

# COMMERCIAL GENERAL LIABILITY FORM

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# COMMERCIAL GENERAL LIABILITY FORM

Throughout this Form the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under Paragraph (3) of Section II — Who is an Insured. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II — Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to — the Commercial Common Agreements, Definitions, Exclusions and Conditions form.

**Various provisions in this Form restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.**

## SECTION I — COVERAGES

### COVERAGE A — BODILY INJURY and PROPERTY DAMAGE LIABILITY

#### (1) Insuring Agreement

- (a) "We" will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies. "We" will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, "we" will have no duty to defend the insured against any "action" seeking "compensatory damages" for "bodily injury" or "property damage" to which this insurance does not apply. "We" may, at "our" discretion, investigate any "occurrence" and settle any claim or "action" that may result.

But:

- i. the amount "we" will pay for "compensatory damages" is limited as described in Section III — Limits Of Insurance; and
- ii. "our" right and duty to defend ends when "we" have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments — Coverages A, B and D.

- (b) This insurance applies to "bodily injury" and "property damage" only if:
- i. the "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
  - ii. the "bodily injury" or "property damage" occurs during the policy period; and
  - iii. prior to the policy period, no insured listed under Paragraph (1) of Section II — Who Is An Insured and no "employee" authorized by "you" to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- (c) "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph (1) of Section II — Who Is An Insured or any "employee" authorized by "you" to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- (d) "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph (1) of Section II — Who Is An Insured or any "employee" authorized by "you" to give or receive notice of an "occurrence" or claim:
- i. Reports all, or any part, of the "bodily injury" or "property damage" to "us" or to any other insurer;
  - ii. Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
  - iii. Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- (e) "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

#### (2) Exclusions

This insurance does not apply to:

- (a) **Expected or Intended Injury**  
"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

(b) **Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages":

- i. that the insured would have in the absence of the contract or agreement; or
- ii. assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "compensatory damages" because of "bodily injury" or "property damage", provided:
  1. Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  2. Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.

(c) **Workers' Compensation and Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment or employment compensation law or any similar law.

(d) **Employer's Liability**

"Bodily injury" to:

- i. An "employee" of the insured arising out of and in the course of:
  1. employment by the insured; or
  2. performing duties related to the conduct of the insured's business; or
- ii. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(2) (d) (i)** above.

This exclusion applies:

- a. whether the insured may be liable as an employer or in any other capacity; and
- b. to any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury.

This exclusion does not apply to:

- i. liability assumed by the insured under an "insured contract"; or
- ii. a claim made or an "action" brought by a Canadian resident "employee" on whose behalf contributions are made by or required to be made by "you" under the provisions of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority.

(e) **Aircraft or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of:

- i. any aircraft, air cushion vehicle or watercraft owned or operated by or rented or loaned to any insured; or
- ii. any real property for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto. This exclusion does not apply to:
  - (a) a retail store or restaurant located in an airport terminal; or
  - (b) maintenance performed by an insured on real property provided that "you" do not own or occupy the real property and that such maintenance is not performed in a restricted area, as defined in applicable regulations.

Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

1. a watercraft while ashore on premises "you" own or rent;
2. a watercraft "you" do not own that is:
  - a. Less than 8 metres long; and
  - b. Not being used to carry persons or property for a charge;
3. "Bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law, if the "bodily injury" results from an "occurrence" involving watercraft.

(f) **Automobile**

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership or use or operation of any "automobile" owned or operated by or on behalf of or rented or loaned to any insured. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury" or "property damage".

This exclusion applies to any motorized snow vehicle or its trailers and any vehicle while being used in

any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

This exclusion also applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any "automobile" that is owned or operated by or on behalf of, or rented or loaned to any insured.

This exclusion does not apply to:

- i. "Bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law.
- ii. "Bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" owned by the Insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the "automobile" is insured.
- iii. "Bodily injury" or "property damage" arising out of the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use or operation of such equipment, but this exception however does not apply when such equipment is mounted on or attached to any "automobile" and such equipment is used for the purpose of "loading or unloading".
- iv. "Bodily injury" or "property damage" arising out of "loading or unloading" if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.

