

Summary of Contents

Volume 1

PART I. INTRODUCTION

- Chapter 1. Structure of a CGL Policy
- Chapter 2. Rules of Construction

PART II. CGL POLICY

SUBPART A. GENERAL

- Chapter 3. Policy Declarations
- Chapter 4. Declarations Page
- Chapter 5. Preamble

SUBPART B. SECTION I - COVERAGE A B.I. & P.D. COVERAGE

- Chapter 6. Insuring Agreement
- Chapter 7. “Legally Obligated to Pay”
- Chapter 8. “Compensatory Damages”
- Chapter 9. “Bodily Injury”
- Chapter 10. “Property Damage”
- Chapter 11. “Occurrence”
- Chapter 12. Insurer’s Right and Duty to Defend any Claim or Action

SUBPART C. COVERAGE A B.I. & P.D. EXCLUSIONS

- Chapter 13. Exclusions and Exceptions—Purpose and General Structure
- Chapter 14. Intentional Acts
- Chapter 15. Liability Assumed In a Contract
- Chapter 16. Workers’ Compensation and Employment-Related Injuries

- Chapter 17. Automobile Exclusion
- Chapter 18. “Ownership, Maintenance, Use . . . of Any Watercraft”
- Chapter 19. “Ownership, Maintenance, Use . . . of Any Aircraft or Air Cushion Vehicle”
- Chapter 20. Policyholder’s Own Property
- Chapter 21. Damage to “Your Product”
- Chapter 22. Damage to “Your Work”
- Chapter 23. Damage to “Impaired Property”
- Chapter 24. Removal or Weakening of Support Exclusion
- Chapter 25. Product or Work Recall: the “Sistership” Exclusion
- Chapter 26. Professional Services
- Chapter 27. Abuse Exclusion
- Chapter 28. Electronic Data and Data-Related Liability Exclusions

Volume 2

PART II. CGL POLICY (CONTINUED)

SUBPART D. COVERAGE B PERSONAL INJURY LIABILITY

- Chapter 29. Personal Injury Insuring Agreement
- Chapter 30. Personal Injury Exclusions
- Chapter 31. Advertising Injury Insuring Agreement Coverage B: Personal and Advertising Injury Liability

SUBPART E. COVERAGE C MEDICAL PAYMENTS

- Chapter 32. Medical Payments Insuring Agreement
- Chapter 33. Medical Payments Exclusions

SUBPART F. COVERAGE D TENANTS’ LEGAL LIABILITY

- Chapter 34. Tenants’ Legal Liability Insuring Agreement
- Chapter 35. Tenants’ Legal Liability Exclusions

SUMMARY OF CONTENTS

**SUBPART G. COMMON EXCLUSIONS AND SUPP.
PAYMENTS**

Chapter 36. Pollution Liability Exclusion

Chapter 37. Asbestos

Chapter 38. Nuclear Energy Liability

Chapter 39. Fungi or Spores

Chapter 40. War Risks

Chapter 41. Supplementary Payments and Obligations

SUBPART H. SECTIONS II & III

Chapter 42. Who Is an Insured

Chapter 43. Limits of Insurance

**SUBPART I. SECTION IV - POLICY AND STATUTORY
CONDITIONS**

Chapter 44. Commercial General Liability Conditions

Chapter 45. Statutory Conditions and Related Legislative
Provisions

Appendices

Appendix A. IBC Form 2100—Commercial General Liability
Policy

Appendix B. IBC Comparison Chart

Appendix C. IBC Forms 2000 and 2001—Commercial
General Liability Policy

Appendix D. Commercial General Liability Policy 2005
Edition

Appendix E. Change Highlights—IBC 2100 Comparison
Between Current and Revised Forms

Appendix F. The Date Change Problem

Appendix IF. Issues in Focus

Appendix TC. Table of Concordance

Table of Added Cases

Table of Cases

Index

Table of Contents

Volume 1

PART I. INTRODUCTION

CHAPTER 1. STRUCTURE OF A CGL POLICY

I. TYPES OF POLICIES

- § 1:1 Introduction
- § 1:2 “Occurrence” vs. “Claims-Made”

