

# Commercial General Liability (CGL) Coverage Guide

## Table of Contents

<b>Introduction.....</b>	<b>1</b>
<b>Chapter 1: Coverage A—Bodily Injury and Property Damage Liability .....</b>	<b>5</b>
Insuring Agreement.....	5
Meaning of Legally Obligated .....	6
"Damages Because of" .....	6
"Bodily Injury" and "Property Damage" .....	8
Caused by "Occurrence" .....	11
"Coverage Territory" .....	12
Coverage Triggers .....	15
Duty to Defend—Allocation .....	16
Relationship of Defense Costs to Limits of Insurance.....	19
Definition of "Suit" .....	20
Supplementary Payments .....	21
Defense of the Indemnitee—Costs Within or Outside the Policy Limit?.....	23
Exclusions .....	26
Exclusion A—Expected or Intended Injury .....	26
Exclusion B—Contractual Liability.....	27
Liability in Absence of Contract .....	28
Meaning of "Insured Contract" .....	29
What Insured Contract Does Not Include .....	30
Railroad Protective Exclusion.....	31
Professional Liability Exclusion .....	32
Defense Costs Assumed under Contract .....	34
Exclusion C—Liquor Liability .....	35
Exclusion D—Workers Compensation and Similar Laws.....	38
Exclusion E—Employers Liability .....	38
Dual Capacity Claims .....	40
Third-Party Over Actions.....	41
Exclusion F—Pollution.....	42
Background .....	42
A Chronology of Changes Affecting the Pollution Exclusion (f.).....	44
Pollution Coverage Options .....	53
Exclusion G—Aircraft, Auto or Watercraft.....	58
Meaning of "Auto" and "Mobile Equipment" .....	61

2004 Revision Affecting Mobile Equipment .....	64
Exclusion H—Mobile Equipment.....	65
Exclusion I—War .....	65
Exclusion J—Damage to Property .....	66
Exclusion K—Damage to "Your Product" .....	75
Exclusion L—Damage to "Your Work" .....	77
Exclusion M—Damage to Impaired Property or Property Not Physically Injured .....	81
Exclusion N—Recall of Products, Work, or Impaired Property.....	86
Exclusion O—Personal and Advertising Injury.....	87
Exclusion P—Electronic Data .....	88
Exclusion Q—Distribution of Material in Violation of Statutes .....	88
Fire Damage Coverage.....	89
<b>Chapter 2: Coverage B—Personal and Advertising Injury Liability.....</b>	<b>93</b>
Insuring Agreement.....	94
Insurer's Duty to Defend .....	94
Coverage Triggers.....	95
Definition of Personal and Advertising Injury .....	96
False Arrest, Detention or Imprisonment; Malicious Prosecution.....	97
Wrongful Eviction, Wrongful Entry, Invasion of Right of Private Occupancy .....	97
Slander, Libel, Disparagement.....	100
Violation of a Person's Right of Privacy .....	101
Unauthorized Use, Infringement.....	101
Exclusions .....	102
Exclusion A—"Knowing Violation of Rights of Another" .....	103
Exclusion B—"Material Published with Knowledge of Falsity" .....	104
Exclusion C—"Material Published Prior to Policy Period".....	104
Exclusion D—"Criminal Acts" .....	105
Exclusion E—"Contractual Liability" .....	106
Exclusion F—"Breach of Contract" .....	107
Exclusion G—"Quality or Performance of Goods—Failure to Conform to Statements"....	107
Exclusion H—"Wrong Description of Prices" .....	108
Exclusion I—"Infringement of Copyright, Patent, Trademark or Trade Secret" .....	108
Exclusion J—"Insureds in Media and Internet Type Businesses" .....	109
Exclusion K—"Electronic Chatrooms or Bulletin Boards" .....	110
Exclusion L—"Unauthorized Use of Another's Name or Product" .....	110
Exclusion M—"Pollution" .....	110
Exclusion N—"Pollution-Related" .....	110
Exclusion O—"War" .....	111
Exclusion P—Distribution of Material in Violation of Statutes .....	111
<b>Chapter 3: Coverage C—Medical Payments .....</b>	<b>113</b>
Insuring Agreement.....	114
Exclusions .....	115
<b>Chapter 4: Managing the Claims-Made Trigger .....</b>	<b>119</b>

