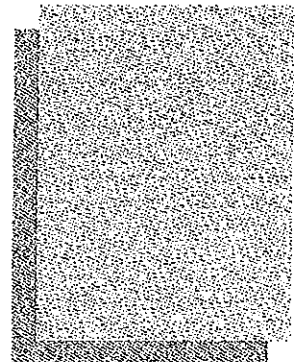
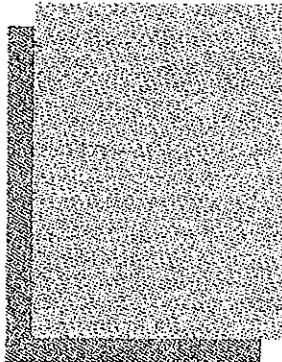
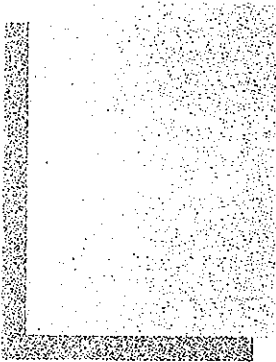


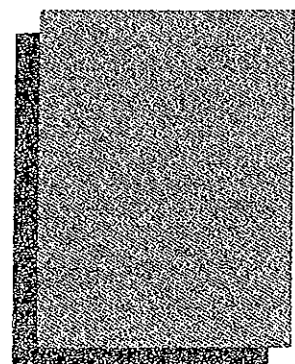
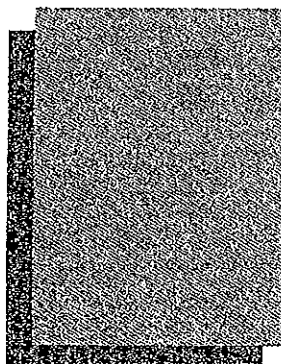
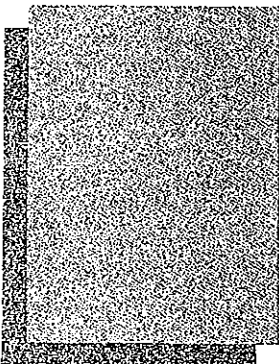


ISO COMMERCIAL LINES
POLICY AND RATING
SIMPLIFICATION PROJECT

INTRODUCTION AND OVERVIEW



COMMERCIAL GENERAL LIABILITY



INSURANCE SERVICES OFFICE, INC.

EXHIBIT B

About ISO

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Second Edition April 1985

Introduction to Insurance Services Office, Inc.'s
New Commercial General Liability Program

Foreword

Insurance Services Office, Inc. is introducing a new Commercial General Liability Policy which is the first major revision for this line of insurance since 1966.

The policy form is the result of years of effort and the most extensive industry review of a new policy form in ISO's history. ISO distributed more than 1,500 copies of an exposure draft to a broad cross-section of industry interests—nearly 250 groups and individuals in all—for their review and comment. Insurers, producers, buyers, reinsurers, educators, lawyers, risk managers, adjustors, consumers and trade associations all provided advice, and more than 30 organizations reported the suggestions and reactions of their members.

Of course, not every suggestion could be adopted, because some were diametrically opposed to one another. But ISO considered every single suggestion, and the policy we are introducing reflects many changes—big and small—made as a result of the industrywide review.

To help insurers and their representatives learn about the new policy, ISO is undertaking the most extensive information effort in its history. This booklet is but one element of that program.

This booklet acquaints you with the new Commercial General Liability Program:

- why the program was designed as it was,
- what are some of the factors to consider in choosing between the alternative versions of the new policy, and
- how the classifications and rules are changing.

Included are comparisons highlighting how the two versions of the new policy form differ from the old form and from each other in some major areas.

We believe you'll find this booklet will help you sort out the new policy form's effects on you and your operations.

INTRODUCTION TO INSURANCE SERVICES OFFICE, INC.'S NEW COMMERCIAL GENERAL LIABILITY PROGRAM

Insurance Services Office, Inc. will offer the insurance marketplace a choice between two attractive alternative versions of a modernized, simplified, commercial general liability policy form.

