

## Section II - Liability Coverage - Form 990

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### DEFINITIONS (APPLICABLE TO SECTION II)

“**You**” or “**your**” in this Section have the same meanings as in Section I. 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. any person while performing duties as your residence employee;
3. your legal representative having temporary custody of the insured premises, if you die while insured by this form, for legal liability arising out of the insured premises;
4. any person who is insured by this form at the time of your death and who continues residing on the insured premises.

“**We**” or “**us**” in this Section have the same meaning as in Section I.

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

“**Business**” means any continuous or regular pursuit undertaken for financial gain including a trade, profession or occupation.

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

“**Jet Propulsion Personal Watercraft**” means jet ski, or other motorized water device, designed as a self-propelled unit used on water. They can be designed to carry the operator only or the operator and one or more passengers.

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

“**Model Aircraft**” – in this Section has the same meaning as in Section I.

“**Occurrence**” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions which result in “bodily injury” or “property damage” neither expected nor intended.

“**Passenger**” means anyone other than the operator, who is in, on, getting onto or alighting from an All-Terrain Vehicle or Jet Propulsion Personal Watercraft.

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

1. other residential premises specified on the Coverage Summary Page, except business property and/or farms;
2. individual or family cemetery plots or burial vaults;
3. “Vacant” land you own or rent, excluding farm land;
4. land where an independent contractor is building a one or two-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 90 consecutive days;
6. 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. 60 consecutive days;
  - b. The date the policy expires or is terminated;
  - c. The date upon which specific liability insurance is arranged for such premises.

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

“**Pollutant**” in this Section has the same meaning as in Section I.

“**Residence Employee**” in this Section has the same meaning as in Section I.

“**Unmanned Air Vehicle**” in this Section has the same meaning as in Section I.

### 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 Coverage Summary 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 unintentional bodily injury or property damage.

We will not pay for punitive or exemplary damages, meaning that part of an award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you.

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, supplementary payments.

You are insured for “bodily injury” or “property damage” 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 all-terrain vehicle or motorized vehicle, trailer or watercraft, except those for which coverage is shown in this form;
- b. damage to property you own, use, occupy or lease;
- c. damage to property in your care, custody or control;
- d. damage to property you sell, give away or abandon;
- e. damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
- f. bodily injury to you or to any person residing in your household other than a residence employee.
- g. The personal actions of a named insured who does not reside on the premises described on the Coverage Summary Page, except unnamed students and family members as outlined in the Definition of “You” in Section I – Property Coverages.

2. **Premises Liability** - legal liability arising out of your ownership, use or occupancy of the premises defined in Section II. 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 property you sell, give away or abandon;
- 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.

3. **Tenant’s Legal Liability** - legal liability for property damage to premises, or their contents, which you are using, renting or have in your custody or control provided such property damage is caused by the Insured Perils of this particular policy as described and limited in Section I.

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. **Employer’s 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.

5. **Incidental Business Office Use of Premises** - legal liability for bodily injury or property damage arising out of any incidental “Business” Office use of your “Premises”. This extension only applies to EXTRA Homeowners Packages unless otherwise indicated on the Coverage Summary Page. This extension does not apply to any Commercial Business use other than incidental Office use on the “Premises”.

### **Defense, Settlement, Supplementary Payments**

We will defend you against any suit which makes claims against you for which you are insured under Coverage E and which alleges bodily injury or property damage and seeks compensatory damages, even if it is groundless, false or fraudulent. We reserve the right to investigate, negotiate and settle any claim or suit if we decide this is appropriate.

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 lawsuit 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 form;
6. reasonable expenses, except loss of earnings, which you incur at our request.

### **Loss Assessment Coverage**

If you are a Condominium Unit owner (including a Bareland Condominium) or reside in a Life Lease unit, we will pay up to a total of the limit of Coverage E - Legal Liability in any one annual policy term for your share of special assessments if:

1. the assessments are valid under the Condominium Corporation or Life Lease Corporation's governing rules; and
2. the assessments are made necessary by occurrences to which this Section applies.

We will not pay more than \$25,000 for that part of an assessment made necessary by a deductible in the insurance policy of the Condominium Corporation or Life Lease Corporation (or such other amount as may be shown on the Coverage Summary Page).

### **COVERAGE F - VOLUNTARY MEDICAL PAYMENTS**

We will pay reasonable medical expenses incurred within 1 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 amount of insurance shown on the Coverage Summary Page 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 on 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 required;
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 II of this form, 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 form;
2. for property you or your tenants own or rent;
3. which are insured under Section I;
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. the amount shown on the Coverage Summary Page.