Reasons for Claims-Made Trigger .....	119
Occurrence Trigger Provisions .....	121
Montrose Provision .....	122
Claims-Made Provisions .....	124
Retroactive Date.....	125
Extended Reporting Periods.....	126
Basic Tail .....	128
Supplemental Tail .....	129
Other Insurance .....	130
Considerations in Issuing Claims-Made Policies.....	131
Exclusion of Specific Accidents, etc.....	133
Special Products Problem .....	135
<b>Chapter 5: General Provisions .....</b>	<b>137</b>
Who is an Insured .....	137
Part 1—"You" and Other Designated Persons .....	138
Part 2—Volunteer Workers and Employees .....	140
Volunteers as Insureds .....	141
Definitions.....	141
Co-Employee Exclusion .....	143
Third Party Actions .....	143
Professional Liability Exclusions.....	143
Property Damage Exclusion.....	144
Real Estate Managers, Custodians, and Legal Representatives.....	145
Part 3—Operators of Mobile Equipment .....	145
Part 4—Newly Acquired Organizations .....	147
Undeclared Partnerships and Joint Ventures .....	148
Limits of Insurance .....	149
Aggregate Limits.....	150
Impact on Excess or Umbrella .....	151
Applicable Endorsements .....	152
Other Limits .....	152
Application of Limits .....	154
Conditions .....	154
Bankruptcy .....	155
Duties in the Event of Occurrence, Claim, or Suit.....	155
Legal Action Against Insurer .....	156
Other Insurance .....	157
Premium Audit.....	162
Representations .....	162
Separation of Insureds.....	163
Transfer of Rights of Recovery.....	163
Nonrenewal .....	164
Right to Claim Information.....	164
Cancellation .....	164
Changes .....	165

Examination of Books and Records.....	165
Inspections and Surveys.....	165
Premiums .....	166
Transfer of Rights and Duties .....	166
<b>Chapter 6: CGL Endorsements and Miscellaneous Coverage Forms.....</b>	<b>169</b>
Deductible Endorsements .....	170
Additional Coverage Endorsements.....	170
Additional Insured Endorsements.....	173
Exclusions Endorsements .....	189
Terrorism Endorsement Options .....	204
Endorsements for Certain Types of Risks.....	210
Coverage Amendment Endorsements .....	240
Amendment of Limits Endorsements .....	249
Claims-Made Endorsements .....	251
Other Endorsements .....	251
Miscellaneous Coverage Forms .....	253
<b>Appendices.....</b>	<b>257</b>
<b>Appendix A.....</b>	<b>259</b>
GL Policy Jacket Provisions .....	259
1973 Comprehensive General Liability Form .....	261
Broad Form Comprehensive General Liability Endorsement.....	265
<b>Appendix B .....</b>	<b>269</b>
1986 Occurrence Coverage Form .....	269
1986 Claims-Made Coverage Form.....	279
<b>Appendix C .....</b>	<b>290</b>
1990 Occurrence Coverage Form .....	290
1990 Claims-Made Coverage Form.....	302
<b>Appendix D .....</b>	<b>317</b>
1992 Changes in Commercial General Liability Coverage Form.....	317
<b>Appendix E .....</b>	<b>320</b>
1993 Occurrence Coverage Form .....	320
1993 Claims-Made Coverage Form .....	332
<b>Appendix F .....</b>	<b>346</b>
1996 Occurrence Coverage Form .....	346
1996 Claims-Made Coverage Form .....	359
<b>Appendix G.....</b>	<b>374</b>
1998 Occurrence Coverage Form .....	374

1998 Claims-Made Coverage Form.....	387
<b>Appendix H.....</b>	<b>402</b>
2001 Occurrence Coverage Form .....	402
2001 Claims-Made Coverage Form .....	418
<b>Appendix I .....</b>	<b>434</b>
2004 Occurrence Coverage Form .....	434
2004 Claims-Made Coverage Form .....	449
<b>Appendix J.....</b>	<b>466</b>
2007 Occurrence Coverage Form .....	466
2007 Claims-Made Coverage Form .....	482
<b>Appendix K.....</b>	<b>499</b>
Commercial General Liability Declarations .....	499
<b>Appendix L.....</b>	<b>501</b>
Common Policy Conditions .....	501
<b>Index.....</b>	<b>503</b>
<b>Index of Court Cases Cited .....</b>	<b>507</b>