One version, the "occurrence" version, provides coverage for bodily injury and property damage that occurs during the policy period. The other version, the "claims-made" version, provides coverage if the claim for damages because of bodily injury or property damage is first made during the policy period. The only differences between the two versions of the policy form are in the provisions related to what activates or triggers coverage.

The "occurrence" trigger is provided in recognition of continued marketplace demand for a modern "occurrence" form. The "occurrence of injury or damage" language that triggers coverage in the new policy is essentially unchanged from the coverage trigger in the policy it replaces.

The claims-made language for triggering coverage is a brand new alternative. The "claims-made" policy's unique features that assure reliability of coverage make it unlike any other claims-made policy now in use. The introduction of this "claims-made" trigger—and the continued availability of an "occurrence" trigger, too—calls for informed judgment and a rational assessment of the alternatives by insurers, producers and ultimately, by consumers.

Why Change?

Assessing and adjusting to the new policy forms will certainly require some effort on the part of all concerned. So, you may ask: Why not leave well enough alone? Why change anything at all?

Here's why:

1. Litigation relating to the existing "occurrence" policy has been costly and time-consuming. For the most part such litigation—which continues to go on to the detriment of insurers and policyholders—has centered on latent bodily injury and long-term exposure issues involving substances such as asbestos and DES. A key issue in dispute is: When did the injury or damage occur? That's extremely important in the context of insurance because the answer determines which "occurrence" policy or policies apply. Litigation over that question is likely to affect more and more insureds of all sizes in all types of business, as new cases arise where the time when bodily injury or property damage occurred is at issue.
2. Many insureds have to rely on policy limits provided by old "occurrence" policies to respond to current claims, because the injury or damage may have occurred long before the claim is made. Those old policies may have been purchased many, many years before claims emerge, settlements are reached and judgments rendered—and years before inflation eroded the value of the old policies' limits.

3. Some courts have adopted legal theories in latent-injury or long-term exposure cases, which hold that injury occurred during a long series of "occurrence" policies. That leaves many contracts—and sometimes many insurers—with primary defense and indemnity obligations for a single claim. Often, such situations arise when there are many claims for similar or related injury. As a result, insurers don't know how much is at stake, and for how long, under these contracts. That makes it difficult to determine accurate premiums and loss reserves. And beyond that, such "stacking" of limits poses a serious threat to the very solvency of some insurers. In view of this, some insurers and reinsurers have become increasingly reluctant to handle "occurrence" coverage. Without some change, there could be a real insurance-availability problem.
4. Under the existing policy form, the only limit that applies to some parts of the coverage is a per-occurrence limit, so the insurer's liability for injury that occurs during the policy period increases with the number of "occurrences" held to have produced the injury. That liability could be astronomical, depending on how courts interpret the term "occurrence." "Stacking" per-occurrence limits within a single policy further threatens insurance availability and insurer solvency. (The existing policy form does, however, put aggregate limits on many parts of the coverage, including products and completed operations.)
5. Some courts—after long and costly lawsuits—have interpreted the "sudden and accidental" exception in the existing policy form's pollution exclusion so broadly that insurers and reinsurers are exposed to unknown but potentially gigantic losses totally unforeseen when existing policies were written or priced. Moreover, pollution coverage is particularly vulnerable to all the "occurrence" issues arising under the existing policy form, because pollution-related damage or injury is often latent, there can be many causes of the injury, and there may be no aggregate limits on the coverage.
6. Need exists to consolidate and modernize ISO's advisory commercial general liability policy forms. Today many forms are needed to provide the scope of coverage that most buyers consider standard.
7. To improve efficiency and reduce costs, the existing policy forms, manual rules and rating procedures need to be streamlined and made more adaptable to automated policywriting.
8. Insurance buyers and regulators want more readable and understandable insurance contracts for all lines of insurance.

How does ISO's new General Liability Program improve things?

