



Why Almost Every Insured Needs Personal & Advertising Injury



Nancy Germond

- Executive Director, IIABA “Big “I” Risk Management and Education
- MA, SPHR, SHRM-SCP, ARM, AIC, ITP

Copyright © 2026 Independent Insurance Agents & Brokers of America, Inc. All rights reserved. No portion of this presentation or these materials may be shared, reproduced or recorded in any manner without the prior written consent of IIABA®.

Objectives, Parts 1 & 2

Part 1

1. Provide a brief history of the Commercial General Liability Coverage (CGL) Personal & Advertising Injury (P&AI), Part B, ISO Coverage form
2. Describe how the Commercial General Liability Coverage form develops coverage for P&AI
3. Discuss the E&O exposures that can exist in this important coverage

Part 2

1. Describe the offenses and types of claims that arise under P&AI coverage
2. Describe the types of exclusions that can apply to various types of claims and E&O errors that may arise out of this coverage
3. Discover current claims issues in P&AI claims



In Today's Social Media World

- **Personal & Advertising Injury (P&AI)**
Coverage may be one of the most important coverages you can recommend
- **Understanding P&AI well can help you do the following**
 - Explain the importance of the coverage to your insured
 - Ensure it's included if needed on Businessowners policies
 - Help *reasonably* advocate for your client if a claim issue arises



What Type of Businesses Need P&AI?

Retail



- False arrest
- Invasion of privacy
- Slander or libel

Security



- False arrest
- Invasion of privacy
- Wrongful detention

Habitational



- Malicious prosecution
- Invasion of privacy
- Wrongful eviction

Home-Based



- Slander
- Libel
- Infringement of copyright

A Brief History of P&AI :

The Historical Development of P&AI Coverage

1976

Coverage for advertising injury first appeared by broad form endorsement

1986

ISO amended the CGL and moved coverage to the form itself

1998

ISO revised the form and combined “personal injury” and “advertising injury” in the new, combined coverage P&AI

2001

New exclusions added to exclude offenses arising out of copyright and intellectual property rights

Coverage B Is a Separate Coverage in the CGL

- An independent insuring agreement
- A separate limit of coverage
- Seven covered offenses listed in the definitions section under personal & advertising injury
- 16 exclusions
- May be an occurrence form or a claims-made form:
 - CG 00 01 occurrence form
 - CG 00 02 claims-made form





PEKIN INSURANCE COMPANY
(A STOCK COMPANY)
HOME OFFICE 2505 COURT STREET PEKIN, ILLINOIS 61558

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

RENEWAL POLICY

NAMED INSURED: A-1 PLUMBING LLC

POLICY NO: 00620000

LIMITS OF INSURANCE:

GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS-COMPLETED OPERATIONS)	\$2,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	2,000,000
PERSONAL & ADVERTISING INJURY LIMIT (ANY ONE PERSON OR ORGANIZATION)	1,000,000
EACH OCCURRENCE LIMIT	1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT (ANY ONE PREMISES)	100,000
MEDICAL EXPENSE LIMIT (ANY ONE PERSON)	5,000

FORM OF BUSINESS: OTHER

DEDUCTIBLE: SEE ENDORSEMENT CG0300

OTHER ENDORSEMENTS AND FORMS ATTACHED TO THIS COVERAGE PART:

1696AZ 0822	IL0019 1211	CG0005 0605	CG0001 1001	CG0062 1202	CG0068 0509
CG0300 0196	CG2132 0509	CG2146 0798	CG2147 0798	CG2160 0998	CG2175 0115
CG2176 0115	CG2186 1204	CG2187 0115	CG2196 0305	CG2926 0322	CG4014 1220
CG5021 0107	CG5023 0107	CG5036 0807	CG5037 0309	CG5042 0313	CG5044 0313
CG5047 0115	CG5051 0215	CG5054 1018	CG5007 0522	CG5060 0819	CG5062 0819
CG5071 0622	IL2026 0721	IL0002 0791	IL0017 1198	IL0021 0908	IL0917 1185
IL1009 1220	IL2000 0421				

LOCATION OF ALL PREMISES THAT THIS COVERAGE PART APPLIES TO:

01 GLENDALE, AZ

Typical CGL
Dec Sheet

How the CGL Coverage Form Develops Coverage for P&AI

1) Section I – Coverages

- **Coverage A** – Bodily Injury and Property Damage Liability
- **Coverage B** – Personal and Advertising Injury Liability
- **Coverage C** – Medical Payments

2) Section II – Who Is an Insured

3) Section III – Limits of Insurance

4) Section IV – CGL Conditions

5) Section V – Definitions



PEKIN INSURANCE COMPANY
(A STOCK COMPANY)
HOME OFFICE 2505 COURT STREET PEKIN, ILLINOIS 61558

006229482

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

NAMED INSURED: A-1 PLUMBING LLC RENEWAL POLICY POLICY NO: 00620000

LIMITS OF INSURANCE:

GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS-COMPLETED OPERATIONS)	\$2,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	2,000,000
PERSONAL & ADVERTISING INJURY LIMIT (ANY ONE PERSON OR ORGANIZATION)	1,000,000
EACH OCCURRENCE LIMIT	1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT (ANY ONE PREMISES)	100,000
MEDICAL EXPENSE LIMIT (ANY ONE PERSON)	5,000