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.

#### **SPECIAL LIMITATIONS (COVERAGES E, F AND G)**

##### **Watercraft**

**Watercraft You Own** - You are insured against claims arising out of your ownership, use or operation of watercraft equipped with an outboard motor or motors of not more than 19 kW (25 HP) in total when used with or on a single watercraft. You are also insured if your watercraft has an inboard or an inboard-outboard motor of not more than 38 kW (50 HP) or for any other type of watercraft not more than 8 metres (26 feet) in length.

If you own any motors or watercraft larger than those stated above, you are insured only if a liability extension is shown on the Coverage Summary Page. If they are acquired after the effective date of this policy, you will be insured automatically for a period of 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;

the watercraft is not owned by anyone included in the definition

##### **Jet Propulsion Watercraft Extension**

If you own jet propulsion personal watercraft, you are insured only if a liability extension is shown on the Coverage Summary Page. The limit of insurance indicated on the Coverage Summary Page for this extension is the maximum amount we will pay in any one accident or occurrence.

##### **Exclusions applicable to Jet Propulsion Watercraft Extension:**

You are not insured for claims arising from bodily injury or property damage:

1. when the personal watercraft is being operated or controlled by anyone under the age of 16 years;
2. to passengers when the seating capacity, as established by the manufacturer, has been exceeded;
3. resulting from carrying passengers for a fee;
4. when the personal watercraft is being used in a race, speed test or any illicit or prohibited trade or transportation;

5. when the personal watercraft is rented or leased to others;
6. when the personal watercraft is being used or operated in an area where the operation of a jet propelled personal watercraft is restricted or prohibited. This includes designated areas within a lake or at any park.
7. when a personal watercraft is not operated in accordance with Canada Shipping Act regulations governing age and horsepower restrictions and operator competency requirements.

## **Motorized Vehicles**

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

1. self-propelled lawn mowers, snow blowers, garden or yard tractors or implements used or operated mainly on your property, provided they are not used for compensation or hire;
2. motorized golf carts:
  - a. while in use on your "Premises" or at a golf course;
  - b. while in use on private property such as campgrounds or recreational parks, mobile home communities, retirement communities and gated communities where:
    - i. the community by-laws permit the use of golf carts, and
    - ii. the roadways within that community are privately maintained and controlled;
  - c. while in use on any municipal roadways when permitted by municipal law.

You are not insured for "bodily injury" or "property damage" when the golf cart is:

- a. used on any public roads or highways unless permitted by municipal law;
  - b. used for the purposes of carrying passengers for compensation;
  - c. operated by any person under the influence of alcohol or any illegal substance.
3. motorized wheelchairs or scooters having more than two wheels and specifically designed for the carriage of a person with a physical disability;
  4. toys or hobby items such as "Model Aircraft", or children's battery powered vehicles using no more than a 12 volt battery or that can attain speeds of no more than 8kph (5 mph).

You are not insured against claims arising out of your use or operation of any "Unmanned Air Vehicle".

## **All-Terrain Vehicle Liability Extension - Saskatchewan only**

If you own an All-Terrain Vehicle, you are insured only if a liability extension is shown on the Coverage Summary Page. The limit of insurance indicated on the Coverage Summary Page for this extension is the maximum amount we will pay in any one accident or occurrence.

"All-Terrain Vehicle" means a self-propelled vehicle that:

1. is designed primarily for the movement of people or goods on unprepared surfaces; and
2. has wheels in contact with the ground;

and includes:

3. restricted use motorcycle;
4. a mini-bike; and
5. an all-terrain cycle;

but does not include:

1. a golf cart;
2. a snowmobile as defined in The Snowmobile Act;
3. an agricultural implement or special mobile machine as defined in The Highway Traffic Act; or

4. any vehicle that is required to be registered pursuant to The Highway Traffic Act.

**Exclusions applicable to All Terrain Vehicle Liability Extension:**

You are not insured for claims arising from bodily injury or property damage while the All-Terrain Vehicle is:

1. being operated in a manner contrary to the provisions of the All-Terrain Vehicles Act (Sask.)
2. being operated or controlled by you while you are under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of proper operation or control of the All-Terrain Vehicle;
3. being operated or controlled by you while your alcohol-blood ratio exceeds 80 milligrams of alcohol in 100 milliliters of blood;
4. carrying passengers for a fee;
5. being used in a race or speed test;
6. rented or leased by you to others;
7. being used for any illicit or prohibited trade or transportation.