(g) **Damage To Property**

"Property damage" to:

- i. property "you" own, rent, or occupy, including any costs or expenses incurred by "you", or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- ii. premises "you" sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- iii. property loaned to "you";
- iv. personal property in "your" care, custody or control, but this exclusion does not apply to personal property within a building that "you" do not own, rent or occupy;
- v. that particular part of real property on which "you" or any contractors or "subcontractors" working directly or indirectly on "your" behalf are performing operations, if the "property damage" arises out of those operations; or
- vi. that particular part of any property that must be restored, repaired or replaced because "'your' work" was incorrectly performed on it.

Paragraph (ii) of this exclusion does not apply if the premises are "'your' work" and were never occupied, rented or held for rental by "you".

Paragraphs (iii), (iv), (v) and (vi) of this exclusion do not apply to liability assumed under a sidetrack agreement. Paragraph (vi) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

(h) **Damage To Your Product**

"Property damage" to "'your' product" arising out of it or any part of it. If "your" business includes the repairing, selling or servicing of "automobiles", this exclusion does not apply unless the "property damage" is caused by a defect existing at the time that the "automobile" was sold or transferred to a person or organization that is not an insured.

(i) **Damage To Your Work**

"Property damage" to "'your' work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was:

- i. performed on "your" behalf by a "subcontractor"
- ii. resultant "property damage" to the rest of "your work".

(j) **Damage To Impaired Property or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- i. a defect, deficiency, inadequacy or dangerous condition in "'your' product" or "'your' work"; or
- ii. a delay or failure by "you" or anyone acting on "your" behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your" product" or "'your' work" after it has been put to its intended use.

(k) **Recall of Products, Work or Impaired Property**

"Compensatory damages" claimed for any loss, cost or expense incurred by "you" or others for the

loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- i. "your" product";
- ii. "your" work"; or
- iii. "impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

(l) **Electronic Data**

"Compensatory damages" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic "data".

(m) **Personal and Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

(n) **Professional Services**

"Bodily injury" (other than "incidental medical malpractice injury"), or "property damage" due to the rendering of or failure to render by "you" or on "your" behalf of any "professional services" for others, or any error or omission, malpractice or mistake in providing those services.

(o) **Abuse**

- i. Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an insured, including the transmission of disease arising out of any act of "abuse".
- ii. Claims or "actions" based on "your" practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- iii. Claims or "actions" alleging knowledge by an insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).

(p) **Damage by Blasting, Removal or Weakening of Support**

"Property damage" arising out of:

- i. the use of explosives for blasting;
- ii. vibration from pile driving or caisson work; or
- iii. the removal or weakening of support of any property, building or land whether such support is natural or otherwise.

This exclusion does not apply to "property damage":

1. arising out of work performed on "your" behalf by any contractor or "subcontractor"; or
2. included within the "products-completed operations hazards".

The following Exclusions are applicable to this coverage and are contained in the "Commercial Common Agreements, Definitions, Exclusions and Conditions" form.

(q) **Asbestos**

(r) **Data**

(s) **Disease, Illness or Infection**

(t) **Fungi or Spores**

(u) **Nuclear Energy Liability**

(v) **Pollution**

(w) **Terrorism**

(x) **War Risks**

(y) **"Silica" or "Silica-Related Dust"**

(z) **"Unmanned Air Vehicle System(s)"**

## COVERAGE B — PERSONAL and ADVERTISING INJURY LIABILITY

### (1) Insuring Agreement

- (a) "We" will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "personal and advertising injury" to which this insurance applies. "We" will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, "we" will have no duty to defend the insured against any "action" seeking "compensatory damages" for "personal and advertising injury" to which this insurance does not apply. "We" may, at "our" discretion, investigate any offense and settle any claim or "action" that may result.

But:

- i. the amount "we" will pay for "compensatory damages" is limited as described in Section III — Limits of Insurance; and
- ii. "our" right and duty to defend end when "we" have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments — Coverages A, B and D.

- (b) This insurance applies to "personal and advertising injury" caused by an offense arising out of "your" business but only if the offense was committed in the "coverage territory" during the policy period.