II. THE CURRENT CGL—HISTORY OF POLICY LANGUAGE

- § 1:3 The Insurance Services Office and the Insurance Bureau of Canada
- § 1:4 Overview of Drafting History
- § 1:5 —1966 Policy Features
- § 1:6 —1973 Policy Revisions
- § 1:7 —1986 “Plain Language” Policy
- § 1:8 Not all CGL Forms are Alike

III. POLICY SECTIONS—AN OVERVIEW

- § 1:9 Introduction
- § 1:10 Policy Declarations
- § 1:11 Structure of the CGL
- § 1:12 Coverages and Exclusions
- § 1:13 Common Exclusions
- § 1:14 Supplementary Payments
- § 1:15 Who is an Insured
- § 1:16 Limits of Insurance
- § 1:17 CGL Conditions
- § 1:18 Definitions
- § 1:19 Statutory Conditions and Related Issues

CHAPTER 2. RULES OF CONSTRUCTION

- § 2:1 Introduction

- § 2:2 General Approach
- § 2:3 Contract Interpretation Principles
- § 2:4 Rules of Policy Construction: An Overview
- § 2:5 The Rationale Supporting Special Policy Interpretation Rules
- § 2:6 Intention of the Parties
- § 2:7 Ordinary and Natural Meaning
- § 2:8 Ambiguity and the Contra Proferentem Rule
- § 2:9 Reasonable Expectations
- § 2:10 Company Standard Forms
- § 2:11 The CGL From the Quebec Standpoint—
Introduction
- § 2:12 —The Insurance Policy as Governed by Quebec Law
- § 2:13 —Rules of Interpretation
- § 2:14 —Special Rules Pertaining to the Liability Insurance Contract
- § 2:15 —Intentional Loss
- § 2:16 —Notice of Loss
- § 2:17 —Direct Actions Against the Insurer
- § 2:18 —Insurer’s Defences Against an Injured Third Party
- § 2:19 —Duty to Defend

PART II. CGL POLICY

SUBPART A. GENERAL

CHAPTER 3. POLICY DECLARATIONS

- § 3:1 Introduction to the Declarations Page
- § 3:2 Misrepresentations
- § 3:3 Deductibles and the Self-Insured Retention
- § 3:4 Other Insurance Policies

CHAPTER 4. DECLARATIONS PAGE

- § 4:1 Policy Provisions
- § 4:2 Purpose of the Declarations Page
- § 4:3 Named Insured
- § 4:4 Policy Period
- § 4:5 Limits of Insurance—General Remarks
- § 4:6 —Large Loss Issues
- § 4:7 Form of Business/Business Description/Location of
all Premises Owned, Rented or Occupied by the
Policyholder
- § 4:8 —Insurer’s Perspective

TABLE OF CONTENTS

- § 4:9 —Policyholder’s Perspective
- § 4:10 Premium—General Remarks
- § 4:11 —Adjustment Base
- § 4:12 Endorsements

CHAPTER 5. PREAMBLE

- § 5:1 Policy Provisions
- § 5:2 History of the Clause
- § 5:3 Commentary and Cases—Warning
- § 5:4 —“You”, “Your”, “We”, “Us” and “Our”
- § 5:5 —Insured
- § 5:6 —Other Words and Phrases

**SUBPART B. SECTION I - COVERAGE A
B.I. & P.D. COVERAGE**

CHAPTER 6. INSURING AGREEMENT

- § 6:1 Policy Provisions
- § 6:2 Purpose and General Structure
- § 6:3 General Comments on Insuring Agreements

**CHAPTER 7. “LEGALLY OBLIGATED TO
PAY”**

- § 7:1 Policy Provisions
- § 7:2 History of the Phrase
- § 7:3 Commentary and Cases—Meaning of “Legally
Obligated to Pay”
- § 7:4 —Contractual Liability
- § 7:5 —Equitable Relief
- § 7:6 —Settlement
- § 7:7 Issues From Insurer’s Perspective
- § 7:8 Issues From Insured’s Perspective
- § 7:9 Alternative Wording

