

# What is a Contractual Liability Exclusion?



E&O policies are not designed to follow any type of indemnification agreement that Insureds have in their contracts, and this is addressed by the contractual liability exclusion within most E&O policy forms.

Many Insureds become confused and they may think that contractual liability exclusions are designed to exclude any service the Insured performs merely because these services are contracted. This is not the case.

The main purpose of the contractual liability exclusion is to exclude liability of others, which the Insured contractually agrees to cover. The exclusion exists because underwriters are not able to underwrite our Insured's clients and their respective liability, which our Insureds sometimes agree to accept.

In certain instances given proper underwriting information, some carriers will amend will amend their policy to accept certain specific contractual liabilities.