

Comprehensive Personal Liability
Section 2

DEFINITIONS (Applicable to Section 2)

“You” or “your” in this Section have the same meaning as in the Definitions applicable to all Sections. In addition, the following persons are insured:

1. any person or organization legally liable for damages caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any **business** or without the owner's permission;
2. a **residence employee** while performing their duties for you;
3. your legal representative having temporary custody of the insured **premises**, if you die while insured by this policy, for legal liability arising out of the insured **premises**;
4. any person who is insured by this policy at the time of your death and who continues residing on the insured **premises**.

“**Bodily Injury**” means bodily injury, sickness, disease or resulting death.

“**Business Property**” means property on which a **business** is conducted, property rented in whole or in part to others, or held for rental.

“**Legal Liability**” means responsibility which courts recognize and enforce between persons who sue one another.

“**Occurrence**” means an accident or event, occurring within the policy period, to which coverage under this policy applies. Continuous or repeated exposure to the same general harmful conditions or to similar acts or omissions constitutes a single **occurrence**.

“**Property Damage**” means damage to, or destruction of, or loss of use of tangible property.

“**Premises**” in this Section means all **premises** where the person(s) named as insured on the Declaration Page, or his or her **spouse**, maintains a residence. It also includes:

1. other residential **premises** specified on the Declaration Page, except **business** property and farms;
2. individual or family cemetery plots or burial vaults;
3. **vacant** land in Canada you own or rent, excluding farm land;
4. land in Canada where an independent contractor is building a one, two or three-family residence to be occupied by you;
5. **premises** you are using or where you are temporarily residing if you do not own such **premises**, as long as you are not the lessee or tenant of the **premises** under any agreement which is longer than ninety (90) consecutive days;
6. any **site** you own or rent for the recreational use or seasonal storage of a trailer;
7. **premises** in Canada to be occupied by you as your principal residence from the date you acquire ownership or take possession but not beyond the earliest of:
 - (a) thirty (30) consecutive days;
 - (b) the date the policy expires or is terminated;
 - (c) the date upon which specific liability insurance is arranged for such **premises**.

“**Residence Employee**” means a person employed by you to perform duties in connection with the maintenance or use of the insured **premises**. This includes persons who perform household or domestic services or duties of a similar nature for you. This does not include persons while performing duties in connection with your **business**.

“**Terrorism**” means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

All other definitions applicable to Section 1 have the same meaning in Section 2.

COVERAGES

This insurance applies only to accidents or **occurrences** which take place during the term of this policy.

The amounts of insurance are shown on the **Declaration Page**. Each person insured is a separate insured but this does not increase the limit of insurance.

COVERAGE E - LEGAL LIABILITY

We will pay all sums which you become legally liable to pay as compensatory damages because of **bodily injury** or **property damage**.

The amount of insurance is the maximum amount we will pay, under one or more Sections of Coverage E, for all compensatory damages in respect of one accident or **occurrence** other than as provided under Defense, Settlement and Supplementary Payments.

You are insured for claims made against you arising from:

1. **Personal Liability** - legal liability arising out of your personal actions anywhere in the world. You are not insured for claims made against you arising from:
 - (a) the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is shown in this policy;
 - (b) damage to property you own, use, occupy or lease;
 - (c) damage to property in your care, custody or control;
 - (d) damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
 - (e) **bodily injury** to you or to any person residing in your household other than a **residence employee**.
2. **Premises Liability** - legal liability arising out of your ownership, use or occupancy of the **premises** defined in Section 2. This insurance also applies if you assume, by a written contract, the legal liability of other persons in relation to your **premises**. You are not insured for claims made against you arising from:
 - (a) damage to property you own, use, occupy or lease;
 - (b) damage to property in your care, custody or control;
 - (c) damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
 - (d) **bodily injury** to you or to any person residing in your household other than a **residence employee**.
3. **Tenants' Legal Liability** - legal liability for property damage to **premises**, or their contents, which you are using, renting or have in your custody or control caused by:
 - (a) fire;
 - (b) **explosion**;
 - (c) **smoke**;
 - (d) **water escape** from a heating, plumbing, sprinkler or air conditioning system or household appliance.You are not insured for liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force.
4. **Employers' Liability** - legal liability for **bodily injury** to **residence employees** arising out of and in the course of their employment by you. You are not insured for claims made against you resulting from the ownership, use or operation of aircraft while being operated or maintained by your employee. You are not insured for liability imposed upon or assumed by you under any workers' compensation statute.

DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS

If a claim is made against you for which you are insured under Coverage E we will defend you, even if the claim is groundless, false, or fraudulent. We reserve the right to select legal counsel, investigate, negotiate and settle any claim if we decide this is appropriate. We will pay only for the legal counsel we select.