**CHAPTER 8. “COMPENSATORY
DAMAGES”**

**I. POLICY PROVISIONS; HISTORY OF THE
CLAUSE**

- § 8:1 Policy Provisions
- § 8:2 History of the Clause

II. COMMENTARY AND CASES

- § 8:3 Compensatory Damages: Aggravated vs. Punitive Damages
- § 8:4 Public Policy
- § 8:5 Vicarious Liability for Punitive Damages
- § 8:6 “Damage” and “Damages”
- § 8:7 Injunctive Relief, Statutory Obligation to Pay and Restitution
- § 8:8 Response Costs in Environmental Actions
- § 8:9 Where Response Costs Do Not Constitute Damages
- § 8:10 Where Response Costs Constitute Damages
- § 8:11 —Plain and Ordinary Meaning
- § 8:12 —Ambiguity
- § 8:13 —Fortuity of Remedy
- § 8:14 —Characterization of Loss
- § 8:15 —Statutory Compulsion
- § 8:16 Preventative Costs
- § 8:17 Canadian Context
- § 8:18 Other Equitable Relief

CHAPTER 9. “BODILY INJURY”

I. POLICY PROVISIONS; HISTORY OF THE CLAUSE

- § 9:1 Policy Provisions
- § 9:2 History of the Clause

II. COMMENTARY AND CASES

- § 9:3 Introduction
- § 9:4 “Bodily Injury” and “Personal Injury” Distinguished
- § 9:5 Definition of “Bodily Injury”
- § 9:6 Injury to the Unborn
- § 9:7 Emotional Distress—Overview
- § 9:8 —Canadian Cases
- § 9:9 —American Cases
- § 9:10 Future Harm
- § 9:11 Derivative Claims

CHAPTER 10. “PROPERTY DAMAGE”

I. POLICY PROVISIONS

- § 10:1 Policy Provisions

II. HISTORY OF THE CLAUSE

- § 10:2 Introduction
- § 10:3 The Four Standard Policies
- § 10:4 Pre-1966 Wording
- § 10:5 1966 Wording
- § 10:6 1973 Wording
- § 10:7 1986 Wording
- § 10:8 2014 Wording

III. COMMENTARY AND CASES

- § 10:9 Diminution in Value
- § 10:10 Claims Arising From the Policyholder's Own Conduct
- § 10:11 —Incorporation of Defective Product into the Product of Another
- § 10:12 —Consequential Damages and Pure Economic Loss
- § 10:13 Claims Arising From Property Made Less Useful
- § 10:14 Claims Arising From Intangible Property
- § 10:15 Construction Defects as “Property Damage”
- § 10:16 The “loss of use” Debate—Claims Arising From Loss of Use of Property
- § 10:17 —Claims Arising From Loss of Property
- § 10:18 The “Owner-Claimant” Rule Considered
- § 10:19 Meaning of “Property”
- § 10:20 Costs to Prevent “Property Damage”

CHAPTER 11. “OCCURRENCE”

I. POLICY PROVISIONS; HISTORY OF THE CLAUSE

- § 11:1 Policy Provisions
- § 11:2 History of the Clause

II. WHAT IS AN ACCIDENT?

- § 11:3 Introduction
- § 11:4 Proximate Cause
- § 11:5 “Accident”—Popular and Ordinary Meaning
- § 11:6 Negligence
- § 11:7 Reckless or Deliberate Conduct
- § 11:8 Specific Knowledge of Risk
- § 11:9 American Cases on Knowledge of Risk