(2) **Exclusions**

This insurance does not apply to:

- (a) **Knowing Violation Of Rights Of Another**  
"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".
- (b) **Material Published With Knowledge Of Falsity**  
"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.
- (c) **Material Published Prior To Policy Period**  
"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- (d) **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 "compensatory 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 Goods — 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 or performance made in "your" "advertisement".
- (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".
- (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) **Insureds In Media and Internet Type Businesses**  
"Personal and advertising injury" committed by an insured whose business is:
  - i. advertising, broadcasting, publishing or telecasting;
  - ii. designing or determining content of web-sites for others; or
  - iii. an Internet search, access, content or service provider.However, this exclusion does not apply to Paragraphs (20) (a), (b) and (c) of "personal and advertising injury" under the Liability Forms, Definitions contained in the "Commercial Common Agreements, Definitions, Exclusions and Conditions" form.  
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.
- (k) **Electronic Chatrooms or Bulletin Boards**  
"Personal and advertising injury" arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control.
- (l) **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.

The following Exclusions are applicable to this Coverage and are contained in the "Commercial Common Agreements, Definitions, Exclusions and Conditions" form.

- (m) **Asbestos**
- (n) **Data**
- (o) **Disease, Illness or Infection**
- (p) **Fungi or Spores**
- (q) **Nuclear Energy Liability**
- (r) **Pollution**
- (s) **Terrorism**
- (t) **War Risks**
- (u) **"Silica" or "Silica-related Dust"**
- (v) **"Unmanned Air Vehicle System(s)"**

## COVERAGE C — MEDICAL EXPENSE

### (1) Insuring Agreement

- (a) "We" will pay medical expenses as described below for "bodily injury" caused by an accident:
- i. on premises "you" own or rent;
  - ii. on ways next to premises "you" own or rent; or
  - iii. because of "your" operations;
- provided that:
1. the accident takes place in the "coverage territory" and during the policy period;
  2. the expenses are incurred and reported to "us" within one year of the date of the accident; and
  3. the injured person submits to examination, at "our" expense, by physicians of "our" choice as often as "we" reasonably require.
- (b) "We" will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III — Limits of Insurance. "We" will pay reasonable expenses for:
- i. first aid administered at the time of an accident;
  - ii. necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
  - iii. necessary ambulance, hospital, professional nursing and funeral services.

### (2) Exclusions

"We" will not pay expenses for "bodily injury":

- (a) **Any Insured**  
To any insured, except "volunteer workers".
- (b) **Hired Person**  
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- (c) **Injury On Normally Occupied Premises**  
To a person injured on that part of premises "you" own or rent that the person normally occupies.
- (d) **Workers Compensation and Similar Laws**  
To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- (e) **Athletic Activities**  
To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- (f) **Products-Completed Operations Hazard**  
Included within the "products-completed operations hazard".
- (g) **Coverage A Exclusions**  
Excluded under Coverage A.

## COVERAGE D — TENANTS' LEGAL LIABILITY

### (1) Insuring Agreement

- (a) "We" will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to which this insurance applies. This insurance applies only to "property damage" to premises of others rented to "you" or occupied by "you". "We" will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, "we" will have no duty to defend the insured against any "action" seeking "compensatory damages" for "property damage" to which this insurance does not apply. "We" may, at "our" discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:
- i. The amount "we" will pay for "compensatory damages" is limited as described in Section III — Limits of Insurance; and
  - ii. "Our" right and duty to defend ends when "we" have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments — Coverages A, B and D.

- (b) This insurance applies to "property damage" only if:
- i. the "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - ii. the "property damage" occurs during the policy period; and
  - iii. prior to the policy period, no insured listed under Paragraph (1) of Section II — Who Is An Insured and no "employee" authorized by "you" to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- (c) "Property damage" which occurs during the policy period and was not, prior to the policy period, known to

have occurred by any insured listed under Paragraph (1) of Section II — Who Is An Insured or any "employee" authorized by "you" to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.

- (d) "Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph (1) of Section II — Who Is An Insured or any "employee" authorized by "you" to give or receive notice of an "occurrence" or claim:
- i. reports all, or any part, of the "property damage" to "us" or any other insurer;
  - ii. receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or
  - iii. becomes aware by any other means that "property damage" has occurred or has begun to occur.

(2) **Exclusions**

This insurance does not apply to:

(a) **Expected or Intended Injury**

"Property damage" expected or intended from the standpoint of the insured.

