



## DISCLOSURE NOTICE LS FORMS REVISION

Your renewal policy includes important coverage changes. Please review this important notice and retain it with your insurance policy.

This Disclosure Notice is not a contract of insurance. It is intended to provide information on an updated LS form series which is now in use by this company. Your policy may not include all of the forms addressed by this Disclosure Notice. It is recommended that you review your policy carefully to determine your rights, duties and obligations. This information is intended to assist you in the review of your prior and current policy. If there are any conflicts between this Disclosure Notice and your policy, the provisions of the policy shall prevail.

The intent of the revision is to modernize and streamline these forms which serve the General Liability markets as well as incidental usage with other commercial package policy programs. The aim is to make the forms more comprehensible and user friendly and to conform them more closely to current times and conditions.

Important changes are featured in this form series revision and some of those changes may broaden coverages while others may restrict coverage. We will attempt to highlight the major changes for your information.

All of the forms have updated language to utilize common terms such as We, You, Us and Our language to replace Insured and Insurer language featured in prior editions. Wherever possible, language has been streamlined for improved readability. Improvements in sentence structure, grammar and punctuation have been made throughout for that same purpose. In general, it is fair to characterize this revision as a largely cosmetic update aimed at enhancing readability, reducing redundancies, deleting anachronistic terms and making the forms series more user friendly.

The URB approach has been to maintain separate and discrete hazard forms addressing the basic liability hazards, LS-1, Owners, Landlords and Tenants and LS-3, Manufacturers and Contractors. A simplified package form LS-4, Storekeepers Liability and the more sophisticated package forms, LS-5 Business General Liability and LS-6 Business General Liability – Extra Coverage. This format is in contrast to other bureau programs which comprise a base form which can be enhanced or diminished to meet the needs of policyholders. The end result is not markedly different but the URB approach is more traditional and perhaps more familiar.

The revised form LS-5, Business General Liability, has been selected to serve as the model to illustrate the changes to the hazard forms. The more substantial changes are noted below.

1. The Agreement has been streamlined and extraneous language has been deleted. There is no substantial change.
2. The Table of Contents has been updated to reflect page changes in the form.
3. Definition 4, has been clarified by the addition of the word “bodily” preceding sickness and disease in the definition. This change comes from Lavanant v. General Accident Insurance Company and it is intended to clarify that alleged mental anguish that does not stem from physical injury does not constitute bodily injury as defined by the forms.
4. Definition 5, Coverage Territory has been recast to allow worldwide coverage for products manufactured in the coverage territory and world wide coverage of a person temporarily away from the coverage territory while on the insured’s business.
5. Definition 8, Employee has been updated to recognize leased employee relationships.
6. Definition 10, Insured has been revamped to include modern business entities such as limited liability corporations and limited liability partnership structures.
7. Definition 11, now refers to insured contracts as opposed to the prior reference to incidental contracts. The distinction is semantic only but it does more closely align URB language with other forms.
8. Definition 14, Named Insured’s Products has been broadened by reference to warnings, instructions and other sales support information.
9. Definition 18, Products/Completed Operations Hazard has been reworded but is otherwise unchanged.
10. Definition 19, Professional Services has been reworded to eliminate some archaic terminology.

11. Definition 20, Property Damage has been narrowed by the exclusion of intangible electronic data per the findings in American Guarantee and Liability Company v. Ingram Micro., Inc.
12. Definition 23, Suit, holds that the company is not obligated to provide a defense to a potentially responsible party (PRP) in connection with any pollution matters.
13. Definition 25, Your Work, has been supplemented with additional language concerning failure to provide instructions and/or warnings.
14. Definition 28, Underground Property Damage has been broadened by a reference to similar operations at the end of the list of prohibited functions per principle of ejusdem generis.
15. Principal Coverage L has been reworded for ease of reading.
16. Principal Coverage N has been reworded for ease of reading.
17. The Orderly Transfer of Duties section has been added to assure that clear instructions exist as to the responsibility of the insured to undertake the defense when limits are exhausted.
18. The Supplementary Payments language has been updated and clarified.
19. Exclusion 3. under Section D has been streamlined and updated by combining the former subsection f with former subsection c to form the current exclusion.
20. Exclusion 4. has been reworded and broken into three subsections for ease of reading and comprehension.
21. Exclusion 5. has been substantially revamped to enhance readability and the exceptions to the exclusion have been broadened to incorporate coverage for escape of smoke and vapors from a heating system within a covered building, and the escape of fluids from their intended confines within a vehicle operated on the covered premises.
22. Exclusion 7. has been totally revamped to follow the language of LS-31 (6/91). It modernizes the exclusion to conform to the Laconia Rod & Gun Club v. Hartford A&I decision.
23. Exclusion 10. combines the former premises alienated exclusion with the current care, custody and control exclusion. Subsection b. under exclusion 10. provides an exception from the exclusion providing coverage for your work, such as a building built on speculation, providing you never occupied it or rented it. Subsection d. of this exclusion removes coverage for damage to the parts of real property on which you, or contractors working on your behalf, are conducting on-going operations and such property damage results from those operations.
24. Exclusion 11. has been broadened to include a production deficiency in subsection c.
25. Exclusion 12. has been broadened to include packaging, instructions and warnings.
26. Exclusion 18. has been broadened to exclude coverage for damages in progress prior to the inception of the policy per Montrose Chemical Corp. v. Admiral Insurance Company.
27. Exclusion 19, has been added to preclude punitive damages exposures.
28. Section E, What You Must Do In Case Of Loss, has been modified by the addition of part 5 outlining requirements concerning medical reports.
29. Section F, How Much We Pay For loss Or Claim, has been amended to add item 5 and to delete the former example.
30. Under Condition 2, item i), the former reference to Section 2801a of the Public Health Law was deleted.
31. Under Condition 2, item g. contains the conditional reinstatement terms formerly displayed in form LS-84 (10/97).
32. Condition 6 has been modified to delete the former reference to the policy being void in cases of misrepresentation, concealment or fraud and it has been replaced with language to the effect that there is no coverage if misrepresentation, concealment or fraud is present.
33. Condition 7 has been augmented to add the pertinent conditions language.
34. Condition 15 has been added to comply with applicable insurance law.

Three additional forms have been added to the array of forms. Both LS -20 and LS-20 A are new forms. LS-20 addresses volunteers as insureds. LS-20A addresses volunteers as additional insureds responding only to the vicarious liability of volunteers.

LS-21A has been added to complement existing form LS-21. LS-21A provides vicarious liability coverage for employees as additional insureds.

In general, the remaining forms have been updated in a cosmetic manner. The language and readability of the forms has been improved but the substantive core of the forms remains unchanged.

This disclosure notice is not intended to be an exhaustive recitation of each and every change or modification, but is intended as an overview and to direct the reader to the important changes. There is no substitute for a careful reading and comparison of the new and existing forms. If any questions persist, please discuss them with your agent.