Here's how:

1. The "claims-made" version of the new policy form reduces arguments and expensive litigation over what policy responds to a particular claim for injury or damage. By responding to claims first made during the policy term, the "claims-made" version generally makes it unnecessary to determine when injury or damage "occurred."
2. With "claims-made," *today's* claims are covered by *today's* policy with up-to-date—not out-of-date—limits of insurance.
3. The "claims-made" version of the policy form reduces the potential under some legal theories for stacking the limits of several policies in long-term exposure or latent-injury cases. The "claims-made" form is designed to have one—and only one—precisely identified policy respond to a claim for covered injury or damage. "Claims-made" introduces greater certainty and continuity into claims-handling and improves the accuracy of rates and loss reserves while covering exactly the same kinds of injury and damage as the "occurrence" alternative.
4. Both new policy forms—"claims-made" and "occurrence"—put aggregate limits on all coverages to specify at the outset of the policy term the total amount available for indemnification.
5. Given the extreme difficulty of fashioning language to provide coverage only for the "sudden" emission of pollutants, that is, language that will hold up in the courts as insurers intend, the new basic general liability policy forms—"occurrence" and "claims-made"—provide only certain off-premises coverage without distinction between "sudden" and "gradual" emission of pollutants. Coverage for emissions from the insured's premises, whether sudden or gradual, will be provided under special forms and endorsements.
6. The coverages provided by the old Broad Form Endorsement are built right into both new forms. So are the coverages for explosion, collapse, and underground perils, which are optional under the existing policies. Thus, the new forms automatically provide the scope of coverage most commonly sought by buyers and made available by insurers in today's marketplace.
7. The new program streamlines the policy forms, manual rules and rating procedures to make them more readily adaptable to cost-saving automated policywriting.
8. Both versions of the new policy form use simplified language in keeping with trends toward more readable and understandable insurance contracts for all lines of insurance.

**"OCCURRENCE" AND "CLAIMS-MADE":
SOME CONSIDERATIONS IN CHOOSING**

Choosing between the "claims-made" and "occurrence" versions of ISO's new policy form is made easier by the fact that *both versions are identical except for the triggers of coverage and related provisions.*

"Occurrence" or "Claims-made": The Differences

Both versions provide continuous, reliable coverage, without gaps, for the broad spectrum of business insureds. There is no difference in the kinds of injury and damage covered by either version, so an insured can purchase either version with complete assurance that no claim will go uncovered merely because of which policy is chosen. But claims for damages may be assigned to different policy periods, depending on which policy version is chosen. Therefore, a number of factors should be considered in selecting which of the new forms to use.

"Occurrence"

Under the "occurrence" form, the policy in effect when the bodily injury or property damage occurs responds to the claim. This is *not* a change from ISO's current policy. It is important to note that both the old and the new "occurrence" policies are triggered by injury or damage *that occurs* during the policy period and not by the "occurrence" that causes the injury or damage, or by the insured's negligent act or omission.

Under the "occurrence" forms—old and new:

- If the injury or damage occurs during the policy period, the coverage applies no matter when resulting claims are made.
- Cancellation or non-renewal after the injury or damage occurs does not affect coverage for the resulting claims.
- If the injury or damage is held to have occurred over several policy periods, all the policies in effect during these periods may be required to provide primary coverage for a single claim.
- Claims for injury that occurred long ago will be assigned back to previous policies that may have inadequate limits and/or coverages.
- Policy records may need to be kept open indefinitely for possible future claims.
- Keeping limits current and adequate may be difficult.
- Disputes and litigation may arise in determining when the injury occurred.

"Claims-made"

Under the "claims-made" form, bodily injury or property damage is covered by the policy in effect when the first claim for the injury or damage is made in writing against any insured. The form excludes bodily injury and property damage that occurred before a Retroactive Date to be entered by the company on the Declarations page. Normally, the Retroactive Date will be the inception date of the

insured's first "claims-made" policy. But the company may choose to eliminate this provision and provide retroactive coverage by writing "none" in the Retroactive Date blank, or choose to provide some retroactive coverage by using a Retroactive Date earlier than the first "claims-made" policy's inception date. In either case, coverage for a claim first made during the "claims-made" policy will be excess over any applicable prior insurance.

