



PROFESSIONAL INSURORS
AGENCY, LLC

Assault & Battery

Business Owners Could be Held Liable

Sublimits and Exclusions Could Be Devastating



As a business or property owner, you have an implied responsibility of providing a safe security premises to all patrons. If an assault or battery occurs onsite at a commercial business or property, the victim could be entitled to seek compensation from any party whose negligence aided in the assault. This could include the property owner where the incident occurred if it's deemed that their negligence contributed to the assault.

What is A&B?

Assault & Battery (A&B) is defined as intentional threats to someone's safety (assault) or physical conflicts (battery) between people. Many states also include a category called "aggravated" assault and battery which includes causing severe injury or using a deadly weapon.

Assault & battery coverages protections aren't limited to only physical injuries. Coverage is sometimes extended to emotional harm, which can include emotional harm sustained by witnesses.



Insurance for A&B

The most common type of insurance that business owner needs is Commercial General Liability (CGL). There are three ways commercial general liability insurance carriers structure A&B coverage.

The first type of CGL policy is called an unendorsed GL policy. This type of policy is silent on assault and battery meaning it contains no specific exclusions for A&B. The unendorsed CGL promises to pay all sums the insured is legally obligated to pay as a result of "bodily injury" or "property damage" suffered by a third party. With this type of coverage, the insurer will pay out a claim in the event that the insured is found to be liable for their actions or perceived to have not kept the premises protected as was their duty.

The second type is a CGL policy with A&B sublimits. A sublimit in a policy limits the amount of coverage available for that

type of loss. For A&B, a sublimit provides a lower amount of coverage to pay for any A&B claims compared to the stated limits placed on the policy. For example, you may have a \$1,000,000 occurrence limit on your General Liability policy, but A&B may be capped at as little as \$25,000 or \$50,000. In many A&B claims, this could be severely insufficient.

The last type of CGL policy is one with an A&B exclusions. When present in a CGL policy, the exclusion exempts the insurer from paying for "expected or intended injury," except when used by an employee to protect a person or property.

Another important consideration is an excess umbrella policy. An excess umbrella policy kicks in as additional insurance when your CGL claim limit has been exhausted. However, an umbrella policy will only go into effect in the instance of A&B if you are on an unendorsed CGL policy. If you have a policy with sublimits or exclusions, the umbrella coverage will most likely



Assault & Battery

not pay out in the case of an A&B claim as it will follow the GL coverage.

There are, however, many umbrella policies that are starting to exclude A&B from their policies even if the GL is silent. The best thing to do in this scenario is to work with an agent who can get quotes from markets they know will cover A&B, or specify clearly when they don't.

Property Owners Accountability

A&B coverage can help protect your business financially after a stabbing, shooting or beating occurs on your property. All businesses differ in the unique risks they carry, but A&B can be a common risk for many businesses including convenience stores, hotels, bars, nightclubs, apartments, or any other businesses located in high-trafficked areas. Since all landlords can be held responsible for protecting their tenants, they must insure with A&B coverage. There are also steps that

landlords can take to mitigate and lessen the chances of a crime being committed on their property.

Risk Management Tips for Landlords

Landlords should try to adhere to the following as it could aid in the event of an A&B insurance claim:

- Ensure your property meets or exceeds the safety laws for the area. Many places require all residential rental properties to have a locking doorknob and a deadbolt. To limit further liability, a landlord could make sure that these are all properly working.
- Be aware of the crime in your surrounding area and install a security system with additional cameras and lighting specifically designed to counteract popular crimes in the neighborhood. Strategic landscaping deterrents, such as thorny bushes below windows, are also a good idea.
- Educating tenants about the crime status in the neighborhood...



Assault & Battery

- (continued) and providing training in any installed security systems is beneficial to reduce your risk.
- Ask tenants about any potential security or safety concerns that may exist in the rental property. If there are any tenant complaints about safety problems, these should be addressed immediately. If any problems brought to the landlord's attention are not fixed, it could lead to increased liability on the landlord's part.
- Finally, landlords should be very thoughtful when it comes to choosing a property manager since this is a person who will have the most access and interaction with the tenant's properties. Landlords should perform background checks on any potential property managers and choose one that is best suited for the job and highly trustworthy. In the instance of a crime committed by the property manager, the landlord will most likely be responsible for the acts of the property manager and can expect a hefty lawsuit.
- On the same note, it's also a good idea for property owners to check the backgrounds of all tenants to determine they are the best fit for the neighborhood premise.

Conclusion

Assault & Battery coverage is beneficial to all businesses and critical to those who have higher crime risks. Since all CGL policies do not come with full A&B limits, it is good to work with an agent who can answer any questions you may have and provide guidance towards the best practice and coverage for you.

Professional Insurors has been aiding property owners seeking to protect their business assets for over 40 years. We are happy to review your current policy and offer strategic guidance as to what the best insurance plan for your business.