

Jeffrey Holdaway
Tues/Thurs 1:30pm
Fin 139 Dr. Cheshier

Case A

1. The CGL Policy for Lastovica Construction will cover this Liability under Section 1 Coverage A, for Bodily Injury.
2. The Smith Corp. may use contractual and contingent liability to counter Heathers claim. Contractual may be a defense if in the agreement with Lastovica there is a hold harmless clause. Contingent liability may be a defense as generally a firm is not held liable for independent contractors, however Heather can claim the work was inherently dangerous.
3. Lastovica Construction could be held liable for Bill's medical and loss of wages under the workers compensation policy and not the CGL policy. Lastovica is liable based on the principle of liability without fault, absolute liability for job related accidents.

Case B

1. Under a basic extended reporting period of the claims-made policy, James will be covered on the claim as it is made less than 60 days from the expiration date.

Question 1

- a. The claim for damages due to the false imprisonment would be covered under Ben's CGL policy, Section 1, Coverage A.
- b. Ben's CGL would cover this operations liability under Section 1, Coverage A.
- c. The "Infringement" of copyright would be covered under Section 1, Coverage B, Personal & Advertising Injury Liability.
- d. Ben's CGL policy would cover this *completed operations liability* under Section 1, Coverage A.
- e. Bodily Injury caused by an employee would be covered under Section 1. The Medical Bills would fall under Coverage C.

Question 2

- a. Each customer will receive \$5000 from Coverage C (Medical Expenses) and can claim the remainder from Coverage A (Bodily injury).
- b. A CGL policy would normally exclude property damage of rented property, but Jill is insured on damages to rental premises for up to \$100,000 and so would be fully covered for the \$50,000.
- c. \$200,000 would be fully covered by Jill's CGL policy.

Question 3

- a. The injury would be covered as well as the legal defense or Alison and the employee acting in the *scope of their employment*.
- b. Alison is liable for the slip and fall because as an invitee the customer has a great expectation of care. This accident would be covered by her BOP.
- c. Liability resulting from the false imprisonment is covered by Alison's BOP.
- d. The insured's product is specifically excluded and therefore not covered by Alison's BOP.

Question 4

- a. Coverage A would cover the doctor for the medical incident performed by the nurse under his direction and supervision, however the nurse would not be covered by the professional liability policy unless added by an endorsement.
- b. The malpractice suit would be covered under coverage A of the doctor's Professional Liability Policy.
- c. The Professional Liability Policy would not cover the general liability of a customer in the waiting room. A CGL policy would be required to cover such things.

Question 5

The CGL would not cover the accident, the auto policy would cover up to its maximum of \$1 million and the umbrella would have to cover the remaining \$4 million.

Question 6

The general loss exposure for electrician employees include damages from electrical fires to the home, damages to electrical equipment and appliances, and bodily injury resulting from such fires and such. A CGL policy would cover these occurrences excluding injury to employees, workmanship or products.

Question 7

The driving of delivery vehicles is specifically excluded under CGL policies and must be insured with Commercial Auto Insurance.