



7 Deadly Endorsements of Contractor's Liability Insurance

Endorsement #7 – CG 21 34 Designated Work Exclusion

As a contractor fills up his insurance application, one of the big, most important questions will be what type of work they do. They might put it as simply as interior painting because that is what they do, they don't think there is anything complex about understanding the words "interior painting." Everyone has a general consensus of what painting is. Thankfully they don't have to go into a lot of detail as to the art of painting itself, and don't have to explain to their insurance agent their painting ability, and professionalism, that is something for their customers to know.

The painting contractor continues with the rest of the questions, successfully completes the application; application is then submitted, accepted and then put in force. They think great! They are done with the insurance material and won't have to worry about it until renewal date.

As a painting contractor, and rightful holder of an insurance policy, they have sense that they will be covered to do all characteristics of their work. A couple of months after getting their insurance policy, and having done several interior painting jobs, today they do an exterior painting job. This is no big deal, this is what they do on a day to day basis, they paint: that is their job. Well going back to the insurance application, the painting contractor has not realized that they have a Designated Work Exclusion which listed "Exterior Painting" as an excluded operation. (Remember they have "interior painting" as the type of work not "exterior painting"). Unfortunately throughout the exterior paint job, an overspray resulted in the damage to the customers vehicles parked outside the facility. In this situation, the painting contractor would have no coverage for the damage to the vehicles.

This is why it is not only important to be very detailed as to the type of work the contractor lists as doing, but also review what work exclusion has been listed to make sure it does not affect coverage in the future.



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