FORM OF BUSINESS: OTHER

DEDUCTIBLE: SEE ENDORSEMENT CG0300

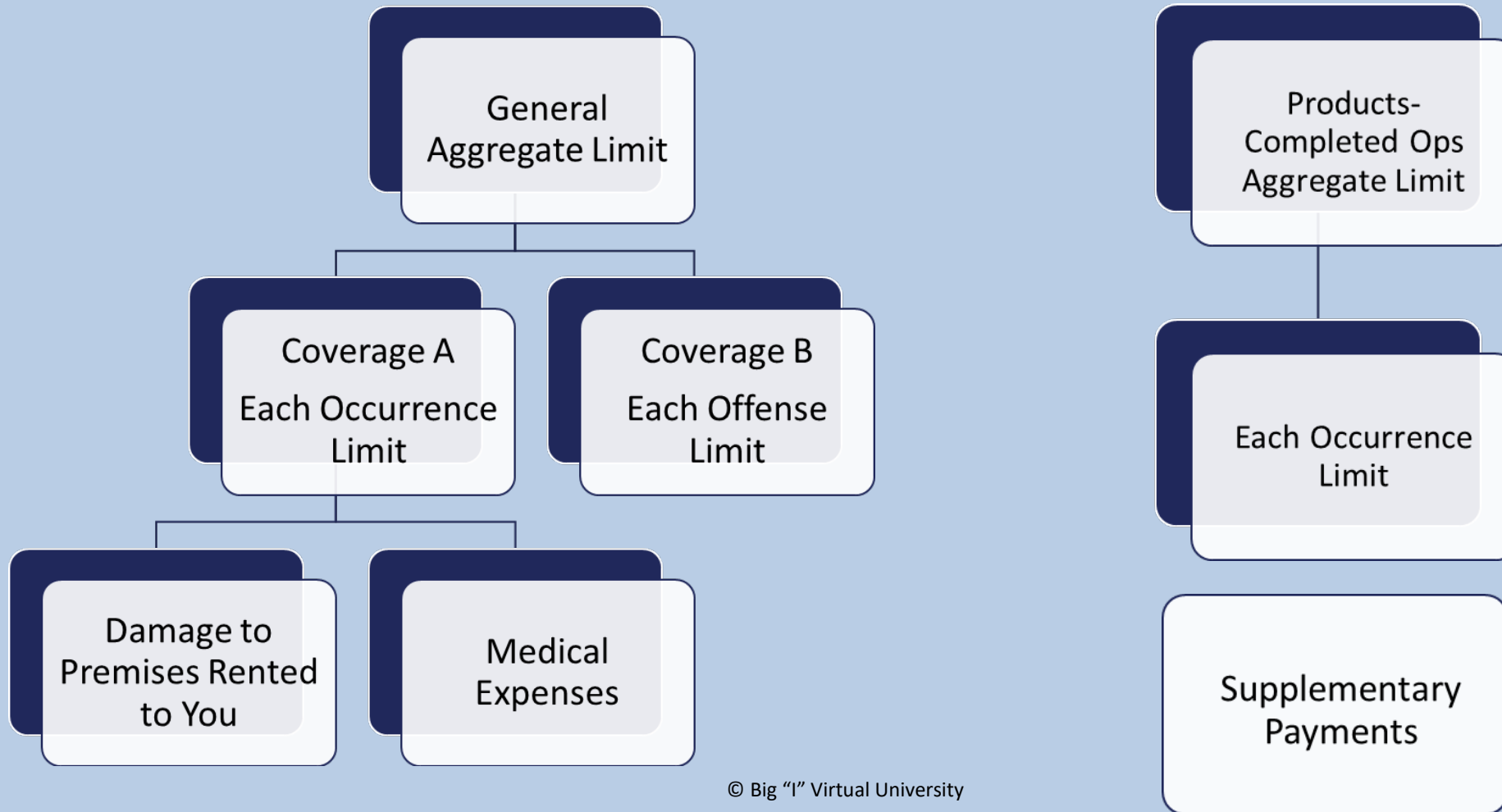
OTHER ENDORSEMENTS AND FORMS ATTACHED TO THIS COVERAGE PART:

1696AZ 0822	IL0019 1211	CG0005 0605	CG0001 1001	CG0062 1202	CG0068 0509
CG0300 0196	CG2132 0509	CG2146 0798	CG2147 0798	CG2160 0998	CG2175 0115
CG2176 0115	CG2186 1204	CG2187 0115	CG2196 0305	CG2926 0322	CG4014 1220
CG5021 0107	CG5023 0107	CG5036 0807	CG5037 0309	CG5042 0313	CG5044 0313
CG5047 0115	CG5051 0215	CG5054 1018	CG5007 0522	CG5060 0819	CG5062 0819
CG5071 0622	IL2026 0721	IL0002 0791	IL0017 1198	IL0021 0908	IL0917 1185
IL1009 1220	IL2000 0421				

