

LIABILITY COVERAGE PART

We provide Liability Insurance during the policy period only when limits of Liability are shown on the **Declarations**. We insure against loss as described herein, subject to all of the policy **terms**.

DEFINITIONS

The words **you** and **your** mean the persons or organization named on the **declarations**.

Auto means a land motor vehicle, a trailer or a semitrailer designed for use on public roads. This includes attached machinery or equipment.

Bodily Injury means bodily **harm**, sickness or disease to a person which occurs during the policy period. This includes death resulting therefrom.

Elevator means a hoisting or a lowering device which connects floors or landings, whether or not in service. This includes all of its appliances, power equipment and machinery. This does not include:

- an **auto** servicing hoist;
- a hoist outside of a building with no platform if it is not mechanically powered or if it is not attached to the walls of a building;
- a hod or material hoist if it is used in alteration, construction or demolition operations;
- an inclined conveyor if it is used only to carry property; or
- a dumbwaiter if it is used only to carry property and if it has a compartment height of four feet or less.

Harm means **bodily injury** or **property damage**, or any combination of these.

Incidental contract means a written:

- lease of premises;
- easement agreement. (This does not include an agreement in connection with a construction or demolition operation on or adjacent to a railroad);
- promise to indemnify a municipality for a loss if it is required by an ordinance. (This does not apply in connection with work done for the municipality);
- sidetrack agreement; or
- **elevator** maintenance agreement.

Insured, if shown on the **declarations** as:

- an "individual," means **you** and **your** spouse, but only with respect to the conduct of a business of which **you** are the sole proprietor;
- a "partnership" or a "joint venture," means **you** and all partners or members, but only with respect to their liability as such;
- a "corporation", or an "organization" (other than a "partnership" or a "joint venture"), means the organization and all of its executive officers, directors or stockholders while acting within the scope of their duties as such.

Insured includes:

- a person or an organization while acting as **your** real estate manager. (This does not include **your** employees.);
- If **you** die while insured by this policy, **your** legal representative while acting within the scope of his duties as such or a person who has custody of **your** property until **your** legal representative is appointed;
- with respect to the operation (for the purpose of locomotion) on a public road of **mobile equipment** which is subject to a motor vehicle registration law:
 - **your** employee in the course of employment;
 - a person while operating the **mobile equipment** if it is registered in **your** name and if it is used with **your** permission. This includes a person or an organization legally responsible for such operation, but only if there is no other insurance available to that person or organization. This does not apply with respect to **property damage** to property owned by, rented to, in charge of or occupied by **you** or the employer of the person.

This does not apply with respect to **bodily injury** to a fellow employee injured in the course of employment.

Mobile Equipment means a land vehicle and all attached machinery or equipment, which is:

- not subject to motor vehicle registration;
- used only on the premises owned by or rented to **you**. Premises includes its adjoining ways;
- designed for use off public roads; or
- designed or used only to afford mobility to the following types of equipment, which must be a part of or permanently attached to such vehicle:
 - power cranes, shovels, loaders, diggers and drills;
 - concrete mixers. (This does not include the mix-in-transit type);
 - graders, scrapers, rollers and other road construction or repair equipment;
 - air-compressors, pumps and generators. (This includes spraying, welding and building cleaning equipment);
 - geophysical exploration and well servicing equipment.

Nuclear Facility includes:

- a nuclear reactor;
- an enrichment plant;
- a waste handling, storage or disposal facility;
- a location containing more than 25 grams of plutonium or uranium 233 combined, or more than 250 grams of uranium 235;
- a fuel or a spent fuel handling or processing plant.

Occurrence means an accident. This includes loss from repeated exposure to similar conditions.

Products means goods or **products** manufactured, sold, handled or distributed by **you** or by others trading under **your** name. This includes the containers (other than vehicles) for **products**. This does not include:

- vending machines
- A property that is rented to or placed for the use of others, but not sold.

Property Damage means:

- Physical injury or destruction of property;
- the loss of use.

Recreational Motor Vehicle means a self-propelled land vehicle, regardless of method of surface contact, that is designed or is used for leisure time activities. This includes a trailer and all parts and equipment. This does not apply to a vehicle:

- if it is subject to motor vehicle registration; or
- if it was originally designed for use on public roads.

