

SECTION 2 LIABILITY COVERAGE

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

Words and phrases shown in “quotations” have special meaning, either as defined under Special Definitions of this Coverage, General Definitions or as otherwise specifically defined within the 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 L - LEGAL LIABILITY

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

The amount of insurance is the maximum amount “we” will pay, under one or more Sections of Coverage L, for all “compensatory damages” in respect of one accident or occurrence other than as provided under Defense, Settlement, 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, lease, sell, give away or abandon;;
- (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, lease, sell, give away or abandon;
- (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 due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the “premises”;
- (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, unmanned air vehicles, drones or their equipment, 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.

There are other exclusions that apply to all Coverages under Section 2. Refer to General Exclusions in this Section.

DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS

If a claim is made against “you” which alleges “bodily injury” or “property damage” and seeks “compensatory damages” for which “you” are insured under Coverage L, “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 L, “we” will pay:

1. all expenses which “we” incur;
2. all costs charged against “you” in any suit insured under Coverage L;
3. any interest accruing after judgment on that part of the judgment which is within the amount of insurance of Coverage L;
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 M - 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 \$5,000 is the maximum amount “we” will pay in respect of one accident or occurrence.

“We” will not pay:

1. expenses covered by any medical, dental, surgical or hospitalization plan or law or under any other insurance contract;
2. “your” medical expenses or those of persons residing with “you”, other than “residence employees”;
3. medical expenses of any person covered by any workers' compensation statute;
4. 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 N - 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, 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. \$2,000.

“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 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.

COVERAGE O - VOLUNTARY COMPENSATION FOR RESIDENCE EMPLOYEES

“We” offer to pay the benefits described below if “your” “residence employee” is injured or dies accidentally while working for “you”, even though “you” are not legally liable.

A “residence employee”, or anyone acting on his or her behalf, who accepts these benefits must sign a release giving up any right to sue “you”. “We” have the right to recover from anyone, other than “you”, who is responsible for the “residence employee’s” injury or death. If “your” “residence employee” does not accept these benefits or sues “you”, “we” may withdraw “our” offer, but this will not affect “your” liability insurance.

“We” will not pay benefits for any hernia injury.

Weekly Indemnity

Weekly indemnity means two thirds of “your” “residence employee’s” gross weekly wage at the date of the accident but “we” will not pay more than \$150 per week or the amount indicated on the “Declaration Page”, whichever is greater.

Schedule of Benefits – Coverage O

1. Loss of Life:

If “your” “residence employee” dies from injuries received in the accident within the following 26 weeks, “we” will pay:

- a) to those wholly dependent upon him or her, a total of 100 times the weekly indemnity in addition to any benefit for temporary total disability paid up to the date of death. If there is more than one dependent, the amount will be divided equally among them; and
- b) actual funeral expenses up to \$500.

2. Temporary Total Disability:

If “your” “residence employee” temporarily becomes totally disabled from injuries received in the accident within the following 14 days and cannot work at any job, “we” will pay weekly indemnity up to 26 weeks while such disability continues. “We” will not pay for the first seven days unless the disability lasts for six weeks or more.

3. Permanent Total Disability:

If “your” “residence employee” becomes permanently and totally disabled from injuries received in the accident within the following 26 weeks and cannot work at any job, “we” will pay weekly indemnity for 104 weeks in addition to benefits provided under Temporary Total Disability.

4. Injury Benefits:

If, as a result of the accident, “your” “residence employee” suffers the loss of, or permanent loss of use of any of the following within 26 weeks of the accident, “we” will pay weekly indemnity for the number of weeks shown. These benefits will be paid in addition to Temporary Total Disability Benefits but no others.

“We” will not pay more than 104 weeks in total even in the accident results in loss of more than one item.

For loss of:

Description of body Part	Number of weeks benefit
Loss of a Hand, arm, foot or leg	104 weeks
Loss of Hearing of both ears	104 weeks
Loss of both eyes	104 weeks
Loss of multiple fingers or toes	52 weeks
Loss of One Eye	52 weeks
Loss of Hearing of one ear	26 weeks
Loss of One finger or one toe	26 weeks

5. Medical Expenses:

If, as a result of the accident, “you” “residence employee” incurs medical expenses including surgical, dental, hospital, nursing and ambulance expenses within the following 26 weeks, “we” will pay up to a maximum of \$1,000 in addition to all other benefits.

“We” will pay for the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, subject to a maximum of \$5,000.