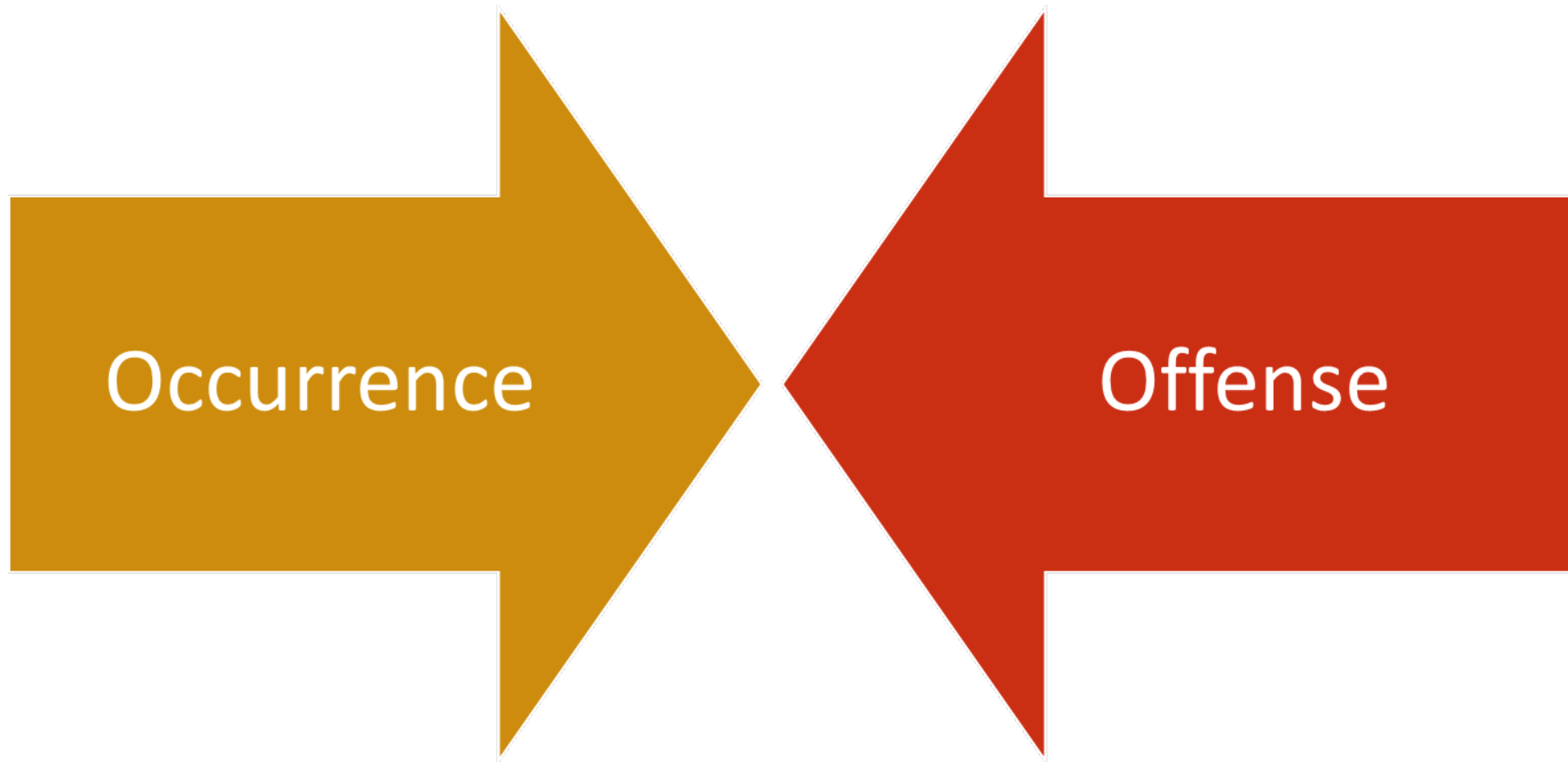
LOCATION OF ALL PREMISES THAT THIS COVERAGE PART APPLIES TO:

01 GLENDALE, AZ

How the CGL Sets Out Coverage



Occurrence vs. Offense



Let's Talk Occurrence Vs. Offense

- The CGL defines an “occurrence” as “an accident, including continuous or repeated exposure to substantially the same general harmful conditions.”
 - “Occurrences” apply to Coverage A – Bodily Injury and Property Damage Liability
- Under the CGL Coverage B – Personal and Advertising Injury Liability, the policy responds to an “offense”



Coverage Territory

- **CG 001 0413**
- **“Coverage territory” means:**
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **a.** above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in **a.** above;
 - (2) The activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business; or
 - (3) “Personal and advertising injury” offenses that take place through the Internet or similar electronic means of communication; provided the insured’s responsibility to pay damages is determined in a “suit” on the merits, in the territory described in **a.** above or in a settlement we agree to.

