

# Burke Insurance Group, LLC

1691 Hickory Loop, Suite B  
Las Cruces, NM 88011  
575.524.2222

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## DEADLY ENDORSEMENTS SERIES

### *7 Deadly Endorsements of Contractor's Liability Insurance*



Over the next few months we will continue our series on General Liability Endorsements that are bad for Contractors.

### *Deadly Sin #2: The Prior Work Exclusion*

At face value, prior work exclusions do not always concern contractors. The rationale is why should they buy coverage for prior work when they already had policies during the time that work was completed? To understand why this endorsement is dangerous, you must first

understand coverage triggers. Most general liability policies for contractors are written on an Occurrence form, meaning that coverage is based upon when the loss occurs. Most often a loss is considered to have “occurred” when a project is completed, but not always. It depends on the type of loss and the coverage trigger wording in your general liability insurance policy.

Many occurrences happen years after a project is completed, especially construction defect losses. Because of this, a contractor with a Prior Work Exclusion may think he is covered, but most likely is not. According to one major carrier in California, this is the number one reason that claims are denied in their contractor's general liability program.

*Remember Burke Insurance, LLC can cover your all of your insurance needs. Contact our office today for more information.*

*Burke Insurance Group, LLC is the only Agency in New Mexico to receive The Best Practices Award for 10 consecutive years. Listed as one of the top Independent Agencies in the country by Reagan & Associates.*

*“Work with the Best in the Business.”™*