

WHAT IS A GENERAL LIABILITY POLICY/WHAT DOES IT COVER?

Generally, liability insurance covers only the risk of being sued for negligence or strict liability torts, but not any tort or crime with a higher level of mens rea. This is usually mandated either by the policy language itself or case law or statutes in the jurisdiction where the insured resides or does business.

In other words, liability insurance does not protect against liability resulting from crimes or intentional torts committed by the insured. This is intended to prevent criminals, particularly organized crime, from obtaining liability insurance to cover the costs of defending themselves in criminal actions brought by the state or civil actions brought by their victims. A contrary rule would encourage the commission of crime, and allow insurance companies to indirectly profit from it, by allowing criminals to insure themselves from adverse consequences of their own actions.