

## What Does CGL Insurance Cover?

: Commercial general liability covers a wide-range of things, including

- **Bodily injury:** A CGL policy will protect you from any claims that may arise as a result of a bodily injury. These claims can be due to accidents that may occur on the premises of your business, products that you sell, or services that you offer. For example, if a vendor sues you after he slips, falls, and breaks a leg at your office, CGL policy coverage pays the costs of that lawsuit.
- **Property damage:** If someone else's property is damaged while on the premises of your business or if you damage another person's property off-site while performing business-related activities, this policy will protect you. For instance, if you are installing a swimming pool and accidentally hit a pipe and cause a flood, your CGL policy would cover the cost of the property damage.
- **Personal and advertising injuries:** A CGL insurance policy will also cover any damage caused as a result of personal and advertising injuries, including damage to someone else's character and/or reputation. This includes libel and slander, false accusations, copyright infringement, the use of someone else's ideas, or false arrest. For instance, if you post a negative comment on social media about one of your competitors, your comment causes damage to your competitor's reputation, and sues you, a CGL policy will cover you.
- **Medical expenses:** If someone sustains an injury on the premises of your business and requires medical treatment, the CGL policy will cover the cost of those medical expenses. These medical expenses can include surgeries, hospital stays, emergency transportation, extended medical care, in-home medical care, and even funeral expenses.
- **Legal fees:** Your CGL policy will also cover any legal fees that are associated with any claims that are filed against you that relate to the above-mentioned situations. This includes the cost of your defense attorney and court fees.

This General Liability insurance requirement/increase to 600,000 adds some protection to clients that have an unfortunate situation at their new home or during their home improvement and it should be the obligation of the client to ask for an even higher limit especially if their house is worth 2 million!

However, strictly speaking G/L insurance does not cover many things that go wrong on a job including discovery of lead, asbestos, mold, crumbling foundations, intentional acts as well as issues with employees, our subcontractors potentially, and many other scenarios. It is not substitute for the guaranty fund which I assume often is created by differences in opinion over the quality of work, the insurance company is not an arbitrator of defects. It is unlikely to cover situations where the contract is unenforceable, like one that does not follow the HIC or NHB registration requirements. It also does not cover errors and omissions or professional liability insurance.

It makes more sense to stop raiding the HIC guaranty fund year after year as a hidden tax on contractors, and then there would be plenty of money in the fund to pay out claims. Removing the guaranty funds in 5 years is not the answer. We have asked for those areas that have caused the most claims as well as payouts and have never received same. If something is broken, finding a fix requires determination of the cause. We at HBRA of CT would be more than pleased to be part of any comprehensive solution to the problem once it is ferreted out and a simplified, more stream lined and fairer system could be created.

Thank You.