III. COVERAGE TERRITORY

- § 11:10 Generally

IV. TRIGGER THEORIES

A. INTRODUCTION

§ 11:11 Generally

B. TRIGGER THEORIES—AMERICAN CASES

§ 11:12 Exposure Theory—Applied in Bodily Injury Cases

§ 11:13 —Applied in Property Damage Cases

§ 11:14 Manifestation Theory

§ 11:15 Injury-in-Fact Theory

§ 11:16 Continuous Trigger or Triple-Trigger Theory

§ 11:17 American Jurisprudence—Commentary

C. TRIGGER THEORIES—CANADIAN CASES

§ 11:18 Generally

§ 11:19 Exposure Theory

§ 11:20 Manifestation Theory

§ 11:21 Injury-In-Fact Theory

§ 11:22 Continuous Trigger or Triple-Trigger Theory

§ 11:23 Canadian Jurisprudence—Commentary

V. SALE TRANSACTIONS

§ 11:24 Generally

VI. SEXUAL ABUSE CLAIMS

§ 11:25 Introduction

§ 11:26 Canadian Approach

§ 11:27 American Approach

CHAPTER 12. INSURER'S RIGHT AND DUTY TO DEFEND ANY CLAIM OR ACTION

I. POLICY PROVISIONS

§ 12:1 Policy Provisions

II. INTRODUCTION

§ 12:2 Evolution of Canadian Law

§ 12:3 Quebec

III. HISTORY OF THE CLAUSE

§ 12:4 Introduction

TABLE OF CONTENTS

§ 12:5 May a Duty to Defend Be Implied

§ 12:6 What is an “Action”?

IV. COMMENTARY AND CASES

A. INTRODUCTION

§ 12:7 Generally

**B. DUTY TO DEFEND DISTINGUISHED FROM
DUTY TO INDEMNIFY**

§ 12:8 Introduction

§ 12:9 Timing of Indemnity Ruling

§ 12:10 —The Historical Approach

§ 12:11 —The *Nichols* Approach

**C. FRAMEWORK OF THE DUTY TO DEFEND
ANALYSIS**

§ 12:12 Introduction

§ 12:13 The Review of Pleadings: Form vs. Substance

D. WHEN THE DUTY TO DEFEND ARISES

§ 12:14 When the Duty to Defend Arises

§ 12:15 The “Mere Possibility” Principle

§ 12:16 No Defence Where There Is No Possibility of
Indemnity

§ 12:17 Widest Latitude Given to Pleadings

§ 12:18 Liberal Interpretation of Policy Language

§ 12:19 Doubt Resolved in Favour of Policyholder

§ 12:20 Mixed Allegations

§ 12:21 What Constitutes the Pleadings?

**E. UNDERLYING FACTS; NON-DISCLOSURE,
MISREPRESENTATION AND BREACH OF
CONDITION**

§ 12:22 Underlying Facts

§ 12:23 Non-Disclosure, Misrepresentation and Breach of
Condition

F. ALLOCATION OF DEFENCE COSTS

§ 12:24 Introduction

§ 12:25 Allocation of Defence Costs in Cases of Continuous
Damage

- § 12:26 Allocation of Defence Costs Between Covered and Uncovered Claims
- § 12:27 Equitable Allocation Among Primary and Excess Insurers
- § 12:28 Allocation of Defence Costs Amongst Insurers in the Additional Insured Context
- § 12:29 Allocation for Insolvent Primary Insurer
- § 12:30 Allocation of Indemnity Payments—American Cases
- § 12:31 Allocation of Indemnity Payments – Canadian Cases
- § 12:32 The Duty to Defend in the Context of Multiple Policy Forms

G. CONFLICTS OF INTEREST; PRIMARY AND EXCESS INSURERS; INSURER’S DUTY TOWARDS PLAINTIFFS AND THIRD PARTIES

- § 12:33 Conflicts of Interest
- § 12:34 Primary and Excess Insurers: Who Pays for the Defence?
- § 12:35 Insurer’s Duty Towards Plaintiffs and Third Parties

V. ISSUES FROM INSURER’S PERSPECTIVE; ISSUES FROM INSURED’S PERSPECTIVE

- § 12:36 Issues From Insurer’s Perspective
- § 12:37 Issues From Insured’s Perspective

VI. NOTICE AND CONSENT: WHEN THE DUTY TO DEFEND ARISES

- § 12:38 Generally

SUBPART C. COVERAGE A B.I. & P.D. EXCLUSIONS

CHAPTER 13. EXCLUSIONS AND EXCEPTIONS—PURPOSE AND GENERAL STRUCTURE

- § 13:1 “Exclusions” and “Exceptions” Distinguished
- § 13:2 Exclusion Clauses in Context
- § 13:3 American and Canadian Approaches

