

Broker News on Programs, Services and the Marketplace



Inside This Issue:

Certificate Changes You Can Make	1
Changes That Require an Endorsement ..	1
Changes That Aren't Necessary	1
Further Questions Regarding TCPPP	
Certificates	2
Additional Insureds & the BAPP	2

Changing Language on Certificates of Insurance

Where TCPPs are concerned, what can you do yourself? What requires CNA/Schinnerer intervention?

Many of your clients purchase insurance with specific requirements to fulfill a contractual obligation. To fulfill that obligation, your client or the party with whom your client has a contract may ask you to change the wording on their Certificate of Insurance. This article provides a summary of the changes you can and can't make to Tailored Commercial Package Policy (TCPP) Certificates of Insurance. Requirements for other lines of coverage, such as professional liability, will differ, especially concerning cancellation notice and additional insureds. Please consult your underwriter for more information.

Changes You Can Make

Cancellation Clause

Where cancellations are concerned, many brokers and insureds have asked to delete the words "endeavor to" from the cancellation agreement. As a broker, you have the authority to do so.

Additional Insureds & Auto Policies

Coverage for additional insureds is provided in the Business Auto

Coverage Form CA 0001. If your client has a contract requesting that an entity be added as an additional insured, you can

address it by noting "included in auto coverage form" on your certificate to that entity.

Additional insured lessors and loss payees are automatically covered on a blanket basis for owned autos. See the following policy forms: Loss Payee (CA 9944) & Additional Insured - Lessor (CA 2001). The only exception to the inclusion of the automatic coverage and wording is on policies that provide only hired and non-owned auto liability coverage.

Changes That Require an Endorsement

Cancellation Clauses

For some changes, you need to talk to an underwriter. For example, it is generally acceptable to delete "but failure to do so" from the cancellation clause. However, you must discuss this with your underwriter and get an endorsement added to the policy.

For increased cancellation notice, changing the requirements to 60 or 90 days' notice is also generally acceptable. However, you must get approval from your underwriter, and the policy must be endorsed.

Notice requirements should not be longer than the regulations in any applicable state jurisdiction.

Changes That Aren't Necessary

And in still more cases, there is no need to make a change to the wording; the requirement is found right in the policy.

Primary & Non-Contributory Wording

We get a lot of questions about coverage on a primary and non-contributory basis. CNA/Schinnerer's TCPP CGL automatically provides coverage on this basis for additional insureds when required by contract or agreement.

Your client may ask you to add this language to the certificate. Since the language is found in the TCPP CGL policy form (See Form CG 0001, IV. Conditions), it is not necessary to add this language to the certificate. Also, the additional insured's own policy will note that coverage is excess when the additional insureds have been added as an additional insured on another policy, which makes the non-contributory requirement a non-issue.

Cross Liability/Severability of Interest

Your clients may need a policy that contains a cross liability/severability of interest clause. This clause is included in the TCPP CGL policy form, under the section for Separation of Insureds (Severability of Interests). As with primary and non-contributory wording, it is not necessary to add this language to the certificate of insurance since it is found in the policy.

For more information on additional insureds, refer to the following sections of Business Auto Coverage Form CA 0001:

Section II-Liability

A. Coverage
Paragraph 1. Who is An Insured, Section C

Section II-Liability

B. Exclusions
Paragraph 2. Contractual, Sections A & B

Section V-Definitions

F. "Insured Contract" means Paragraph 5

(continued from page 1)

Further Questions Regarding TCPP Certificates

If you have more questions about what is and isn't an acceptable change to Certificates of Insurance, please contact your TCPP underwriter. ♦

If your client asks about . . . you . . .	Deleting "endeavor to" from the cancellation agreement	Have authority to strike it from the certificate. No approval is necessary.
	Adding additional insured language to the auto coverage section	Can note "included in auto coverage form" on the certificate
	Deleting "but failure to do so" from the cancellation agreement	Call your underwriter. The policy must be endorsed to reflect the change.
	Changing cancellation notice to 60 or 90 days	Call your underwriter. The policy must be endorsed to reflect the change.
	Adding primary & non-contributory wording	Refer to CG 00001, IV. Conditions; no certificate language is necessary
	Adding cross liability/severability of interest language	Refer to Separation of Insureds/Severability of Interests clause in CGL policy; no certificate language is necessary

MA4-10896

Satisfy Your Smaller Clients' Contractual Requirements in One Form

The convenience and coverage of the BAPP Blanket Additional Insured form G123127B 12/02

Your clients' contracts frequently require them to carry GL coverage that

- Includes primary and non-contributory wording
- Includes a blanket waiver of subrogation
- Adds an owner, contractor or other entity as an additional insured

The Business Account Package Policy (BAPP) Blanket Additional Insured Endorsement with Products-Completed Operations Coverage & Blanket Waiver of Subrogation (form G123127B 12/02) includes all of these things and more.

Blanket Convenience

The Blanket Additional Insured Endorsement eliminates the hassle of adding additional insureds to the policy manually. With the endorsement, coverage

is extended to parties through a contractual agreement. In addition to eliminating hassle, the blanket form also eliminates the usual \$12.00 charge for each and every additional insured that are required to be included.

Broader Coverage

Many endorsements limit additional insured coverage to liabilities resulting from "ongoing operations." However, the CNA/Schinnerer endorsement provides broader coverage for "work" performed, extending coverage to claims made after the work is completed.

Availability

The form is currently approved in all 50 states (New York: G123127B31 02/04). Adding the endorsement costs \$75.00 or 5 percent of the overall BAPP premium, whichever is greater. ♦

All of the forms mentioned in this article - as well as new TCPP FAQs - are on the web. Visit: http://www.Schinnerer.com/broker_tools/documents/aec0904.html.



Victor O. Schinnerer & Company, Inc.
Two Wisconsin Circle
Chevy Chase, MD 20815-7022

Presort Standard
U.S. Postage Paid
Permit No. 6301
Washington, DC

AE Connection