The "claims-made" form has been designed to ensure that no injury or damage occurring during the period of "claims-made" insurance need go uncovered because of cancellation, non-renewal, renewal with an advanced Retroactive Date, or replacement with insurance that is not on a "claims-made" basis for bodily injury or property damage. In any of these cases, the form provides an automatic 60-day "tail" period on the expiring policy. Claims first made during that "tail" period for injury or damage that occurred before the end of the policy period will be considered first made on the last day of the policy period.

The form also guarantees that the insured may purchase an endorsement extending the "tail" period without time limit. With this endorsement, claims first made *at any time* after the policy period, for injury or damage that occurred before the end of the policy period, will be considered first made on the last day of the policy period.

With these "tail" periods guaranteed, the form itself precludes coverage gaps.

The insured need *not* request a policy change or pay any additional premium to obtain the 60-day "tail" period.

A specific policy provision, as well as ISO's manual, guarantee that the price for the "tail" endorsement will not exceed a stated maximum. That maximum will be 200% of the liability premium paid for the expiring policy.

Under the "claims-made" form:

- One and only one "claims-made" policy will respond to a given claim. Coverage is pinpointed in the most recent applicable policy.
- Disputes over which policy applies will be reduced.
- Limits can be kept current to reflect expected claims patterns.
- Policy files need not be kept open indefinitely.
- There is complete continuity of coverage upon renewal or replacement.
- If the policy is cancelled or not renewed after injury or damage occurs, the built-in option to buy the extended reporting period option ("tail") must be exercised to obtain coverage for resulting future claims, unless all those claims are first made within the automatic 60-day "tail" period, or replacement "claims-made" coverage can be found with the same Retroactive Date as the expiring policy, or no Retroactive Date.

Tailoring the "Claims-made" Policy

Under certain circumstances, the "claims-made" insurer may wish to:

- use no Retroactive Date, but eliminate the excess coverage for specific injury and damage known to have occurred during previous "occurrence" policy periods;
- eliminate prospective coverage for injury or damage arising out of specific products, work or locations; or
- avoid exposing additional sets of "claims-made" policy limits upon policy renewal to future claims for injury and damage that occurred as of the end of a "claims-made" policy period.

For these purposes, ISO has designed a special endorsement excluding coverage with respect to accidents, products, work or locations described on a schedule. Again, care has been taken to avoid coverage gaps. In cases where specific exclusions for accidents, products, work or locations are introduced on renewal, the special endorsement itself guarantees:

- an automatic 60-day "tail" period, without an additional premium, on the expiring policy; and
- the availability of an endorsement providing a "tail" period without time limit on that expiring policy

for injury and damage arising out of the newly excluded accidents, products, work or locations. The expiring "claims-made" policy, with these "tails," will then pick up future claims for all such covered injury or damage that had occurred before the specific exclusion took effect.

For a quick overview of how these provisions and options will work, see the section entitled "'Claims-made' Summary" at the end of this introduction.

In addition, a complete set of endorsements is available for use with both versions of the policy. This gives the underwriter complete flexibility in tailoring coverage for individual accounts and classifications. While most of these endorsements are simplified adaptations of existing forms, new endorsements are included to eliminate products/completed operations and many of the Broad Form coverages when appropriate.

"Occurrence" or "Claims-made": The Price

ISO will provide advisory manual rates for both versions of the Commercial General Liability Policy.

"Occurrence"

ISO advisory rates for the new "occurrence" contract will be based on the rates for the old "occurrence" policy, modified to reflect:

- the incorporation of the "Broad Form" coverages in the basic policy form
- the new aggregate limit

- a combined single limit for bodily injury and property damage
- a new classification and rating structure.

"Claims-made"

The new ISO "occurrence" rates will be the basis for pricing the "claims-made" contract. Those "occurrence" rates will be modified by:

- A discount to reflect the fact that the time between policy inception and the average claim date is shorter under a "claims-made" policy than under an "occurrence" policy, so "claims-made" losses come earlier and are less affected by inflation. When applied to the "occurrence" rates, the discount produces rates for "mature claims-made," which responds on a primary basis to all claims first made during the policy period for covered injury and damage.
- A set of further discounts to be applied in the first four years of "claims-made" coverage to reflect the fact that, during that period, fewer claims will be covered because some of them will be for injury or damage that occurred before the Retroactive Date. This discount decreases each year because more claims will be covered as the "claims-made" program matures.