Terms means all provisions, exclusions, and definitions used in this policy.

PRINCIPAL COVERAGES

Bodily Injury Liability

Property Damage Liability

We pay for damage for which an **insured** is legally obligated if the **harm** occurs during the policy period and is caused by an **occurrence** to which this policy applies.

We defend a suit if it is due to **harm**. **We** may investigate and settle claims or suits. **We** do not have to provide a defense after **we** have paid **our** limit of liability as a result of a judgment or a written settlement.

INCIDENTAL COVERAGES

These coverages are subject to all the **terms** of the Principal Coverages. They do not increase the limit of liability stated for the Principal Coverages, except for Claims and Defense Expense Coverage and First Aid Expense Coverage.

Claims and Defense Expense Coverage – If **we** defend a suit, **we** pay;

- the costs taxed to an **insured**;
- the expense incurred by **us**;
- the actual loss of earnings by an **insured** for the time spent away from work at **our** request. (**We** pay up to \$50 per day.);
- the expenses incurred by **you** at **our** request; the interest which accrues after the entry of a judgment but ending when **we** tender, deposit in court, or pay up to **our** limit of liability;
- the premiums on appeal bonds or bonds for the release of attachments up to **our** limit of liability. (**We** are not required to furnish bonds.);
- the premiums up to \$500 per bail bond required of an **insured** because of an accident or a traffic law violation arising out of the use of a vehicle to which this policy applies. (**We** are not required to furnish bonds.)

First Aid Expense Coverage – **We** pay the expenses incurred by an **insured** for first aid to persons, other than **insureds**, for **bodily injury** covered by this policy.

Completed Operations – **We** pay for the **harm** which results from **your** operations or a reliance upon a warranty or a representation made with respect thereto. This applies only if the **harm** occurs:

- after such operations have been completed or abandoned; and
- away from premises owned by or rented to **you**.

Operations include materials, parts or equipment furnished in connection therewith. Operations are deemed completed at the earliest of the following times:

- when all operations to be performed by **you** or on **your** behalf under the contract have been completed;
- when all operations to be performed by **you** or on **your** behalf at the site of the operations have been completed; or
- when the portion of the work out of which the injury or damage results has been put to its intended use by a person or organization (other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project).

Operations which may require further service or repair because of a defect (but which are otherwise complete) are deemed completed.

Products – **We** pay for the **harm** which results from **products** or a reliance upon a warranty or a representation made with respect thereto.

This applies only:

- if the **harm** occurs away from premises owned by or rented to **you**; and
- after such **products** are in the physical possession of others.

EXCLUSIONS

Aircraft/Auto – This policy does not apply to liability in connection with an aircraft or an **auto**. This does not apply to the parking of an **auto** on premises owned by, rented to or controlled by **you** or the ways immediately adjoining if the **auto** is not owned by or rented to or loaned to an **insured**.

Alcoholic Beverages: Imposed Liability – This policy does not apply to liability of an **insured** who manufactures, distributes, sells or serves alcoholic beverages if such liability is imposed:

- by a law or ordinance which deals with the sale, gift, distribution or use of alcoholic beverages; or
- due to the sale, serving or giving of an alcoholic beverage:
 - to a minor;
 - to a person who is under the influence of alcohol; or
 - which causes or which adds to the intoxication of a person.

Alcoholic Beverages: Premises – This policy does not apply to liability of an **insured** as an owner of or as one who leases

a premises that is used to manufacture, distribute, sell or serve alcoholic beverages, if such liability is imposed by a law or an ordinance which deals with the sale, gift, distribution or use of such beverages.

Contracts – This policy does not apply to liability which is assumed by an **insured** under a contract or an agreement.

This does not apply to:

- an **incidental contract**;
- a warranty of fitness or quality of **products**; or
- a warranty that work performed by **you** or on **your** behalf will be done in a workmanlike manner.

Defects – This policy does not apply to damage claimed when **products** or work completed by **you** or for **you** or of property of which the **products** or the work from a part, are taken out of use because of a known or a suspected defect.

Employees – This policy does not apply to **bodily injury** to an employee of an **insured** if it occurs in the course of employment. This includes an obligation of an **insured** to pay another because of damages arising out of the injury. This excludes liability assumed by an **insured** under an **incidental contract**.

