



7 Deadly Endorsements of Contractor's Liability Insurance

Endorsement #6 - The Manifestation Clause

A general liability policy without a manifestation clause offers defense and indemnity for covered losses **regardless** of when the bodily injury or property damage first manifests.

Therefore, *if the policy contains a manifestation clause*, the insurance only applies when bodily injury and/or property damage **first manifests during the policy period.**

Here's the scenario:

A general contractor has a policy that contains a manifestation clause. They are very unhappy with their current insurance carrier and do not renew their policy on 10/1/2013, they let it lapse while they look for a new insurance carrier.

On 10/15/2013, there is a claim due to a building defect from a home built in August 2013. Because the claim was first reported or manifested itself on 10/15/2013, the policy that expired on 10/1/2013 will not cover the damage because it contained the manifestation clause. So the general contractor is fronting an uncovered loss.

The tricky part and important thing to point out, is that there is no specific wording for a manifestation clause. It takes an insurance broker with extensive knowledge of the coverage to properly protect the insured. You can always call us to find out if your current general liability insurance includes a manifestation clause and what you need to do to make sure you are covered.



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