# Summary of Business Auto Coverage Form Liability Exclusions

## 1. Expected or Intended Injury

If the insured expects or intends to cause "bodily injury" or "property damage", then the policy does not provide coverage. The CGL Policy has an exception for "bodily injury" resulting from the use of reasonable force to protect persons or property, but there is no such exception in the BAP.

## 2. Contractual Liability

This BAP does not cover liability assumed under any contract or agreement, other than liability assumed in an "insured contract" or that the insured would have in absence of the contract. We discussed the definition of "insured contract" in Topic B. If you need to review that definition, navigate back there now.

## 3. Workers Compensation

The BAP will not cover any obligation of the insured to provide benefits under workers compensation, disability benefits, or unemployment compensation law. In general, almost any claim involving the injury to an employee will not be covered by the BAP.

## 4. Employee Indemnification and Employers Liability

Any obligation of the insured to pay for liability arising out of work-related accidents to an employee is not covered. This also applies to consequential liability to the employee’s family.

This exclusion does not apply to domestic employees not entitled to WC benefits. It also does not apply to liability assumed by the “insured” under an “insured contract”.

## 5. Fellow Employee

Liability for "bodily injury" arising out of an auto accident in which one employee negligently injures a fellow employee is not covered.

## 6. Care, Custody or Control

This exclusion states that damage to property owned by, being transported by, or in the care, custody or control of the insured is not covered. There are special inland marine policies to cover these exposures.
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7. HANDLING OF PROPERTY

This BAP does not cover "bodily injury" or "property damage" resulting from the handling of property:

- Before it is moved from the place where it is accepted by the insured for movement into or onto the covered auto;
- or after it is moved from the covered auto to the place where it is finally delivered by the insured.

The BAP and CGL Policy dovetail the treatment of loading and unloading. The CGL Policy stops when goods are accepted for movement onto the auto, the BAP covers the exposure associated with loading, in transit, and unloading, and the BAP continues until the goods are finally delivered. At that time the CGL Policy picks up the coverage. (Examples are provided in online course.)

8. MOVEMENT OF PROPERTY BY A MECHANICAL DEVICE

This insurance does not apply to "bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered auto.

If an insured uses any type of mechanical device in the loading or unloading operation, the BAP provides coverage only if the mechanical device is attached to the covered auto or the mechanical device is a hand truck (dolly). Loading and unloading a truck using an attached hydraulic lift-gate or mechanical crane is covered under the BAP. If it involves detached equipment (forklift) then the CGL provides liability.

9. OPERATIONS

This insurance does not apply to "bodily injury" or "property damage" arising out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment". This corresponds to the similar language in the CGL Policy for this type of equipment. If you remember these are vehicles designed to give mobility to permanently mounted cherry pickers, welders, compressors, lighting systems, pumps, sprayers, building cleaning, well servicing, and geophysical exploration equipment.

The mobility or over-the-road exposure of these vehicles is covered by the BAP. Whereas the operation of the equipment attached to these vehicles is covered by the CGL Policy.
10. COMPLETED OPERATIONS

This insurance does not apply to "bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned. Liability arising from completed operations is covered under the CGL Policy.

11. POLLUTION

The BAP excludes almost all "bodily injury" and "property damage" arising out of the pollution exposure, including the actual damage or harm caused by the pollutants and costs to clean up and/or test for pollutants. By means of exceptions found in this exclusion, the BAP gives coverage for "bodily injury" and "property damage" arising out of a pollution incident under the following circumstances:

1. Fluids, lubricants, fuels, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of a covered "auto" are covered if they escape directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants". For example, the covered “auto” is involved in an “accident”, causing fuel to leak from the fuel tank.

2. A covered "auto" causes damage to property containing a “pollutant” as long as this does not occur on premises the “insured” owns or rents and as long as the property containing the pollutant is not carried or contained on a covered auto. For example, the insured runs into an oil storage tank on a neighbor’s premises, causing it to leak. This is an example of pollution covered by the BAP.

12. WAR

This insurance does not apply to "bodily injury" or "property damage" due to war.

13. RACING

This insurance does not apply to covered "autos" while used in any professional or organized racing or demolition contest or stunting activity or while practicing for such activity. This insurance also does not apply if a covered auto is being prepared for such activities.