Types of Coverage B Offenses

Retail/Professional Establishments

- False arrest/imprisonment
- Invasion of privacy
- Slander or libel

Security Firms

- False arrest
- Invasion of privacy
- Wrongful detention

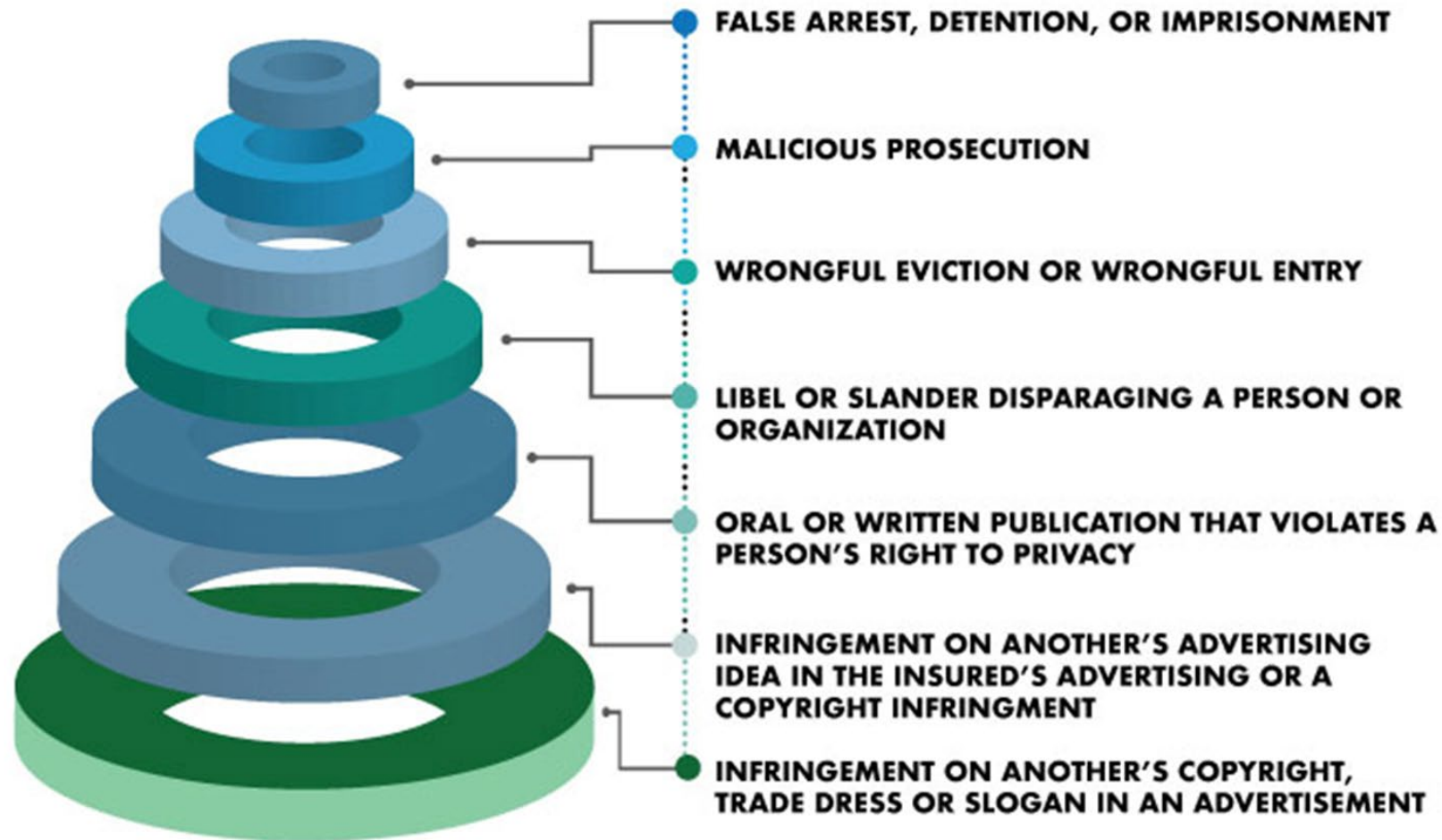
Habitation Risks

- Malicious prosecution
- Invasion of privacy
- Wrongful eviction

What Offenses Does P&AI Cover?

- a) False arrest, detention or imprisonment
- b) Malicious prosecution
- c) Wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor
- d) Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services
- e) Oral or written publication, in any manner, of material that violates a person's right of privacy.
- f) The use of another's advertising idea in your "advertisement"
- g) Infringing upon another's copyright, trade dress or slogan in your "advertisement"

Another Look at Offenses Covered



Intentional Torts

**A covered offense triggers
Coverage B — not an accidental
occurrence**

**That distinction allows certain
intentional torts to fall within
the insuring agreement**

COVERAGE B AT A GLANCE

Coverage requirements

- Arises from the insured's business
- Committed in the coverage territory
- Arises during the policy period

How the limit works

- One limit applies to all damages sustained by one person or organization
- No “expected or intended” injury exclusion

Common examples

- Wrongful eviction or detention
- Advertising injury from selected imagery

Intentional Torts, cont.

Intentional acts may trigger Coverage B — but insurers may still exclude knowing misconduct

Coverage turns on what the insured knew when the act or publication occurred

KEY EXCLUSIONS

Coverage B has 16 exclusions

Knowing violations

- No coverage when the insured knowingly violates another's rights

Known false material

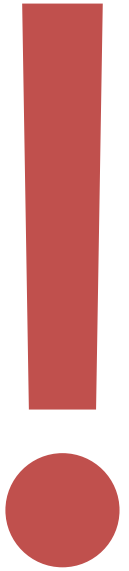
- No coverage when material is published with knowledge that the material is false

Arrest example

- Excluded if the insured knew there was no legal authority to make the arrest

16 Exclusions

- a) **Knowingly Violating The Rights Of Others**
- b) **Material Published With Knowledge Of Falsity**
- c) **Material Published Prior To Policy Period**
- d) **Criminal Acts Committed By Or At Direction Of The Insured**
- e) **Contractual Liability**
- f) **Breach Of Contract (Deals With “Business Risk”)**
- g) **Quality Or Performance Of Goods (“Business Risk”)**
- h) **Wrong Description Of Prices (“Business Risk”)**
- i) **Infringement Of Copyright, Patent, Trademark Or Trade Secret (Except If It Occurs In The Insured’s Ads, Copyright, Trade Dress, or Slogan**
- j) **Insureds In Media And Internet-type Businesses**
- k) **Electronic Chatroom or Bulletin Boards**
- l) **Unauthorized Use of Another’s Name or Product**
- m) **Pollution, Pollution Related**
- n) **War**
- o) **TCPA And CAN SPAM Act Violations**
- p) **“Personal & Advertising Injury” Arising Directly or Indirectly Out of Any Action or Omission that Violates or Is Alleged to Have Violated various communications acts**



Review

01 WHY P&AI COVER MATTERS

P&AI addresses personal and advertising offenses that can arise in everyday business and social-media activity

02 WHO NEEDS IT

Retail, security, habitational and home-based businesses face distinct risks—including detention, privacy, eviction, libel and copyright claims.

03 WHERE COVERAGE LIVES

Coverage B is separate within the CGL—with its own insuring agreement and limit, seven defined offenses and 16 exclusions.

