

ILLINOIS LAW MANUAL

CHAPTER XII

EXCLUSIONS TO COVERAGE

H. PROFESSIONAL SERVICES EXCLUSION

The standard comprehensive general liability insurance policy contains an exclusion precluding coverage for bodily injury, property damage or personal injury due to rendering or failure to render any professional services or treatments. This includes, but is not limited to:

- (1) legal, accounting, or advertising services;
- (2) engineering, drafting, surveying, or architectural services including preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs, or specifications;
- (3) supervisory or inspection services;
- (4) medical, surgical, dental, x-ray, anasthetical, or nursing services if the insured is engaged in any of these businesses or occupations;
- (5) cosmetic, tonsorial, or ear piercing services or treatments;
- (6) optometry or optical or hearing aid services;
- (7) mortuary or veterinary services or treatments;
- (8) chiropractic, massage, physiotherapy, chiropody, or osteopathy services or treatments; and
- (9) pharmaceutical services, but not to an insured who is a retail druggist or drugstore.

In Illinois, this provision excluded coverage for claims filed against engineers and architects. In Sheppard, Morgan & Schwaab, Inc. v. U.S. Fidelity and Guaranty Co., 44 Ill. App. 3d 481

(1976), the plaintiff-engineering firm (“SMS”) was insured under a comprehensive general liability insurance policy, which excluded bodily injury or property damage arising out of any professional services performed by or for the named insured, including:

- (1) the preparation or approval of maps, plans, opinions, reports, surveys, designs, or specifications; and
- (2) supervisory, inspection, or engineering services.

SMS was sued by a worker who was injured while working on a sewer construction project. The worker alleged that SMS was negligent in failing to properly supervise the construction it had engineered and that there had been a violation of the Structural Work Act because of improper supervision. The Appellate Court held that there was no ambiguity in the professional services exclusion, and it was therefore applicable. Id. at 484.

The identical provision also applied to exclude coverage for architects’ alleged Structural Work Act violations in Wheeler v. Aetna Cas. and Sur. Co., 11 Ill. App. 3d 841 (1973), vacated on the grounds of mootness, 57 Ill. 2d 184 (1974), and U.S. Fidelity and Guaranty Co. v. Continental Cas. Co., 153 Ill. App. 3d 185 (1987).

However, in State Auto. Mut. Ins. Co. v. Habitat Const. Co., 377 Ill.App.3d 281 (1st Dist. 2007), the identical provision did not apply to exclude coverage for a general contractor. In State Auto., the plaintiff’s complaint alleged that the defendant

general contractor failed to perform the proper supervisory and inspection services, in breach of the insurance policy's professional services exclusion, thus the defendant was barred from coverage in a personal injury action brought by one of the subcontractor's employees. The court found that this contention failed because a general contractor's

responsibility is to control the project schedule and assure that the structure complies with project specifications. Id. at 291-292. The defendant was not an architect, engineer, or surveyor, so the plain language of the professional services exclusion had no application. Id.