In addition to the limit of insurance under Coverage E, we will pay:

1. all expenses which we incur;
2. all costs charged against you in any suit insured under Coverage E;
3. any interest accruing after judgment on that part of the judgment which is within the amount of insurance of Coverage E;
4. premiums for appeal bonds required in any insured law suit involving you and bonds to release any property that is being held as security, up to the amount of insurance, but we are not obligated to apply for or provide these bonds;
5. expenses which you have incurred for emergency medical or surgical treatment to others following an accident or **occurrence** insured by this policy;
6. reasonable expenses, including actual loss of income up to \$100 per day, which you incur at our request.

COVERAGE F - VOLUNTARY MEDICAL PAYMENTS

We will pay reasonable medical expenses, incurred within one year of the date of the accident, if you unintentionally injure another person or if they are accidentally injured on your **premises**. This coverage is available even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses. Medical expenses for **residence employees** are insured.

The sum of \$2,000 is the maximum amount we will pay for each person in respect of one accident or **occurrence**.

We will not pay expenses covered by any medical, dental, surgical or hospitalization plan or law or under any other insurance contract.

We will not pay your medical expenses or those of persons residing with you, other than **residence employees**.

We will not pay medical expenses of any person covered by any workers' compensation statute.

You are not insured for claims arising out of the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is shown in this policy.

You shall arrange for the injured person, if requested, to:

1. give us, as soon as possible, written proof of claim, under oath if requested;
2. submit to physical examination at our expense by doctors we select as often as we may reasonably require;
3. authorize us to obtain medical and other records.

Proofs and authorizations may be given by someone acting on behalf of the injured person.

COVERAGE G - VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY

We will pay for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct property damage caused intentionally by anyone included in the definition of "you" or "your" in Section 2 of this policy, twelve (12) years of age or under.

You are not insured for claims:

1. resulting from the ownership, use or operation of any motorized vehicle, trailer or watercraft, except those for which coverage is provided by this policy;
2. for property you or your tenants own or rent;
3. which are insured under Section 1;
4. caused by the loss of use, disappearance or theft of property.

Basis of Payment: We will pay whichever is the least of the following:

1. the **actual cash value** of the property at the time of loss;
2. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
3. \$500.

We may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with you or the owner of the property. We may take over any salvage if we wish.

Within sixty (60) days after the loss, you must submit to us (under oath if required) a Proof of Loss Form containing the following information:

1. the amount, place, time and cause of loss;
2. the interest of all persons in the property affected;
3. the **actual cash value** of the property at the time of loss.

If necessary, you must help us verify the damage.

SPECIAL LIMITATIONS

Watercraft

Watercraft You Own: You are insured against claims arising out of your ownership, use or operation of watercraft provided the watercraft does not exceed 8 metres (26 feet) in length or is equipped with an outboard motor or motors of not more than 19kW (25 HP) in total when used with or on a single watercraft, or has an inboard or an inboard/outboard motor of not more than 38 kW (50 HP). If you own any motors or watercraft larger than those stated above, you are insured only if they are shown on the declaration page. If they are acquired after the effective date of this policy, you will be insured automatically for a period of thirty (30) days only from the date of their acquisition.

Watercraft You Do Not Own: You are insured against claims arising out of your use or operation of watercraft which you do not own, provided:

1. the watercraft is being used or operated with the owner's consent;
2. the watercraft is not owned by anyone included in the definition of "you" or "your" in Section 2 of this policy.

You are not insured for damage to the watercraft itself.

Motorized Vehicles

Vehicles You Own: You are insured against claims arising out of your ownership, use or operation of the following including their trailers and attachments:

1. self-propelled lawn mowers, snow blowers, lawn and garden tractors of not more than 22kW (30 HP), or implements used or operated mainly on your property, provided they are not used for compensation or hire;
2. motorized golf carts while used or operated on your **premises** or on a golf course;

3. motorized golf carts while used or operated on any **premises** if coverage for the golf cart is shown on the Declaration Page;
4. motorized wheelchairs, scooters having more than two (2) wheels and specifically designed for the carriage of a person with a physical disability;
5. while on the insured **premises**, recreational vehicles if they are designed for use off public roads and are not required to be registered under any government authority.

Vehicles You Do Not Own: You are insured against claims arising out of your use or operation of any self-propelled land vehicle, amphibious vehicle or air cushion vehicle, including their trailers, which you do not own, provided that:

1. the vehicle is not required to be registered under any government authority and it is designed primarily for use off public roads;
2. you are not using it for **business** or organized racing;
3. the vehicle is being used or operated with the owner's consent;
4. the vehicle is not owned by anyone included in the definition of "you" or "your" in Section 2 of this policy.

You are not insured for damage to the vehicle itself.

