

Supplemental Description of DesignOne Enhanced GL (DesignOne EGL) Coverages

For qualifying accounts (see the Eligibility section), a **DesignOne EGL** endorsement is available for the BAPP (G-134822) and Package or Monoline CGL (G-134839). This endorsement reflects the presence of combined professional/pollution coverage provided by the companion CNA Pro policy (and excludes those exposures from GL coverage). The endorsement also provides several coverage extensions of special interest to architects and engineers. The BAPP and TCPP/GL endorsements vary only in that the BAPP version lacks a couple of features that are built into the TCPP/GL version of the endorsement. The missing BAPP provisions are provided instead by separate BAPP endorsements that were already available prior to development of the **DesignOne EGL** extension endorsement.

An overview of each of the **DesignOne EGL** coverage restrictions and extensions follows:

- ❖ **Enhanced Supplementary Payments** - the supplementary payment for actual loss of earnings is increased to \$300 per day.
- ❖ **Extended Property Damage** - the base CGL excludes Expected or Intended injury, but provides an exception for BI that results from use of reasonable force to protect persons or property. This will make the same exception for PD.
- ❖ **Amendment of Liquor Liability Exclusion** - this wording clarifies liquor liability coverage by replacing the "in the business" exclusion with a list of specific activities and situations that are excluded. Wording is from ISO CG 2150.
- ❖ **Total Pollution Exclusion With Hostile Fire Exception** - this wording tracks closely with the wording of ISO form CG 21 55: Total Pollution Exclusion With A Hostile Fire Exception. Under the **DesignOne EGL** endorsement, most of the pollution coverage is concentrated in the Professional/Pollution policy, not the GL policy. But there are two differences between the GL wording used on these endorsements and ISO's CG 21 55. First, paragraph f.(1)(b) is modified. The stock ISO wording excludes hostile fires that occur on premises where the insured (or anyone working on the insured's behalf) are performing operations to test for or remediate pollutants. The **DesignOne EGL** endorsements' revised wording narrows the application of paragraph f.(1)(b) so that it only excludes hostile fires that arise out of testing or remediation operations themselves. Hostile fires that arise from other operations taking place on the same premises (e.g. building construction) aren't excluded. This change was made to accommodate a SIC peculiarity: architects and engineers oftentimes do some testing and sometimes do some cleanup work at locations where they are engaged in non-pollution-related design or construction operations. If we had not amended the standard ISO wording, then hostile fires arising out of non-pollution-related operations would often have been excluded. That was not our coverage intent.

The second deviation from stock CG 21 55 wording is that we've appended paragraph (2) to include the exception wording from CNA endorsement G-132263-A: Amendatory Endorsement – Pollution Exclusion. This is the wording that provides cleanup cost coverage for any exposure that isn't excluded by paragraph f.(1), and is otherwise covered by the policy. In this case, only hostile fires will benefit from the cleanup coverage, since that's the only pollution exposure that isn't excluded by paragraph f.(1).

- ❖ **Expanded Liability Coverage for Premises Rented to You (aka Expanded Fire Legal)** - This wording essentially takes the "Fire" out of "Fire Legal Liability". Now any liability for damage to rented or borrowed property is covered, not just damage that results from fire. For the TCPP, the endorsement bumps the base limit up to \$100,000. (The BAPP already has a base limit of \$100,000.)
- ❖ **Contractual Liability for Personal and Advertising Injury** - this deletes the contractual liability exclusion that would otherwise apply to liability of others assumed by contract. A typical construction exposure is false arrest and unlawful detention associated with security activities at jobsites.
- ❖ **Professional Liability Exclusion** - the wording used is from CG 22 79, which is essentially a clarification of coverage intent. Means and methods decisions will be covered by the GL. Design decisions will be covered by the Professional/Pollution policy. The BAPP version of the endorsement lacks this feature, since the BAPP policy already builds in a professional liability exclusion.
- ❖ **Additional Insureds - State or Political Subdivisions** - this is straight ISO wording taken from ISO endorsement CG 20 12: Additional Insured – State or Political Subdivisions - Permits. It renders political subdivisions to be additional insureds for liability that arises out of our named insured's ongoing operations for which the political subdivision has issued a permit.
- ❖ **Fellow Employee First Aid** - the standard CGL makes employees insureds, but not for liability arising out of an employee's providing or failing to provide professional health care services. This section of the **DesignOne EGL** endorsement clarifies that employees are covered for providing first aid, so long as the provider isn't an employed doctor or nurse.
- ❖ **Retired Partners, Members, Director, and Employees** - this wording expressly covers retired employees, partners and members for liability that results from work they did while they were still employed by the Named Insured.

- ❖ **Participation in Professional Joint Ventures** - it's not uncommon for unrelated A&E firms to pool their talents to get large contracts. When that happens, they'll sometimes form professional joint ventures. Sometimes A&E firms will keep such professional JVs alive after the job is done, so that they are available for future collaborations. Rarely, unrelated A&E firms will form a professional JV from scratch so as to have it ready for future collaborations. The intent of this part of the **DesignOne EGL** endorsement is to make such professional joint ventures an exception to the CGL's exclusion of un-named joint ventures (which is found at the end of the Who Is An Insured section). This extension in coverage isn't meant to cover the joint venture itself, nor to cover other members of the joint venture. But, subject to all applicable policy terms, it does cover liability arising out of the acts or omissions of our Named Insured, and covers our Named Insured's vicarious liability for acts or omissions of its co-venturers.
- ❖ **Separate General Aggregate Per Construction Project** - this is closely modeled on the wording of ISO endorsement CG 25 03. Note that a separate General Aggregate limit only applies to construction projects where the Named Insured performs or directly supervises construction operations, and then only to losses that are attributable solely to ongoing operations at that particular construction project. Losses that don't meet those two requirements count against the policy's single "regular" General Aggregate Limit. The Products-Completed Ops Aggregate limit is not affected by this endorsement: it's still a single policy-level limit that applies to all covered Products-C/O losses, whether they arise from single or multiple construction projects, or from exposures other than construction projects.

Note that the BAPP version of the **DesignOne EGL** endorsement doesn't include similar wording, since there's already a mandatory per-jobsite endorsement that is rolled onto all BAPP policies for architects or engineers. That endorsement is G-127664. It too is modeled closely on the language in ISO endorsement CG 25 03.

- ❖ **Extended Bodily Injury** - this redefines "bodily injury" to include the terms "mental injury" and "mental anguish". These are the same terms used in the BAPP and CUP Plus umbrella insuring agreements.

❖ **Office Premises Limited Pollution Coverage** - this wording is modeled very closely on CNA endorsement G-132270-A with two significant exceptions:

- Coverage for work sites is deleted. All offsite pollution coverage (with the exception of hostile fire) will be provided by the Professional/Pollution policy. Note that hostile fire coverage (both on and offsite) is provided by this endorsement's Item 4: Total Pollution Exclusion With hostile fire exception.
- Coverage for owned or rented premises is restricted to premises that are occupied for general office purposes. The defined term "your office premises" specifically excludes storage yards as well as land held for speculation or development, even if that yard or exposure adjoins the office building. Since a lot of small architects operate out of their homes, "your office premises" is also defined NOT to include premises where the Named Insured lives. We anticipate that the types of losses covered will be spills of photocopier toner, small quantities of photographic chemicals and the like.

This pollution cover's Occurrence and Aggregate limits match the GL coverage's per Occurrence Limit (up to a maximum of \$1,000,000).