**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 subject to motor vehicle registration and 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 II of this form.

You are not insured for damage to the vehicle itself.

You are not insured against claims arising out of your use or operation of any "Unmanned Air Vehicle".

**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. the occasional rental to others of the portion of the dwelling usually occupied by you as a private residence;
2. rental to others of a one or two-family dwelling usually occupied in part by you as a residence, provided no family unit includes more than 2 roomers or boarders;
3. the rental of space in your residence to others for incidental office, school or studio occupancy;
4. the rental to others, or holding for rent, of not more than 3 car spaces or stalls in garages or stables;
5. your personal actions during the course of your trade, profession or occupation which are ordinarily considered to be non-business pursuits;
6. the temporary or part time business pursuits of an insured person under the age of 21 years.

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

1. the rental of residential buildings containing not more than 6 dwelling units;
2. the use of part of your residence by you for incidental office, school, day care or studio occupancy.

**Loss or Damage Not Insured (Coverages E, F & G)**

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. 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 or premises used as an airport or landing strip, and all necessary or incidental operations;
7. the ownership, use or operation of any "Model Aircraft", unless used in full accordance with current Transport Canada regulations and guidelines;
8. the ownership, use or operation of any "Unmanned Air Vehicle",
9. the ownership, use or operation of any motorized vehicle, trailer or watercraft except those for which coverage is provided in this form;
10. the transmission of or the failure to take steps to prevent the transmission of communicable or sexually transmitted disease by any person insured by this policy,
11. additional residences you own unless shown on the Coverage Summary Page;
12. the use or operation of any watercraft (including Jet Propulsion Personal Watercraft if a liability extension is shown on the Coverage Summary Page), whether owned by you or not, while it is:
  - a. being operated or controlled by you while you are under the influence of intoxicating liquor or drugs to such an extent as to be for the time being incapable of proper operation or control of the watercraft;
  - b. being operated or controlled by you while your alcohol-blood ratio exceeds 50 milligrams of alcohol in 100 milliliters of blood;
  - c. being operated contrary to Canada Shipping Act regulations governing age and horsepower restrictions and operator competency requirements;
13. an animal you own or have owned or for which you are responsible which has been declared under any law, by-law or municipal ordinance to be a dangerous animal;
14. claims made or actions brought against you for bodily injury or property damage arising out of:
  - a. sexual, physical, psychological or emotional abuse, assault, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy; or
  - b. failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, assault, molestation or harassment or corporal punishment.
15. the erasure, destruction, corruption, misappropriation or misinterpretation of "data";
16. erroneously creating, amending, entering, deleting or using "data";
17. 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";
18. bodily injury or property damage
  - a. arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
    - i. at or from the premises owned, rented or occupied by an insured;
    - ii. at or from any site or location used by or for an Insured or others for the handling, storage, disposal, processing or treatment of waste;
    - iii. which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an Insured or for any person or organization for whom the Insured may be legally responsible; or

- iv. at or from any site or location on which an Insured or any contractors or subcontractors working directly or indirectly on behalf of an Insured are performing operations:
  - (1) if the pollutants are brought on or to the site or location in connection with such operations; or
  - (2) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
- b. Any loss, cost or expense arising out of any government direction or request that an Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Subparagraph (i) and (iv) (1) of paragraph "a" of this exclusion do not apply to "bodily injury" and "property damage" caused by heat, smoke or fumes from hostile fire. As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

- 19. bodily injury or property damage arising out of the ownership, use or operation of any draft or saddle animal or attached conveyance while being used for any purpose for which you are paid, including riding instruction, renting of horses to others, trail rides and wagon and sleigh rides unless indicated on the Coverage Summary Page;
- 20. the use of your premises for rodeos, draft or saddle animal races, gymkhana events or similar equestrian activities.
- 21. any claim that arises directly or indirectly, in whole or in part, out of the use or misuse of "social media" and/or the Internet. This includes the use of, distribution by, publication by, or display of any material that offends another using social media and/or the Internet.
- 22. For the purpose of this exclusion, "social media" means a form of electronic communication including but not limited to, networking, blogging or microblogging, through which you create or share information, ideas, personal messages, photographs, videos and other content using online communities.

## **CONDITIONS (COVERAGES E, F AND G)**

### **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 actions if we ask you; and
- 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 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, this 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.