

What few people outside of the insurance industry know is that on your policy you will find what is covered by looking at the exclusions, not the coverage section. And unfortunately there is an optional exclusion on the general liability policy that can sneak up on people, particularly contractors.

At [Clinar](#)

[d Insurance Group](#)

in Winston Salem, North Carolina, we specialize in helping all kinds of [contractors](#)

, from small artisan contractors to larger, heavy equipment contractors so we make it a point to keep an eye on this exclusion for our clients.

So what is this demon exclusion that can sting a contractor on his general liability insurance? Well it is called the xcu exclusion and the letters x, c, and u stand for explosion, collapse and underground.

This exclusion is added by a special endorsement to the policy and it modifies the exclusions already found in the policy to remove coverage for losses related to these areas.

For instance if you are a

[landscaping contractor](#)

who installs sprinkler lines and you accidentally hit a gas line and create an explosion, you'd better hope you don't have the letter x (for explosion) showing up on this endorsement to your policy.

If so, this is one loss you will be paying out of your own pocket.

Ouch!

Other contractors who run risks with this type of stealth exclusion are grading contractors, excavators, sewer and water line installers and anyone who works with any kind of blasting or explosive materials.

At [Clinard Insurance](#) we specialize in contractors of all types and we know that you need to be building things and not trying to decipher tricky exclusions on your general liability insurance policy.

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