04 WHAT TRIGGERS AND WHAT LIMITS COVERAGE

Coverage B responds to a listed offense, so certain intentional torts may qualify, but knowing violations and known falsity can exclude coverage

05 WHERE COVERAGE APPLIES

Coverage territory begins with the U.S., its territories, Puerto Rico and Canada, with defined international and online extensions

06 WHICH OFFENSES COUNT

False arrest or detention; malicious prosecution; wrongful eviction or entry; slander, libel or disparagement; privacy violations; use of another's advertising idea; and ad-related copyright, trade dress or slogan infringement



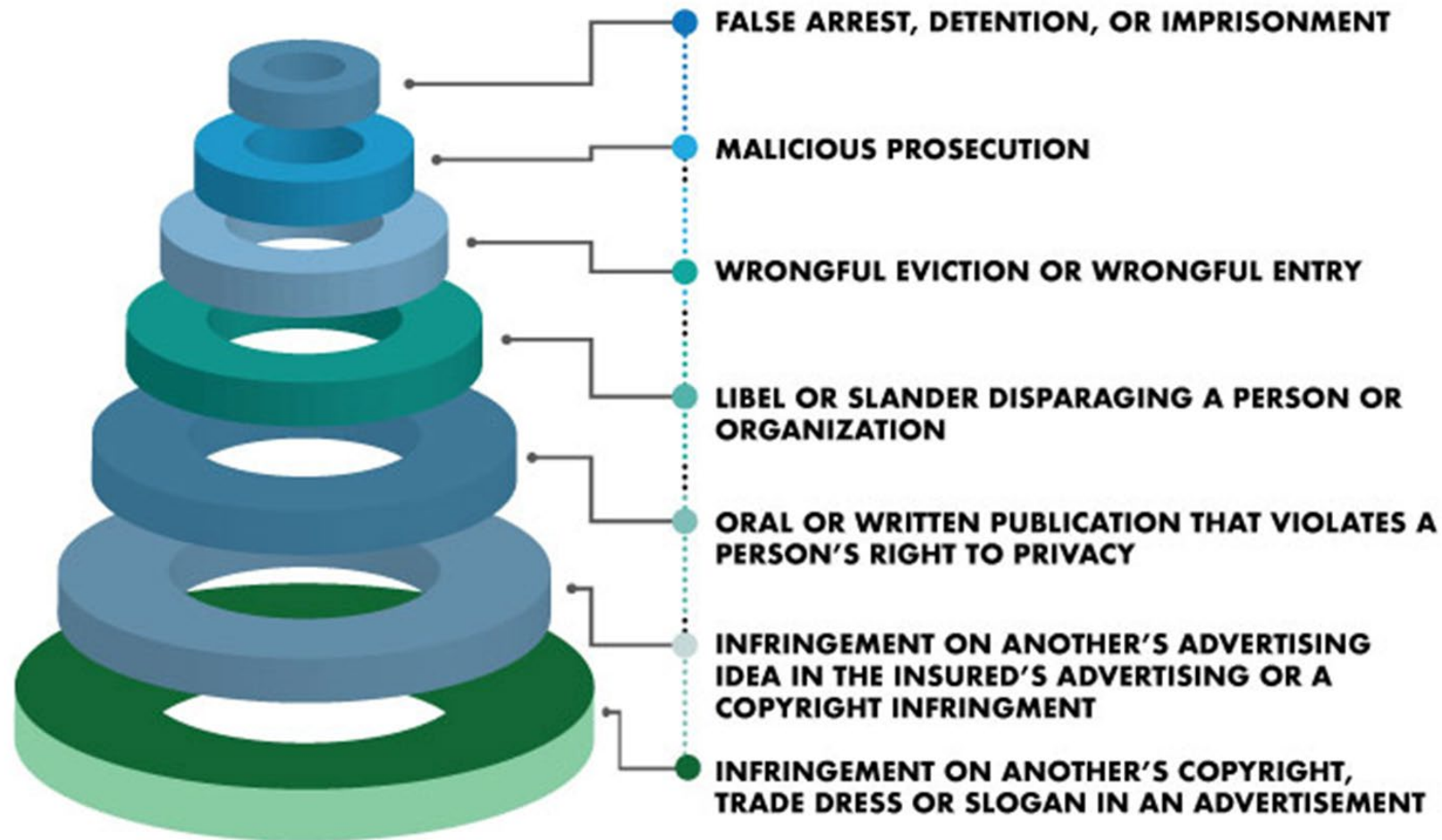
Exclusions and Contusions: Likely Coverage Errors Under Coverage B

