

**FRAMEWORK FOR ANALYZING THE
ADDITIONAL INSURED ENDORSEMENT**

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FOR:

**AMERICAN CLAIMS SERVICE, INC.
FEBRUARY 2006**

I. CERTIFICATES OF INSURANCE

- A. CONSTITUTES PROOF OF INSURANCE FOR NAMED INSURED BUT DOES NOT DETERMINE ADDITIONAL INSURED'S STATUS
- B. SIGNIFICANCE OF CERTIFICATE HOLDER
 - 1. PURPOSE OF CERTIFICATE
 - 2. EVIDENCE OF INSURANCE
- C. MAY INDICATE ADDITIONAL INSURED STATUS, BUT MUST LOOK TO POLICY TO DETERMINE ITS ACTUAL STATUS

II. ADDITIONAL INSURED ENDORSEMENT

- A. VICARIOUS LIABILITY
- B. ARISING OUT OF INSURED'S WORK
- C. CONTRACTUAL LIABILITY

III. VICARIOUS LIABILITY

- A. ONLY TO THE EXTENT OF LIABILITY RESULTING FROM OCCURRENCES ARISING OUT OF NEGLIGENCE OF THE INSURED
- B. LIMITED TO INSURED'S ACTS OF NEGLIGENCE - NO MENTION OF WORK PERFORMED UNDER THE CONTRACT
- C. NO ADDITIONAL PREMIUM - INDICATES INSURER DID NOT INTEND TO EXPAND COVERAGE

IV. ARISING OUT OF INSURED'S WORK

- A. EXPANDS COVERAGE
- B. ARISING OUT OF INSURED'S OPERATION
 - 1. BUT FOR CAUSATION - CAUSALLY CONNECTED, NOT PROXIMATELY CAUSED
 - 2. CAUSE AND RESULT RELATIONSHIP CAN TRIGGER COVERAGE
 - 3. EXAMINE THE NATURE AND EXTENT OF INSURED'S OPERATION
 - 4. THE ACTUAL ACTIVITY CAUSING THE LOSS

V. CONTRACTUAL LIABILITY

- A. UNDERLYING CONTRACT INCORPORATED INTO THE POLICY
 - 1. LOOK AT THE CONTRACT LANGUAGE
 - 2. INDEMNITY CLAUSE IS CRUCIAL IN DETERMINING SCOPE OF COVERAGE
- B. INSURED CONTRACT UNDER THE TERMS OF THE POLICY
- C. COULD BE SOLE LIABILITY OF AN ADDITIONAL INSURED

VI. FACTORS INFLUENCING COVERAGE DETERMINATIONS

- A. ADDITIONAL PREMIUM PAID FOR ENDORSEMENT
 - 1. NO ADDITIONAL PREMIUM CHARGED INDICATES INTENT NOT TO EXPAND COVERAGE
 - 2. ADDITIONAL PREMIUM CHARGED INDICATES AN INTENT TO EXPAND COVERAGE

- B. CONTRACT BETWEEN INSURED AND ADDITIONAL INSURED
 - 1. USUALLY NOT RELEVANT FOR DETERMINING ADDITIONAL INSURED STATUS
 - 2. CANNOT EXPAND THE INSURER'S DUTIES - ITS NOT A PARTY TO THE CONTRACT
 - 3. RELEVANT IF INCORPORATED INTO THE INSURANCE POLICY
 - 4. RELEVANT TO DETERMINE SCOPE OF INSURED'S WORK, DUTIES, ETC.

- C. USE OF YOU AND YOUR IN THE INSURANCE POLICY, DOES NOT EXPAND THE NAMED INSURED DEFINITION (TO INCLUDE ADDITIONAL INSURED) BUT REFERS BACK TO THE NAMED INSURED

- D. COMPLETED OPERATIONS EXCLUSION
 - 1. ANALYSIS VIRTUALLY THE SAME AS ARISING OUT OF THE INSURED'S WORK
 - 2. FOCUS UPON INSURED'S OPERATION NOT ON THE ADDITIONAL INSURED'S OPERATIONS

- E. BUT FOR CAUSATION (ARISING OUT OF INSURED'S OPERATION) NOT UNLIMITED COVERAGE, HAS TO BE RELATED TO THE INSURED'S WORK

- F. TO COVER SOLE LIABILITY OF THE ADDITIONAL INSURED, CONTRACT MUST BE VERY CLEAR THAT INSURER IS ASSUMING THAT RISK

- G. WHERE INSURED'S EMPLOYEE IS INJURED AND ADDITIONAL INSURED SEEKS COVERAGE, EMPLOYER'S LIABILITY EXCLUSION AND SEPARATION OF INSURED'S CLAUSE MAY BECOME IMPORTANT