

Expert opinion

Brownyard

Why you need complete "Care, Custody and Control" coverage

By John Culotta

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When you buy a General Liability (GL) insurance policy, you expect that you will be covered for damages caused as a result of your treatment on a customer's home or business. You may be wrong. Typical GL policies cover damage to real and personal property, but not if that property is in your "care, custody and control."

In fact, most policies specifically exclude damage to that part of a customer's property that needs replacement because your work was incorrectly performed on it. Without complete Care, Custody and Control protection, your GL policy may be essentially worthless.

That's why most insurance agents and brokers will tell you that you need a Care, Custody and Control endorsement (endorsements are provisions added to insurance policies) on your GL policy. This endorsement protects you in case there is any damage to a home or business as a result of your work while the property is in your care.

Unfortunately, not all Care, Custody and Control endorsements are the same, and some may still leave you at risk. Here are three issues you should discuss with your insurance agent or broker about this important endorsement.

1. **Your endorsement may cover personal property in your care, custody and control, but not "real property."** This is a mistake. The bigger liability issue is the building, not personal items in the building. For example, if you are doing a spray treatment outside and it discolors the building's vinyl siding, it would not be covered without an endorsement that covers real property.
2. **Your Care, Custody and Control endorsement should also cover work done by subcontractors you hire, such as fumigation companies.** For example, if a subcontractor tents a home and causes catastrophic damage, it may not be covered and you could be liable for the damage. Make sure your endorsement covers work done by subcontractors on your behalf.
3. **Your endorsement should also cover damage caused while doing spot treatments.** Some policies will exclude spot treatments, covering only if the treatment is done to the entire structure. As pest management professionals (PMPs) know, spot treatments are common, but have the potential to cause significant damage to property if done improperly. Make sure you are covered.

Ask your insurance agent or broker about exclusions in your policy and how you can be sure you are covered.

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providing specialized insurance coverage for select industry groups. He can be reached at jculotta@brownyard.com or by calling 800-645-5820, ext. 122.

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