

Definition of Certificate Composition

Commercial General Liability:

Insurance policy to protect the Insured for all sums they become legally obligated to pay as damages, due to:

- Bodily Injury
- Property Damage
- Personal Injury (Libel, slander, defamation of character)
- Arising out of and in the course of the operation of their business to include premises, operations, products and completed operations.
- Coverage includes Defense expenses and payments, if awarded, up to the limit of the policy

Contractual Liability:

Coverage extension, contained within the Commercial General Liability insurance policy that provides protection for the insured for liability assumed in a contract provided:

- The Bodily Injury and/or Property Damage occurred after entering into the contract
- The liability is assumed in the "Hold Harmless or Indemnity" agreement that falls within the insurance policy definition of an insured contract

Auto Liability:

Insurance policy to protect the Insured for all sums they become legally obligated to pay as damages, due to:

- Bodily Injury
- Property Damage
- Arising out of and in the course of operating an "Insured" automobile on behalf of their business

Umbrella Liability:

A separate liability policy purchased in order to increase the total limits of liability protection carried by a business. Typically the limits of the umbrella liability policy are over and above the primary underlying limits provided in the:

- Commercial General liability insurance policy
- Automobile Liability policy
- Employers Liability portion of the workers compensation policy
- Normally this is the most cost effective method of purchasing higher limits of liability protection above the primary/underlying policy limits

Certificate Holder:

The party identified in the Certificate of insurance, who has requested, usually through a specific contract that they be provided Evidence of the insurance Coverage carried by another party. Certificate holder is provided basic evidence of coverage's and limits of liability carried. Insurance Company will endeavor to advise all certificate holders if the referenced coverage is changed, modified, reduced, canceled or non-renewed.

Crime Insurance

A generic term used to encompass the variety of crime coverage forms available to protect against losses of money, securities and property by such causes of loss as employee dishonesty, forgery, theft, burglary, robbery, kidnap, extortion and fraud.

Directors & Officers Liability (D&O)

Directors and Officers Liability typically provides coverage for an actual or alleged act, error, omission, misstatement, misleading statement, act of neglect, breach of duty or Personal & Advertising Injury committed or attempted by an Individual Insured in his/her capacity as an Individual Insured; or by the Organization; or an act, error, omission, misstatement, misleading statement, act of neglect, breach of duty or Personal & Advertising Injury committed or attempted by an Individual Insured while serving as a director, officer, governor or trustee of any Outside Entity, if such service is at the written request or direction of the Organization. D&O Wrongful Act does not automatically include an Employment Practice Act, Fiduciary Liability Act, or Internet Liability Act. These are separately underwritten and priced coverage's that may be part of the policy

Workers Compensation Insurance

Insurance protection for employees for any injury or contracted disease arising out of and in the course of their employment. All states have laws which require such protection for workers and prescribe the length and amount of such benefits provided. Part Three of the Workers Compensation and Employers Liability Insurance Policy provides the insured employer with coverage for possible workers compensation exposures in states where it does not now have or expect operations or work and relates specifically to the "extraterritorial" effect of most state workers compensation laws. These laws apply or are interpreted to apply to work-related accidents that occur both in the state in question as well as to accidents that occur elsewhere under certain circumstances. Part Three also extends employers liability coverage to employment necessary or incidental to operations in states indicated on policy subject to the policy terms, conditions and exclusions.

Explanation for Limits:

The limits of coverage recommendations are primarily based on what is being carried today by responsible business owners/operators. Also the recommended limits are seen regularly in various contract requirements (Remember, the contracts are prepared by attorneys, not insurance or "lay" people). More the guide is "Prudent Man" Rule.