Objectives, Part 2

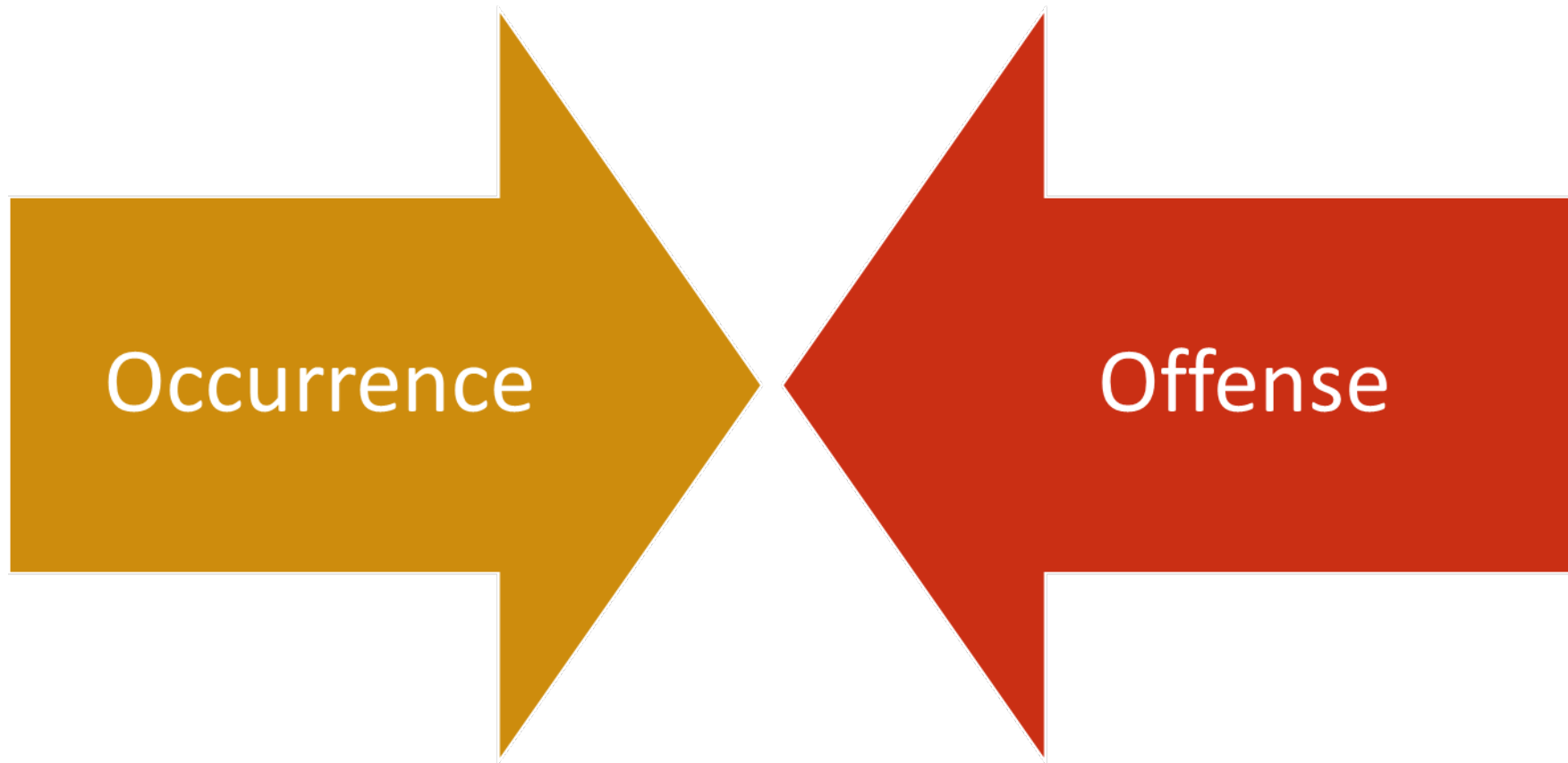
1. **Describe the offenses and types of claims that arise under P&AI coverage**
2. **Describe the types of exclusions that can apply to various types of claims and E&O errors that may arise out of this coverage**
3. **Discover current claims issues in P&AI claims**



Another Look at Offenses Covered



Let's Talk Occurrence Vs. Offense



Let's Start the Fun!

Claims and E&O Exposures
Under Coverage B and the
Coverage Issues That Occur



Exclusions and the E&O Exposures Under the CGL Coverage B



ALERT!

Reservation of Rights Letters



- Claims under this coverage will often trigger a nearly automatic ROR letter
 - Assure your insured in most cases, it's a normal part of the claim investigation
 - The insurer is reserving its rights to conduct a full investigation without first opening on coverage
 - Here's the IRMI definition of a ROR
 - A reservation of rights is an insurer's notification to an insured that coverage for a claim may not apply. Such notification allows an insurer to investigate (or even defend) a claim to determine whether coverage applies (in whole or in part) without waiving its right to later deny coverage based on information revealed by the investigation.
 - Insurers use a reservation of rights letter because in many claim situations, all the insurer has at the inception of the claim are various unsubstantiated allegations and, at best, a few confirmed facts. In reserving its rights to later deny coverage, the insurer is merely telling the insured of its concerns that the claim, in whole or in part, may not be covered under the policy, pending further investigation.
 - Although a reservation of rights protects an insurer's interests, it also alerts an insured to the fact that some elements of a claim may not be covered, thereby allowing the insured to take necessary steps to protect its potentially uninsured interests.

a. Knowing Violation of Rights of Another



b. Material Published With Knowledge of Falsity

- Instituting a civil or criminal legal action with the intent to injure the defendant and without probable cause, and terminating in favor of the person prosecuted

Who has this exposure?

- Public entities
- Retail establishments
- Security firms
- Habitation to some extent
- Contractors



c. Material Published Prior to the Policy Period

“Personal and advertising injury” arising out of oral or written publication of material where the first publication took place before the beginning of the policy period.”

- Most businesses (if not all) do some advertising



d. Criminal Acts Committed By or At the Direction of the Insured

Criminal Acts

“Personal and advertising injury” arising out of a criminal act committed by or at the direction of the insured.”