(b) **Contractual Liability**

"Property damage" for which the insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for:

"compensatory damages" that the insured would have in the absence of the contract or agreement; or Assumed in an "insured contract", provided:

The "property damage" occurs after the execution of the "insured contract"; and

The cost of any obligation to defend or pay for the defense of a part to the "insured contract", other than "you", will be considered "compensatory damages" unless the requirements of Supplementary Payments-Coverages A, B and D (2) are met.

The following Exclusions are applicable to this Coverage and are contained in the "Commercial Common Agreements, Definitions, Exclusions and Conditions" form.

- (c) **Asbestos**
- (d) **Data**
- (e) **Disease, Illness or Infection**
- (f) **Fungi or Spores**
- (g) **Nuclear Energy Liability**
- (h) **Pollution**
- (i) **Terrorism**
- (j) **War Risks**
- (k) **"Silica" or "Silica-related Dust"**
- (l) **"Unmanned Air Vehicle System(s)"**

**SUPPLEMENTARY PAYMENTS — COVERAGES A, B and D**

- (1) "We" will pay, with respect to any claim "we" investigate or settle, or any "action" against an insured "we" defend:
- (a) all expenses "we" incur.
  - (b) the cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. "We" do not have to furnish these bonds.
  - (c) all reasonable expenses "you" incur at "our" request to assist "us" in the investigation or defense of the claim or "action", including actual loss of earnings up to \$250 a day because of time off from work.
  - (d) all costs assessed or awarded against "you" in the "action".
  - (e) any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before "we" have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- (2) If "we" defend an insured against an "action" and an indemnitee of the insured is also named as a party to the "action", "we" will defend that indemnitee if all of the following conditions are met:
- (a) the "action" against the indemnitee seeks "compensatory damages" for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - (b) this insurance applies to such liability assumed by the insured;
  - (c) the obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - (d) the allegations in the "action" and the information "we" know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - (e) the indemnitee and the insured ask "us" to conduct and control the defense of that indemnitee against such "action" and agree that "we" can assign the same counsel to defend the insured and the indemnitee; and
  - (f) The indemnitee:
    - i. Agrees in writing to:

1. cooperate with "us" in the investigation, settlement or defense of the "action";
  2. immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with the "action";
  3. notify any other insurer whose coverage is available to the indemnitee; and
  4. cooperate with "us" with respect to coordinating other applicable insurance available to the indemnitee; and
- ii. Provides "us" with written authorization to:
1. obtain records and other information related to the "action"; and
  2. conduct and control the defense of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by "us" in the defense of that indemnitee, necessary litigation expenses incurred by "us" and necessary litigation expenses incurred by the indemnitee at "our" request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **(2) (b) (ii)** of Section I Coverage A — Bodily Injury and Property Damage Liability, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

"Our" obligation to defend an insured's indemnitee and to pay for legal fees and necessary litigation expenses as Supplementary Payments ends when:

- a. "we" have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II — WHO IS AN INSURED

- (1) If "you" are designated in the Declarations as:
  - (a) an individual, "you" and "your" spouse are insureds, but only with respect to the conduct of a business of which "you" are the sole owner.
  - (b) a partnership, limited liability partnership or joint venture, "you" are an insured. "Your" members, "your" partners, and their spouses are also insureds, but only with respect to the conduct of "your" business.
  - (c) a limited liability company, "you" are an insured. "Your" members are also insureds, but only with respect to the conduct of "your" business. "Your" managers are insureds, but only with respect to their duties as "your" managers.
  - (d) an organization other than a partnership, limited liability partnership, joint venture or limited liability company, "you" are an insured. "Your" "executive officers" and directors are insureds, but only with respect to their duties as "your" officers or directors. "Your" shareholders are also insureds, but only with respect to their liability as shareholders.
  - (e) a trust, "you" are an insured. "Your" trustees are also insureds, but only with respect to their duties as trustees.
- (2) Each of the following is also an insured:
  - (a) "Your" "volunteer workers" only while performing duties related to the conduct of "your" business, or "your" "employees", other than either "your" "executive officers" (if "you" are an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or "your" managers (if "you" are a limited liability company), but only for acts within the scope of their employment by "you" or while performing duties related to the conduct of "your" business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (i) "Bodily injury" or "personal and advertising injury":
      1. to "you", to "your" partners or members (if "you" are a partnership, limited liability partnership or joint venture), to "your" members (if "you" are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of "your" business, or to "your" other "volunteer workers" while performing duties related to the conduct of "your" business;
      2. to the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(i) 1.** above;
      3. for which there is any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury described in Paragraphs **(i) 1.** or **2.** above;
      4. arising out of his or her providing or failing to provide professional health care services; or
      5. to any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
    - (ii) "Property damage" to property:
      1. owned, occupied or used by,
      2. rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you", any of "your" "employees", "volunteer workers", any partner or member (if "you" are a partnership, limited liability partnership or joint venture), or any member (if "you" are a limited liability company).
  - (b) Any person (other than "your" "employee" or "volunteer worker"), or any organization while acting as "your" real estate manager.