If no Retroactive Date is entered, the rates will be higher than they would be with a Retroactive Date, but still lower than the "occurrence" rates.

Shortening the "IBNR" (incurred but not reported) period between premium collection and claims payment will result in more accurate pricing by class.

Rating Plans

To track the new policy's rating structure, the new experience rating plan introduces, for general liability, a premium-at-present-rate type calculation instead of the collected premium calculation now used. This new plan applies to both the "occurrence" and "claims-made" contracts.

PART OF THE PROGRAM: CLASSIFICATION AND RULES

Classifying Risks

As part of the overall simplification of general liability insurance, major general liability sublines are combined into two sublines: premises/operations and products/completed operations.

The general liability classification listings are completely revised to:

- Introduce a common exposure base for the premises/operations and products/completed operations coverages for each classification. The common exposure base for determining rates for both sublines will be:
 - gross sales for most manufacturing and mercantile classes.
 - payroll for most contracting classes.
 - number of units for apartments.
 - area for office buildings.

- Introduce an inflation-sensitive exposure base where appropriate.
- Help in the automation of general liability insurance.
- Modernize classifications.
- Clarify the intended application of current classifications.

The general liability module of ISO's Commercial Statistical Plan is being updated to accommodate the new program. Statistical code numbers are all new. Upon publication, the revisions will be consolidated within the Commercial Lines Manual Classification Table.

Rewriting the Rules

The General Liability Rules are:

- Revised to track with changes made in the coverages provided under the new Commercial General Liability Policy
- Redesigned to conform with the revised classification and rating structure
- Consolidated into one set of rules for all classifications instead of separate sets of rules for each individual subline.

The rules are also amended to include:

1. a new step-by-step procedure for determining premium.
2. pricing for the "tail" coverage that's capped at a stated maximum.
3. a transition program that limits any premium increases that may result from a change in a risk's exposure base to 25 percent a year for five years. Premium decreases caused by the exposure-base change are limited to a value that offsets the increases. The transition program only applies to about 120 store classes.

More than General Liability

ISO's Commercial General Liability Program is part of a broader program to simplify the policy forms and rating of all commercial lines of insurance. As part of that broader program, ISO has developed new, simplified contracts for all commercial lines of insurance, using non-technical and personalized language wherever practical.

The ISO endorsement portfolio is revamped to eliminate many forms, to add new ones, and to redraft all forms in a style and format that are consistent with the basic policies. The total program is being introduced in phases.

What It Means

Any change takes some getting used to, and adjusting to change requires some extra effort to learn about and adapt to the new way of doing things. That will certainly be true during the transition to the new Commercial General Liability Policy.

But in the long run, extra effort and adjustment will benefit insurers, producers and consumers in the form of modernized coverages, more predictable losses, reduced policywriting expenses and simplified policy language.

"Claims-Made" Summary

"CLAIMS-MADE" SUMMARY**Trigger of Coverage for Bodily Injury and Property Damage**

- Claims first made against any insured during the policy period.

Retroactive Date Provision

- Excludes bodily injury and property damage that occurs before a date entered on the Declarations page.
- Provision can be nullified by writing "none" in place of a date.

"Tail" Endorsement (CG 27 01)

- Provides that claims first made after the policy period for injury or damage that occurred before the end of the policy period will be considered first made during the policy period.

Special Endorsements

- CG 27 02 excludes specific accidents, products, work or locations.
- CG 27 03 provides 60-day "tail" period on expiring policy for specific accidents, products, work or locations.
- CG 27 04 provides "tail" without time limit on expiring policy for specific accidents, products, work or locations.

POINTS TO REMEMBER***If "Claims-Made" Policy Is:***

- Issued with no Retroactive Date
- Issued with a Retroactive Date

Remember That:

Coverage is excess over prior "occurrence" policies. Specific liabilities may be excluded via CG 27 02.