e. Contractual Liability

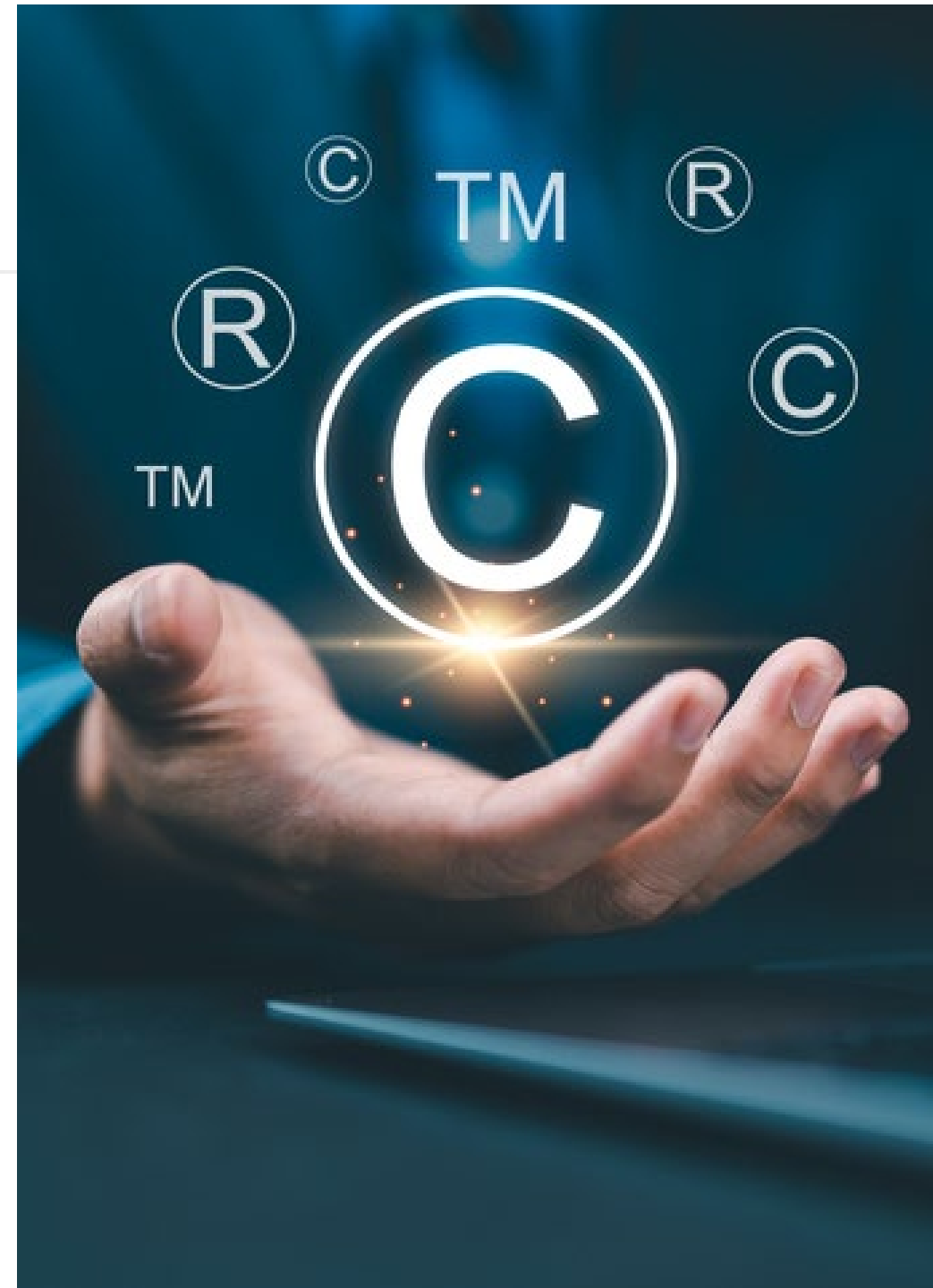
“Personal and advertising injury”
for which the insured has
assumed liability in a contract or
agreement.

This exclusion does not apply to
liability for damages that the
insured would have in the
absence of the contract or
agreement.”



f. Breach of Contract

“Personal and advertising injury” arising out of a breach of contract, except an implied contract to use another’s advertising idea **in your “advertisement.”**



g. Quality or Performance of Good – Failure to Conform to Statements

“Personal and advertising injury” arising out of the failure of goods, products or services to conform with any statement of quality of performance **made in your ‘advertisement’**”

☐ **AS IS - NO WARRANTY**

YOU WILL PAY ALL COSTS FOR ANY REPAIRS. The dealer assumes no responsibility for any repairs regardless of any oral statements about the vehicle.

☐ **WARRANTY**

h. Wrong Description of Prices

h. Wrong Description of Prices

“Personal and advertising injury” arising out of the wrong description of the price of goods, products or services stated in your “advertisement

PRICE LIST	
Regular Haircut	\$ ~~20~~
Haircut + Beard	\$ ~~35~~ +
Fades	\$ ~~25~~
Blow-Out	\$ ~~15~~
Senior Citizen (62 and over)	\$ ~~20~~
Hot Towel Shave	\$ ~~30~~
Eyebrows	\$ ~~10~~
Shape Up	\$ ~~10~~
Beard Trim	\$ ~~13~~ +
Kids Cuts (10 and under)	\$ ~~20~~
Designs	\$ ~~10~~ +
Shampoo	\$ ~~10~~
Barber Shop Deals	
Regular Cut + Eyebrows	\$ ~~30~~
Regular Cut + Eyebrows + Beard	\$ ~~35~~

Thank you for visiting us!

i. Infringement of Copyright, Patent, Trademark or Trade Secret

“Personal and advertising injury” arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion **does not apply to infringement, in your ‘advertisement,’** of copyright, trade dress or slogan.”



j. Insured in Media and Internet-Type Business

“Personal and advertising injury” committed by an insured whose business is:

1. Advertising, broadcasting, publishing or telecasting;
2. Designing or determining content of websites for others; or
3. An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a.,b. and c. of “personal and advertising injury” under the Definitions Section

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

- Ensure you understand the business your insured runs

k. Electronic Chatroom or Bulletin Boards

“Personal and advertising injury” arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.”



I. Unauthorized Use of Another's Name or Product

“Personal and advertising injury” arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.”

Metatag – A **metatag** is a snippet of HTML code placed in the <head> section of a web page that provides metadata (data about data) to web browsers, search engines, and other web services.

Metatags are invisible to regular visitors browsing the website and only appear in the page's source code.