Intentional Acts – This policy does not apply to liability resulting from a loss which is caused by an intentional act of an **insured** or done at the direction of an **insured**; which occurs within the knowledge of an **insured**.

Legislated Benefits – This policy does not apply to liability if benefits are provided or are required to be provided by an **insured** under a workers' compensation, non-occupational disability, occupational disease or like law.

Loss of Use: Property – This policy does not apply to the loss of use of property, which has not been physically injured or destroyed, which results from:

- a delay or failure to perform a contract by **you** or one acting on **your** behalf; or
- the failure of **products** or work performed by **you** or on **your** behalf to meet **your** warranties or representations.

This does not apply to the loss of use resulting from the sudden and accidental physical injury to or destruction of **products** or work performed by **you** or on behalf of **you** after the **products** or work have been put to use by one other than an **insured**.

Mobile Equipment – This policy does not apply to liability resulting from the use of **mobile equipment** in, or in the practice or the preparation for, racing, speed, pulling or pushing, demolition or stunt activities or contests.

Mobile Equipment: Transport – This policy does not apply to liability resulting from and in the course of transporting **mobile equipment** by an **auto** owned by, operated by, rented to or loaned to an **insured**.

Nuclear: First Aid – This policy does not apply to first aid expenses for **bodily injury**:

- resulting from the hazardous properties of nuclear material; or

- arising out of the operation of a **nuclear facility** by a person or an organization.

Nuclear: Hazardous Properties – This policy does not apply to liability resulting:

- from the hazardous properties of nuclear material:
 - for which a person or an organization is required by law to maintain financial protection;
 - for which an **insured** is entitled to indemnity from the United States of America, or its agency;
 - if the nuclear material is at a **nuclear facility** owned by or operated by or on behalf of an **insured**, or if it has been discharged or dispersed therefrom; or
 - if the nuclear material is contained in spent fuel or waste which has been possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**.
- arising out of the services, materials, parts or equipment furnished by an **insured** in connection with the planning, construction, care, operation or use of a **nuclear facility** located outside of the United States of America, its territories or possessions, or Canada.

Nuclear: Other Coverage – This policy does not apply to liability with respect to nuclear energy resulting from an **occurrence** for which an **insured** is also an **insured** under a nuclear energy liability policy or would be an **insured** but for the exhaustion of its limits of liability. (A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or their successors.)

Nuclear: Services, Parts & Materials – This policy does not apply to **property damage** arising out of the services, materials, parts or equipment furnished by an **insured** in connection with the planning, construction, care, operation or use of a **nuclear facility**, and property thereof, located within the United States of America, its territories or possessions, or Canada.

Pollution – This policy does not apply to liability resulting from the discharge, dispersal, release or the escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or a water course, body of water, bog, marsh, swamp or wetland, except if such discharge, dispersal, release or escape is sudden and accidental.

Premises Sold – This policy does not apply to **property damage** to premises which **you** have sold and arising out of the premises.

Products – This policy does not apply to **property damage** to **products** if the damage is caused by **products** or a part of **products**.

Property – This policy does not apply to **property damage**:

- to property owned by, occupied by or rented to an **insured**;

- to the property used by an **insured**. This does not apply with respect to liability under a written sidetrack agreement;
- to the property in the care, custody or control of an **insured**. This does not apply with respect to liability under a written sidetrack agreement or to **property damage** (other than to **elevators**) arising out of the use of an **elevator** at premises owned by, rented to or controlled by **you**.

Recreational Motor Vehicle – This policy does not apply to liability resulting from the operation of a **recreational motor vehicle**.

Undeclared Partnership/Joint Venture – This policy does not apply to liability resulting from the conduct of a partnership or joint venture that is not shown on the **declarations** page.

War – This policy does not apply to liability due to war, (including undeclared war, civil war, insurrection, rebellion or revolution) or an act or condition of war with respect to:

- liability assumed by the **insured** under an **incidental contract**; or
- expenses for first aid under the Incidental Coverage.

Watercraft – This policy does not apply to liability in connection with a watercraft while not ashore on premises owned by, rented to or controlled by **you**;

Work, Materials, Parts or Equipment – This policy does not apply to **property damage** to work performed by **you** or on **your** behalf if the damage is caused by the work or a part of the work, or by the materials, parts or equipment furnished therewith.