Coverage excluded for bodily injury and property damage occurring prior to Retroactive Date. Coverage excess over any "occurrence" policies in effect before the policy period but after the Retroactive Date. CG 27 02 may still be used to exclude specific known liabilities.

POINTS TO REMEMBER (continued)

If "Claims-Made" Policy Is:

- Renewed or replaced with "claims-made" policy containing the same Retroactive Date
- (a) Renewed or replaced with "claims-made" policy containing advanced Retroactive Date; or
- (b) Renewed or replaced with an "occurrence" policy; or
- (c) Cancelled or not renewed and not replaced
- Renewed with "claims-made" policy newly excluding specific accidents, products, work or locations via CG 27 02.

Remember That:

Coverage continues without interruption.

60-day "tail" period automatically provided under expiring policy. "Tail" endorsement CG 27 01 is available on that policy.

Special endorsement CG 27 03 provides 60-day "tail" period on expiring policy for accidents, products, work or locations excluded. Endorsement CG 27 04 available on expiring policy to provide "tail" period without time limit for excluded accidents, products, work or locations.

Coverage Highlights

**ISO GENERAL LIABILITY POLICY REVISION
COMPARISON OF CURRENT AND REVISED CONTRACTS**

COVERAGE HIGHLIGHTS (Refer to Policies for Details)

	CURRENT "OCCURRENCE" POLICY	NEW "OCCURRENCE" POLICY	NEW "CLAIMS-MADE" POLICY
<p>1. <i>Coverages</i></p>	<p>Bodily Injury Liability, Property Damage Liability, Supplementary Payments, Broad Form Endorsement (GL 04 04) provides broadened contractual liability, as well as Personal Injury and Advertising Injury, Premises Medical Payments, Host Liquor, Fire Legal Liability, Broad Form Property Damage, Incidental Medical Malpractice, Non-Owned Watercraft, Limited Worldwide Liability, Additional Persons Insured, Extended Bodily Injury, and Automatic Coverage for Newly Acquired Organizations.</p>	<p>All coverage of current policy and broad form integrated into basic policy form, with extensions and restrictions described below. Presentation of coverage is consolidated and simplified.</p>	<p>Same as new "occurrence" policy.</p>
<p>2. <i>Limits of Liability</i></p>	<p>"Per occurrence" limits apply separately to bodily injury and property damage. Aggregate limits apply to products-completed operations hazard and property damage coverage for manufacturers and contractors. Broad Form Endorsement imposes separate aggregate on Personal Injury and Advertising Injury Liability, together with per person limit on medical payments and per occurrence limit on fire damage legal liability.</p>	<p>"Per occurrence" limit applies to bodily injury and property damage combined. Separate aggregate limits apply to products-completed operations hazard and all other coverages combined. Separate sublimits apply per person to Personal and Advertising Injury, per person to medical payments, and per fire to Fire Damage Legal Liability.</p>	<p>Same as new "occurrence" policy.</p>
<p>3. <i>Contractual Liability</i></p>	<p>Broad Form endorsement extends coverage of basic form to any oral or written contract relating to the named insured's business, with specific exclusions. Aircraft, auto, and watercraft exclusions do not apply to this coverage.</p>	<p>Coverage for liabilities assumed under leases of premises, sidetrack agreements, and other specific kinds of contracts. Coverage also extends to all other contracts relating to named insured's business, but only for tort liabilities assumed. Same exclusions applicable as in current "occurrence" policy, but auto exclusion also applies. Coverage will be available under Business Auto Policy.</p>	<p>Same as new "occurrence" policy.</p>
<p>4. <i>Alcoholic Beverages Exclusion</i></p>	<p>Applies to named insureds in liquor business. Statutory liability of premises owner also excluded. Broad Form provides Host Liquor Coverage.</p>	<p>Statutory liability of premises owner not excluded. Host Liquor coverage automatically included.</p>	<p>Same as new "occurrence" policy.</p>

**ISO GENERAL LIABILITY POLICY REVISION
COMPARISON OF CURRENT AND REVISED CONTRACTS**

COVERAGE HIGHLIGHTS (Refer to Policies for Details)