**TRADEMARK
INFRINGEMENT**

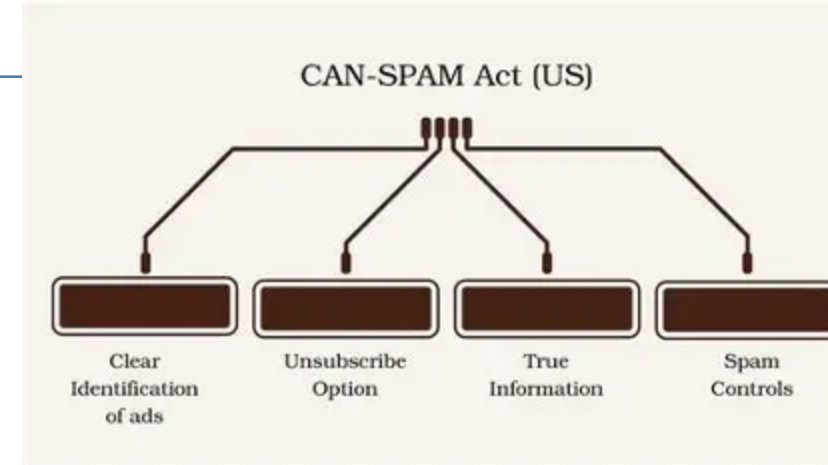
Three Exclusions Not Normally Triggered Under Coverage B

- m. Pollution
- n. Pollution-related
- o. War



p. Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate ...

- Telephone Consumer Protection Act
- CAN-SPAM Act
- Fair Credit Reporting Act
- Any federal, state or local statute, ordinance or regulation, other than the above acts, and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of material or information



Benefits of Selling P&AI

- In today's world, almost every business owner needs this important coverage
- Selling P&AI can help protect your agency against an errors & omissions claims by ensuring you offer this critical coverage
 - Any cross sale makes a customer stickier
 - It's estimated by one aggregator that retention rates rise substantially for each policy added



Benefits of Selling P&AI

Here are the “coverage biggies” under Coverage B, P&AI

- False arrest or imprisonment
- Malicious prosecution
- Wrongful eviction or invasion of privacy
- Oral or written publication of material that slanders, libels, or disparages an individual or business
- Infringing upon another’s copyright, trade dress, or slogan in your advertisement



In Closing

- In today's media-driven society, P&AI is probably a must for most business owners
- Coverage B has a separate insuring agreement, a separate limit of coverage and 16 exclusions
- There is a difference between an occurrence (under Coverage A) and an offense (under Coverage B)
- Coverage B cases are similar to a Coverage A in terms of investigation, coverage decisions and settlement
 - However, only experienced examiners generally handle these claims, and they are very expensive to defend.
 - Settlement may occur early and even with little indication of liability
- Many P&AI cases trigger a Reservation of Rights letter and sometimes take years to conclude
- Avoid E&O mistakes by ensuring your BOPs adequately cover P&AI and that you always offer it any business



Current Coverage Issues in P&AI Coverage

- *The Litigation:* A client's newsletter allegedly disparages a competitor. The competitor brings a P&AI claim.
 - For advertising injury offenses to apply, the injury must arise out of the insured's "advertisement."
 - Coverage Dispute: The insurer alleged a newsletter was not an "advertisement"
 - Disputes arise frequently over what constitutes an "advertisement" in the context of social media posts and influencers, website metadata, or email blasts.
 - "Advertising is defined in Section V – Definitions. However, coverage disputes can and will continue to arise



Current Coverage Issues in P&AI Coverage

- *The Litigation:* A hotel is sued by survivors of trafficking, who allege the hotel was aware of and perhaps abetted the use of their hotel for their exploitation
 - Allegations of false imprisonment or underlying negligence claims can arise, and courts have rules in various ways on the carriers' duties to defend and indemnity
 - Carriers are taking notice and in the first four months of 2026, filed 402 human trafficking exclusions
 - IRMI does a good overview of two cases
 - <https://www.irmi.com/articles/expert-commentary/breaking-coverage-case-cgl-insurers-owe-coverage-for-sex-trafficking-suits>



Current Coverage Issues in P&AI Coverage

- *The Litigation:* Data breaches that exposure personal data may create right-to-privacy claims when health records or customer identities are exposed
 - Arguments by the carriers is that these are pure cyber breaches, not a “publication”



Review

01 WHY P&AI COVER MATTERS

P&AI addresses personal and advertising offenses that can arise in everyday business and social-media activity

02 WHO NEEDS IT

Retail, security, habitational and home-based businesses face distinct risks—including detention, privacy, eviction, libel and copyright claims.

03 WHERE COVERAGE LIVES

Coverage B is separate within the CGL—with its own insuring agreement and limit, seven defined offenses and 16 exclusions.

04 WHAT TRIGGERS AND WHAT LIMITS COVERAGE

Coverage B responds to a listed offense, so certain intentional torts may qualify, but knowing violations and known falsity can exclude coverage

05 WHERE COVERAGE APPLIES

Coverage territory begins with the U.S., its territories, Puerto Rico and Canada, with defined international and online extensions

06 WHICH OFFENSES COUNT

False arrest or detention; malicious prosecution; wrongful eviction or entry; slander, libel or disparagement; privacy violations; use of another's advertising idea; and ad-related copyright, trade dress or slogan infringement

References

- *Commercial General Liability Coverage Guide*
 - Malecki, Thamann, Smith, published by The National Underwriter Company
- Chris Boggs article on Coverage B
 - <https://www.independentagent.com/vu/Insurance/Commercial-Lines/CGL/Coverages/BoggsPersonalandAdvertising.aspx>
- More on trade dress
 - <https://www.mandourlaw.com/trade-dress-infringement/>
- Verisk Rolls Out Generative AI Exclusions
 - https://www.independentagent.com/vu_resource/verisk-to-roll-out-new-general-liability-exclusions-for-generative-ai-exposures/
- Subscribe to Insurance Illustrated, the Virtual University's Bi-Weekly Newsletter
 - <https://www.independentagent.com/news/subscribe-insurance-illustrated/>

Thank You!



Copyright © 2026 Independent Insurance Agents & Brokers of America, Inc. All rights reserved. No portion of this presentation or these materials may be shared, reproduced or recorded in any manner without the prior written consent of IIABA®.