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DEADLY ENDORSEMENT SERIES

7 Deadly Endorsements of Contractor's Liability Insurance



This month we continue with our series on General Liability Endorsements that are bad for Contractors.

Deadly Sin #3: The CG 22 94 - Work Performed By Subcontractors

The CG 22 94 is one of the most complicated endorsements in contractors liability insurance. To understand this endorsement, you must first understand the standard “Your Work” exclusion in the ISO CG 00 01 policy.

A standard general liability policy states that damage resulting from your work is covered, but damage to your work is excluded. For example, a general contractor builds a fence. The damage to the fountain is covered, but the cost to rebuild the fence is not.

The exclusion reads as follows:

I. Damage To Your Work
“Property damage” to “your work” arising out of it or any part of it and included in the “products completed operations hazard”.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a sub-contractor.

As you can see, the exception to the exclusion is work performed on your behalf by a subcontractor. With this exception, work completed by a subcontractor is not considered “your

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work”. Consequently, if the same fence was built by the insured’s subcontractor, there may be coverage under the general contractor’s policy for both the fountain and the fence.

The CG 22 94 removes the exception to the exclusion.

COMMERCIAL GENERAL LIABILITY
CG 22 94 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – DAMAGE TO WORK PERFORMED BY
SUBCONTRACTORS ON YOUR BEHALF**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion I. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

I. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

So, as a result, if the general contractor’s policy has a CG 22 94 endorsement, he would have no coverage for the damage to either the fountain or the fence.

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

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