

BOGGS RISK & INSURANCE CONSULTING

Properly Naming Insureds

Christopher J. Boggs, CPCU, ARM, ALCM, LPCS, AAI, APA, CWCA, CRIS, AINS
President Boggs Risk & Insurance Consulting

1

BOGGS RISK & INSURANCE CONSULTING

Properly Naming the Insured in Commercial Lines

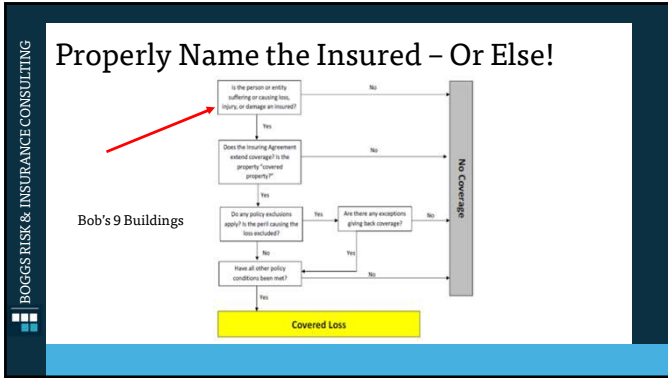
2

BOGGS RISK & INSURANCE CONSULTING

Two Competing Issues

1. Status as the or an "Insured" must exist before any question of coverage can be tackled!

3



4

Two Competing Issues

2. Incorrectly extending named "Insured" status:

- Places the intended insured's coverage at risk
Pollution Coverage
- Places an insurer's financial resources at risk
Individual - BAP - Symbol 1

5

Insured "Levels" ("The" vs. "An(y)")

	CGL	BAC	Work Comp
Direct and Vicarious Liability (Broadest)	"You"	"You"	• "You" • "Endorsed You"
Direct: Acting on Behalf	Extended Insureds (Varies by entity type)	• Permitted Drivers (with Exceptions) • "Others" endorsed onto policy	
Direct for Specific Activities	Automatic Insureds		
Primarily Vicarious	Additional Insureds	Outside "persons" responsible for any insured's actions (CA 20 48)	

6

BOGGS RISK & INSURANCE CONSULTING

The Reason for Difference in WC

The Insured
The Insurer

Outside Injured Party
Other Coverage Required

The CGL (and Liability)
"system"

7

BOGGS RISK & INSURANCE CONSULTING

The Reason for Difference in WC

The Insured
The Insurer

Any other party

Workers for whom the insured is responsible
4 types

The Work Comp "system"

Entity type affects WHO is considered an "Employee" and thus covered by the policy.

8

BOGGS RISK & INSURANCE CONSULTING

Insured "Levels" ("The" vs. "An(y)")

	CGL	BAC	Work Comp
Direct and Vicarious Liability (Broadest)	"You"	"You"	<ul style="list-style-type: none"> "You" "Endorsed You"
Direct: Acting on Behalf	Extended Insureds (Varies by entity type)	<ul style="list-style-type: none"> Permitted Drivers (with Exceptions) "Others" endorsed onto policy 	
Direct for Specific Activities	Automatic Insureds		
Primarily Vicarious	Additional Insureds	Outside "persons" responsible for any insured's actions (CA 20 48)	

9

Types of "You" ("The")

You's that CANNOT be Owned	You's that CAN be Owned
<ul style="list-style-type: none"> • Individual • Partnership • Joint Venture • Limited Liability Company 	<ul style="list-style-type: none"> • Corporation • Trust

10

Properly Extending Named Insured Status

Key Concept:

"THE" Insured is ALWAYS a person!

11

Extending Named Insured Status ("The")

If the insured is a(n)...	...the Named Insured should read:
Individual	The full legal name of the individual.
Partnership	The answer depends on the existence of and information in the partnership agreement: 1) If a partnership name is found in the partnership agreement, that is the named insured; but 2) If there is no name provided in the agreement or there is no agreement, the named insured is the last names of the individuals making up the partnership.
Joint Venture (JV)	The name of the JV as found in the written agreement.
Limited Liability Company	The name filed with the regulatory authority.
Other Organizations	Exactly as listed by the Secretary of State or other regulatory authority.
Trust	The name found on the declaration of trust.

12

Assumed Names (DBA or T/A)

1. The use difference centers around the legal position of the "Assumed Name."
2. If the "Assumed Name" has been filed with a licensing entity, use DBA
3. If the "Assumed Name" has not been filed with any licensing entity, use T/A
4. The "Assumed Name" is NOT generally required for coverage to apply. Coverage applies to the legal entity, not how it is known in the community. Neither DBA nor T/A is necessary

13

Unacceptable Combinations

One "person" (entity type) cannot DBA or T/A another "person" (entity type).

- Tucker, Inc. DBA Boggs, Inc.
- Chris Boggs T/A Insurance Geeks, Inc.
- Miller, Inc. T/A Ryan Miller DBA Insurance Guru

14

Unacceptable Terminology

- "As their interest may appear" (ATIMA)
- Omnibus wording ("any and all past entities," "all associated...")
- "Et al" or "Etc."
- Any specific location
- A limitation of coverage such as, "only with respect to..."
- Anything other than the natural or legal person and the assumed name. ("Operations conducted by Disney, Inc.")

15

BOGGS RISK & INSURANCE CONSULTING

Combining Entities

- Requires either Common Majority Interest or Essentially Identical Operations
- Do NOT combine dissimilar operations just because common majority interest exists
- Remember First Named Insured:
 - Allowed to make changes
 - Receive correspondence
 - Responsible for paying premiums

16

BOGGS RISK & INSURANCE CONSULTING

Disclaimer: This presentation is for conversation and education purposes only and is not to be considered or used as business, accounting or professional advice. The information and presentation is proprietary and may not be copied or used without express written permission.

17

BOGGS RISK & INSURANCE CONSULTING

Christopher J. Boggs, CPCU, ARM, ALCM, LPCS, AAI, APA, CWCA, CRIS, AINS
 President - Boggs Risk & Insurance Consulting
chrisboggs@windstream.net
 (704)685-6207

18