	CURRENT "OCCURRENCE" POLICY	NEW "OCCURRENCE" POLICY	NEW "CLAIMS-MADE" POLICY
<p>5. <i>Workers Compensation & Employers Liability</i></p>	<p>Exclusions designed to dovetail with Workers Comp and E. L. coverages.</p>	<p>Exclusions broadened to eliminate coverage for dual capacity suits and consequential bodily injury to family members. These coverages have been explicitly included in the new Workers Comp policy filed by NCCI.</p>	<p>Same as new "occurrence" policy.</p>
<p>6. <i>Pollution Liability</i></p>	<p>Excluded unless due to sudden and accidental emissions. No exception for products-completed operations hazard.</p>	<p>Excluded if emission originates on named insured's premises or a waste disposal or treatment facility. Off-site emissions covered unless pollutants are waste or unless the pollutants are brought to jobsite in connection with insured's or subcontractor's operations. No coverage for costs or liabilities arising out of clean-up or monitoring operations done at governmental request or direction. Resulting coverage embraces products-completed operations exposure for both sudden and gradual emissions.</p>	<p>Same as new "occurrence" policy.</p>
<p>7. <i>Auto, Aircraft and Watercraft</i></p>	<p>Ownership, maintenance, use, operations, loading and unloading excluded with certain exceptions. Exclusions do not apply to contractual coverage of Broad Form.</p>	<p>Exclusions have been consolidated. No change in scope of exclusion or exceptions to it, except for elimination of contractual coverage for auto use, which will now be covered under the ISO Business Auto Policy (see 3, above). New language specifically excludes coverage for liability arising out of the entrustment of autos to others. Exclusion of snowmobiles has been eliminated. Coverage is also provided for the operation of machinery or equipment attached to certain vehicles defined as "autos."</p>	<p>Same as new "occurrence" policy.</p>
<p>8. <i>Mobile Equipment</i></p>	<p>Covered except when being transported by an auto. Definitions of auto (excluded) and mobile equipment (covered) are intended to be mutually exclusive. No distinction made between road and operational use.</p>	<p>No change in scope of coverage. New definition defines as "Auto" certain vehicles which have machinery or equipment attached but are essentially road vehicles. A new provision in the auto exclusion assumes coverage for the operations of the attached equipment. On-the-road coverage will come from the Business Auto Policy.</p>	<p>Same as new "occurrence" policy.</p>

**ISO GENERAL LIABILITY POLICY REVISION
COMPARISON OF CURRENT AND REVISED CONTRACTS**

COVERAGE HIGHLIGHTS (Refer to Policies for Details)

	CURRENT "OCCURRENCE" POLICY	NEW "OCCURRENCE" POLICY	NEW "CLAIMS-MADE" POLICY
<p>9. <i>Property Damage</i></p>	<p>Various exclusions address property damage to the insured's products or work or to property in the insured's care, custody or control. Generally, such damage is not covered if due to an inherent defect in the product or work itself, or to negligence in handling or working on the entrusted property. Recall or withdrawal of products, work, or property incorporating them is specifically excluded. Other loss of use, including loss of use of uninjured property, is covered if due to physical injury inflicted on other property by the insured's products or work, or if due to sudden and accidental physical injury to the products or work themselves after they are put to use. Broad Form Endorsement narrows concept of care, custody or control so that coverage is provided for parts of property other than those on which the insured is actually working at the time of the damage. Endorsement also covers damage caused by faulty workmanship to other parts of work in progress; and damage to, or caused by, a subcontractor's work after the insured's operations are completed.</p>	<p>Exclusions have been completely rewritten and clarified with no change in overall scope of coverage. "Broad Form" coverage has been incorporated in the new provisions. Real property is specifically eliminated from the definition of "your product," so that the broad form coverage for work and completed operations clearly applies. Care, custody, or control exclusion has been restricted to personal property to clarify further the application of these provisions. A new definition of "impaired property" clarifies the application of the "failure to perform" and "sistership" exclusions (m and n).</p>	<p>Same as new "occurrence" policy.</p>
<p>10. <i>Alienated Premises</i></p>	<p>Excluded unconditionally.</p>	<p>Exclusion does not apply to premises built and held for sale by named insured, providing coverage for contractors who build on speculation.</p>	<p>Same as new "occurrence" policy.</p>