“We” do not insure “you” for costs recoverable from other insurance plans.

Notice of Accident or Occurrence

When an accident occurs, “you” must promptly give “us” notice (in writing if requested). The notice must include:

- a) the identity of the “residence employee” and the date, time, place and circumstances of the accident;
- b) names and addresses of witnesses.

If requested by “us”, “you” must arrange for the injured “residence employee” to:

- a) submit to physical examination at our expense by doctors “we” select as often as “we” may reasonably require;
- b) authorize “us” to obtain medical and other records.

Autopsy

In case of death “we” can require an autopsy before we make payment.

There are other exclusions that apply to all Coverages under Section 2. Refer to Loss or Damage Not Insured in this Section.

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 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 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;
6. “personal transporters”.

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 Premises”: “You” are insured against claims arising out of:

1. “your” work for someone else as a sales representative, collector, messenger or clerk, provided that the claim does not involve injury to a fellow employee;
2. “your” work 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. “your” personal actions during the course of “your” trade, profession or occupation which are not related directly to “your” trade, profession or occupation;
8. the temporary or part-time “business” pursuits of an insured person under the age of twenty-one 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 occupancy.

GENERAL EXCLUSIONS OF SECTION 2

“You” are not insured for “bodily injury” or “property damage” resulting from, contributed to, or caused directly or indirectly from:

1. directly or indirectly occasioned by, happening through, or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalism or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

2. “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;
3. “your” “business” or any “business” use of “your” “premises” except as specified in this policy;
4. the rendering or failure to render any professional service;
5. “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;
6. the ownership, use or operation of any aircraft, unmanned air vehicles, drones or their equipment or “premises” used as an airport or landing strip, and all necessary or incidental operations;
7. the ownership, use or operation of any motorized vehicle, trailer or watercraft except those for which coverage is provided in this policy;
8. the ownership, use or operation of any watercraft during participation in any race or speed contest other than a sailboat;
9. the transmission of communicable disease by any person insured by this policy or arising out of the failure of any person insured by this policy to take steps to prevent the transmission or spread of any communicable disease;
10. the erasure, destruction, corruption, misappropriation or misinterpretation of “data”;
11. erroneously creating, amending, entering, deleting or using “data”;
12. 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”;
13. (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;
14. any actual or alleged 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 named insured who is insured by this policy;
 - (b) any person or named insured who is insured by this policy having knowledge of such an activity taking place;
 - (c) any person or named insured who is insured by this policy failing to prevent such activity from taking place;
 - (d) at the direction of any person or any named insured who is insured by this policy;
15. “terrorism” or by any activity or decision of a government agency or other entity to prevent, respond to or terminate “terrorism” regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the claim.

SPECIAL DEFINITIONS OF SECTION 2

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

“**Business**” means any full time or part time pursuit undertaken for financial gain including a trade, profession, job or occupation.

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

“**Compensatory Damages**” means damages due or awarded in payment for actual injury or economic loss. “Compensatory damages” does not include punitive or exemplary damages.

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

“**Premises**” means:

1. the “dwelling” and the land contained within the lot lines on which the “dwelling” is located;

2. other residential “premises” specified on the “Declaration Page”, (this does not include “business premises” or “farms”);
3. individual or family cemetery plots or burial vaults;
4. vacant land in Canada “you” own or rent, excluding “farm” land;
5. land in Canada where an independent contractor is building a one, two or three-family residence to be occupied by “you”;
6. “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 90 consecutive days;
7. any site “you” own or rent for the recreational use or seasonal storage of any trailer;
8. “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) 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”.
9. “premises” in Canada, leased or rented for a “student” who is dependent on the Named Insured or his/her “spouse” for support and maintenance is temporarily residing while enrolled in and attending a school, college or university.

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

“You” or “your” means:

1. the person(s) named as Insured on the “Declaration Page” and, while living in the same household, his or her “spouse”, the relatives of either or any person under the age of 21 in their care. This also includes any “student” insured by this policy, who is temporarily living away from home for the purpose of attending a school, college or university.
2. 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;
3. a “residence employee” while performing their duties for “you”;
4. “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”;
5. any person who is insured by this policy at the time of “your” death and who continues residing on the insured “premises”.

Only the person named on the “Declaration Page” may take legal action against “us”.

CONDITIONS OF SECTION 2

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 L: “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 L: “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 M, N and H: “You” shall not bring suit against “us” until “you” have fully complied with all the terms of this policy, nor until 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.