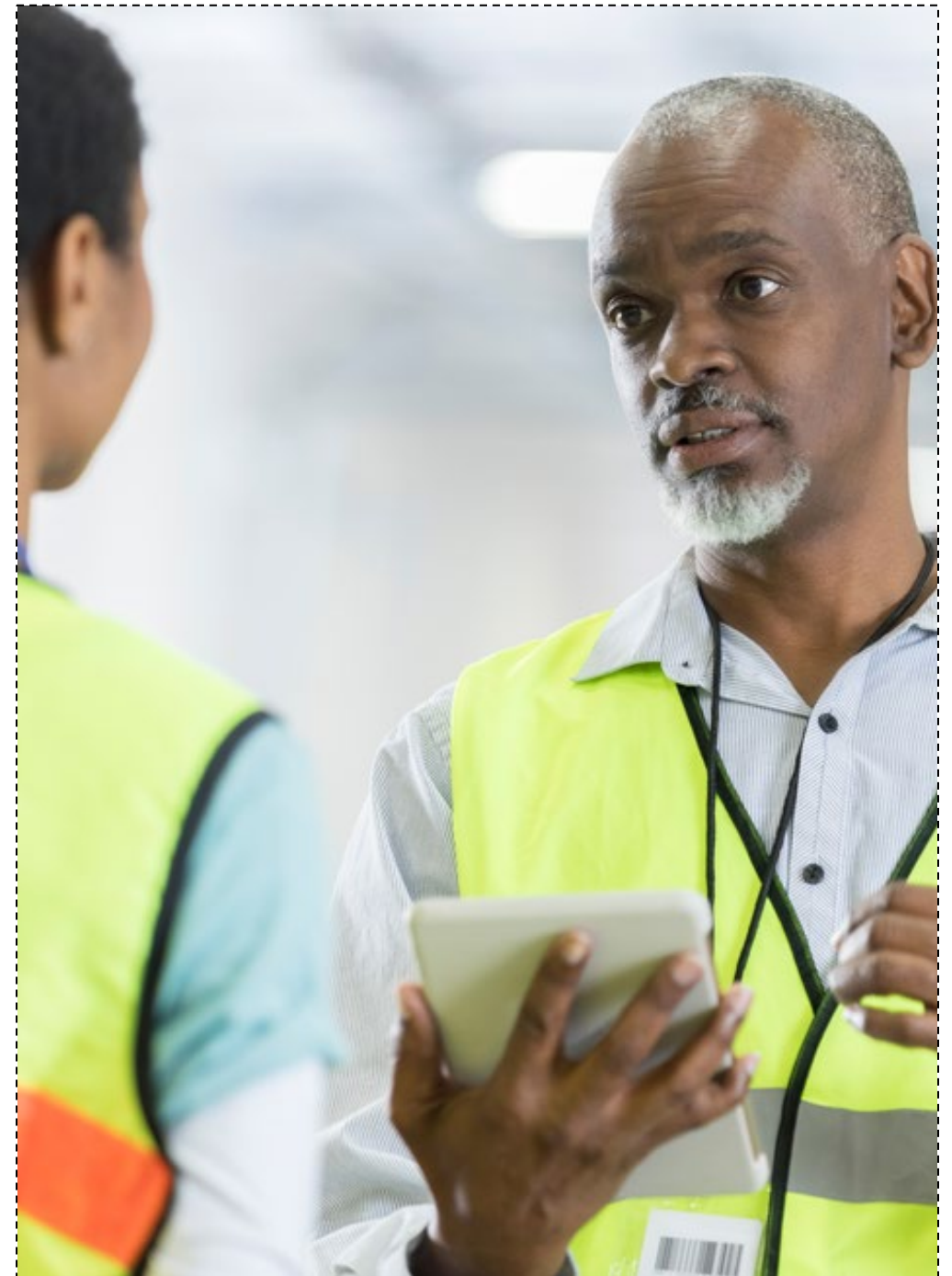
Prepared by the Insurance Institute for Business & Home Safety (IBHS), which is an independent, nonprofit, scientific research and communications organization supported by the property insurance industry.

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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.