**ISO GENERAL LIABILITY POLICY REVISION
COMPARISON OF CURRENT AND REVISED CONTRACTS**

COVERAGE HIGHLIGHTS (Refer to Policies for Details)

	CURRENT "OCCURRENCE" POLICY	NEW "OCCURRENCE" POLICY	NEW "CLAIMS-MADE" POLICY
11. <i>Personal and Advertising Injury</i>	Coverage provided in Broad Form Endorsement.	Coverage in basic policy, simplified with no change in scope. Coverage triggered, as in current policy, by offense committed during policy period.	Same as new "occurrence" policy.
12. <i>Medical Payments</i>	Coverage provided in Broad Form Endorsement.	Coverage in basic policy, simplified with no change in scope. Payments for first aid, currently provided under Supplementary Payments, have been moved to Medical Payments section.	Same as new "occurrence" policy.
13. <i>Supplementary Payments</i>	Defense Costs provided in addition to policy limits.	No change. Pre-judgment interest included in Supplementary Payments in addition to policy limits. Maximum payment for expenses incurred by insured increased from \$25 to \$100 per day.	Same as new "occurrence" policy.
14. <i>Persons Insured</i>	Named Insured, spouses of individual proprietors, partners, members, executive officers, directors, stockholders, real estate managers, and operators of mobile equipment included in basic form. Legal representatives and property custodians included through Assignment condition if named insured dies. Spouses of partners and employees other than executives included by Broad Form Endorsement, with additional exclusions for employees. Endorsement also provides limited, automatic coverage for newly acquired organizations.	Separate, consolidated section lists all persons insured under current policy and Broad Form. Coverage for newly acquired organizations applies only to injury, damage, and civil offenses occurring after the acquisition. Exclusions for unnamed partnerships and joint ventures extended to include past, as well as present, enterprises.	Same as new "occurrence" policy.

**ISO GENERAL LIABILITY POLICY REVISION
COMPARISON OF CURRENT AND REVISED CONTRACTS**

COVERAGE HIGHLIGHTS (Refer to Policies for Details)

	CURRENT "OCCURRENCE" POLICY	NEW "OCCURRENCE" POLICY	NEW "CLAIMS-MADE" POLICY
15. <i>Other Insurance</i>	Coverage is excess for Fire Legal Liability, Broad Form Property Damage, Non-owned Watercraft. Coverage is contingent for newly acquired organizations and those responsible for operators of mobile equipment who are not employed by the named insured. Contribution is by equal shares unless prohibited by one or more of the other policies. In that case, contribution is pro-rata.	Same as current policy, but coverage is also excess for non-owned autos and aircraft.	Same as new "occurrence" policy, but coverage is also excess over any applicable prior insurance, if no Retroactive Date is used or there was "occurrence" coverage after the Retroactive Date. The coverage of the Extended Reporting Period Option is also excess over any subsequent insurance also applicable to a covered claim.
16. <i>Severability</i>	Contract applies separately to each insured against whom claim is made or suit is brought except with respect to limits.	New provision also states that contract applies as if each named insured were the only named insured.	Same as new "occurrence" policy.
17. <i>Extended Reporting Period</i>	Not applicable.	Not applicable.	Provides automatic "tail" period of 60 days and guarantees availability of endorsement providing "tail" period without time limit. Claims first made during a "tail" period for injury or damage that occurred before the end of the policy period (and after any applicable Retroactive Date) will be considered first made on the last day of the policy period.
18. <i>Limited Worldwide Products Coverage</i>	Applies to injury and damage anywhere in world, if original suit is brought in U.S., its territories or possessions, or Canada and the product was sold for use or consumption there.	Coverage expanded to products made or sold in U.S., its territories or possessions, or Canada, regardless of place of intended use. The term "original suit" is replaced by "suit on the merits" for clarity.	Same as new "occurrence" policy.