- (c) Any person or organization having proper temporary custody of "your" property if "you" die, but only:
    - i. with respect to liability arising out of the maintenance or use of that property; and
    - ii. until "your" legal representative has been appointed.
  - (d) "Your" legal representative if "you" die, but only with respect to duties as such. That representative will have all "your" rights and duties under this Policy.
  - (e) Your unit or strata lot owners and any tenants, but only with respect to the conduct of the corporation for liability arising out of the common property, excluding liability arising out of the owner's or tenant's possession, occupation or use of property designated for exclusive use.
- (3) Any organization "you" newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which "you" maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- (a) coverage under this provision is afforded only until the 90th day after "you" acquire or form the organization or the end of the policy period, whichever is earlier;
  - (b) coverage **A** and **D** does not apply to "bodily injury" or "property damage" that occurred before "you" acquired or formed the organization; and
  - (c) coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before "you" acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured on the "Declaration Page".

### SECTION III — LIMITS OF INSURANCE

- (1) The Limits of Insurance shown on the "Declarations Page" and the rules below fix the most "we" will pay regardless of the number of:
- (a) Insureds;
  - (b) Claims made or "actions" brought; or
  - (c) Persons or organizations making claims or bringing "actions".
- (2) If a General Aggregate Limit is shown for this form on the "Declarations Page", the General Aggregate limit is the most that "we" will pay for the combined total of:
- a. All "compensatory damages" under Coverage A, except for "compensatory damages" for the "products and completed operations" hazard;
  - b. All "compensatory damages" under Coverage B; and
  - c. All Medical Expenses under Coverage C.
- (3) The Products-Completed Operations Aggregate Limit is the most "we" will pay under Coverage **A** for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
- (4) Subject to **(2)** or **(3)** above, whichever applies, the Each Occurrence Limit is the most "we" will pay for the sum of:
- (a) "Compensatory damages" under Coverage **A**; and
  - (b) Medical expenses under Coverage **C**.
- because of all "bodily injury" and "property damage" arising out of any one "occurrence".
- (c) All compensatory damages arising out of one lot of goods or products prepared or acquired by "you", shall be considered as arising out of one "occurrence" as regards "bodily injury" and "property damage".
- (5) The Personal and Advertising Injury Limit is the most "we" will pay under Coverage **B** for the sum of all "compensatory damages" because of all "personal and advertising injury" sustained by any one person or organization.
- (6) Subject to **(2)** or **(3)** above, whichever applies, the Medical Expense Limit is the most "we" will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.
- (7) The Tenants' Legal Liability Limit is the most "we" will pay under Coverage **D** for "compensatory damages" because of "property damage" to any one premises.

The Limits of Insurance of this Form apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

- (8) **Deductible**
- (a) "Our" obligation under Property Damage Liability and Tenants' Legal Liability to pay "compensatory damages" on "your" behalf applies only to the amount of "compensatory damages" in excess of any deductible amounts stated in the Declarations as applicable to such coverages, and the Limits of Insurance applicable to each "occurrence" for Property Damage Liability and any one premises for Tenants' Legal Liability will be reduced by the amount of such deductible.
  - (b) The deductible amount applies as follows:
    - i. under Coverage **A**: To all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
    - ii. under Coverage **D**, Tenants' Legal Liability, to all "compensatory damages" because of

- "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
- (c) The terms of this insurance, including those in respect to:
    - i. "our" right and duty to defend any "action" seeking those "compensatory damages"; and
    - ii. "your" duties in the event of an "occurrence", claim or "action" apply irrespective of the application of the deductible amount.
  - (d) "We" may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, "you" shall promptly reimburse "us" for such part of the deductible amount as has been paid by "us".