

# LOSSPREVENTION LESSONS

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April 2023

*Keeping You  
Informed & Protected*

## Other Structures

A customer called his long time insurance agent to bind a new commercial policy after purchasing a business. The insurance agent visited the customer at the business location so that they could review the particulars of the coverage needed. He looked over the risk and bound coverage accordingly, informing the customer that the building as well as the multiple structures that surrounded the building would be covered under the policy. The policy renewed for several years without any losses. One day a storm came bearing down on the business and destroyed several of the garages that surrounded the business.

The customer reported the claim and the carrier denied coverage for one of the garages. The other structures listed on the policy were a garage, two pole barns, and a patio. However, the agent had erroneously failed to include one of the garages as an “other structure” and neither the agent nor the customer had noticed the oversight prior to the loss. The agent had known about the existence of multiple garages because he had visited the property. Also, he had acknowledged to the customer that there was coverage for all other structures on the property, including both garages.

The agent quickly realized that he had made an error and reported the claim to the E&O carrier for handling. Had the additional garage been included in the “other structures” section, the loss would have been covered.

Unfortunately, due to the oversight, the loss was not covered under the policy and the E&O carrier had to step in and handle the claim. This is an important reminder to be aware of other structures that may be present when binding a commercial property policy and to ensure that those structures are properly scheduled as required by the carrier.



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