Trailers: You are insured against claims arising out of your ownership, use or operation of any trailer or its equipment, provided that such trailer is not being towed by, attached to or carried on a motorized vehicle.

Business and Business Property: You are insured against claims arising out of:

1. your work for someone else as a sales representative, collector, messenger or office employee, provided that the claim does not involve injury to a fellow employee;
2. your work for someone else as a teacher, provided the claim does not involve physical disciplinary action to a **student** or injury to a fellow employee;
3. the occasional rental of your residence to others;
4. rental to others of a one, two or three-family **dwelling** usually occupied in part by you as a residence, provided that no family unit includes more than two roomers or boarders per family;
5. the rental of space in your residence to others for incidental office, school or studio occupancy;
6. the rental to others, or holding for rent, of not more than three car spaces or stalls in garages or stables;
7. activities during the course of your **business** which are ordinarily considered to be non-**business** activities;
8. the temporary or part-time **business** pursuits of an insured person under the age of twenty-one (21) years.

Claims arising from the following **business** pursuits are insured only if the properties or operations are declared on the Declaration Page:

1. the rental of residential buildings containing not more than six dwelling units;
2. the use of part of your residence by you for incidental office, school or studio, or retail occupancy;
3. the sale, trade, and barter of items on the internet.

LOSS OR DAMAGE NOT INSURED

You are not insured for claims arising from:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. **terrorism**;
3. **bodily injury** or **property damage** which is also insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of Insurers regardless of exhaustion of such policy limits or its termination;
4. your **business** or any **business** use of your **premises** except as specified on the Declaration Pages of this policy;
5. the rendering or failure to render any professional service;
6. **bodily injury** or **property damage** caused by any intentional or criminal act or failure to act by:
 - (a) any person insured by this policy; or
 - (b) any other person at the direction of any person insured by this policy;
7. the ownership, use or operation of any aircraft or **premises** used as an airport or landing strip, and all necessary or incidental operations;
8. the ownership, use or operation of any motorized vehicle, trailer or watercraft except those for which coverage is provided in this policy;
9. the ownership, use or operation of any watercraft during participation in any race or speed contest other than a sailboat;
10. the transmission of communicable disease or sickness by any person insured by this policy;
11. the erasure, destruction, corruption, misappropriation or misinterpretation of **data**
 - (a) erroneously creating, amending, entering, deleting or using **data**;

- (b) the distribution or display of **data** by means of an internet website, the internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of **data**.
- 12.
- (a) directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of **fungi** or **spores**, however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of **fungi** or **spores**; or
- (b) any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with (a) above; or
- (c) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in (a) or (b) above.
13. the growing, manufacturing, processing, storing, or distribution, by anyone of any drug, narcotic or illegal substances or items of any kind. This includes any alteration of the **premises** to facilitate such activity whether or not you have any knowledge of such activity;
14. abuse or molestation, meaning any form of actual or threatened sexual, physical, psychological, mental and/or emotional abuse, molestation or harassment, including corporal punishment, directly or indirectly, by:
- (a) any person or person who is insured by this policy;
- (b) any person or person insured by this policy having knowledge of such an activity taking place;
- (c) any person or person insured by this policy failing to prevent such an activity from taking place;
- (d) at the direction of any person or any person who is insured by this policy.
15. punitive or exemplary damages, meaning that part of any award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you;
- 16.
- (a) the actual or alleged failure, malfunction or inadequacy of any computer or other equipment, including embedded microchips, computer programme or software to correctly read, recognize, process, distinguish, interpret or accept any date, time or combined date/time **data** or **data** field. Such failure shall include any error in original or modified **data** entry or programming.
- (b) any advice, consultation design, evaluation inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for any potential or actual problems described in paragraph (a) of this exclusion.

CONDITIONS

Notice of Accident or Occurrence: When an accident or **occurrence** takes place, you must promptly give us notice (in writing if required). The notice must include:

1. your name and policy number;
2. the time, place and circumstances of the accident;
3. the names and addresses of witnesses and potential claimants.

Co-operation: You are required to:

1. help us obtain witnesses, information and evidence about the accident and co-operate with us in any legal action if we ask you;
2. immediately send us everything received in writing concerning the claim including legal documents.

Unauthorized Settlements - Coverage E: You shall not, except at your cost, voluntarily make any payment, assume any obligations or incur expenses, other than first aid expenses necessary at the time of accident.

Action Against Us - Coverage E: You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until the amount of your obligation to pay has been finally determined, either by judgment against you or by an agreement which has our consent.

Action Against Us - Coverages F and G: You shall not bring suit against us until you have fully complied with all the terms of this policy, nor until sixty (60) days after the required Proof of Loss Form has been filed with us.

Insurance Under More than One Policy: If you have other insurance which applies to a loss or claim, or would have applied if this policy did not exist, our policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.