CHAPTER 14. INTENTIONAL ACTS

I. POLICY PROVISIONS; HISTORY OF THE CLAUSE

- § 14:1 Policy Provisions
- § 14:2 History of the Clause

II. COMMENTARY AND CASES

A. INTRODUCTION

- § 14:3 Generally

B. “EXPECTED OR INTENDED FROM THE STANDPOINT OF THE INSURED”

- § 14:4 Canadian Cases
- § 14:5 American Cases
- § 14:6 —“Expected or Intended”
- § 14:7 —Broad Interpretation
- § 14:8 —Narrow Interpretation
- § 14:9 —Inferring Intent: What is Expected
- § 14:10 —“From the Standpoint of the Insured”

C. WRONGFUL DISMISSAL CLAIMS

- § 14:11 Generally

D. REASONABLE FORCE: THE SELF-DEFENCE EXCEPTION

- § 14:12 Introduction
- § 14:13 American Approaches to the Self-Defence Issue
- § 14:14 —Self-Defence as an Unintentional, Covered Event
- § 14:15 —Self-Defence as an Intended and Excluded Event
- § 14:16 —Sexual Abuse Claims

E. RIGHTS OF THE INNOCENT POLICYHOLDER

1. Introduction; Competing Views: Property vs. Contract

- § 14:17 Introduction
- § 14:18 Competing Views: Property vs. Contract

2. American Case History

- § 14:19 Traditional American Approach

- § 14:20 Contractual Approach
- § 14:21 Public Policy Considerations

3. History of “Any”, “An” and “The” Insured

- § 14:22 “Any” Insured
- § 14:23 “An” Insured
- § 14:24 “The” Insured
- § 14:25 Public Policy: The “Innocent Spouse” Revisited

4. The Canadian Experience

- § 14:26 Introduction
- § 14:27 The *Scott* Decision
- § 14:28 The Majority
- § 14:29 The Dissent
- § 14:30 Post-*Scott* Cases: Property, Contract or Both?

5. History as Applied in Third Party Context

- § 14:31 Generally

III. INTENTIONAL ACTS AND SEXUAL ABUSE: AN EXPRESS RESPONSE; THE MERGER DOCTRINE

- § 14:32 Intentional Acts and Sexual Abuse: An Express Response
- § 14:33 The Merger Doctrine

CHAPTER 15. LIABILITY ASSUMED IN A CONTRACT

I. POLICY PROVISIONS; HISTORY OF THE CLAUSE

- § 15:1 Policy Provisions
- § 15:2 History of the Clause

II. COMMENTARY AND CASES

- § 15:3 Insured or Incidental Contracts
- § 15:4 Contract Claims and Tort Claims Distinguished
- § 15:5 Assumption of Liability and Assumption of
Obligation Distinguished
- § 15:6 Equity and Contract Distinguished
- § 15:7 Canadian Construction Cases and the Contract
Exclusion
- § 15:8 Wrongful Dismissal and Wrongful Termination
Claims

TABLE OF CONTENTS

- § 15:9 Review of American Jurisprudence—Introduction
- § 15:10 —Liability in the Absence of a Contract
- § 15:11 —Insured or Incidental Contract
- § 15:12 —Employment Contracts
- § 15:13 —Warranty of Fitness Exception
- § 15:14 —Assumption of Liability
- § 15:15 —Contract Relating to the Business of the Policyholder
- § 15:16 —Exclusion Does Not Create Coverage
- § 15:17 —The “Insured Contract” Wording

CHAPTER 16. WORKERS’ COMPENSATION AND EMPLOYMENT- RELATED INJURIES

I. POLICY PROVISIONS; HISTORY OF THE CLAUSE

- § 16:1 Policy Provisions
- § 16:2 History of the Clauses

II. COMMENTARY AND CASES

- § 16:3 Canadian Workers’ Compensation
- § 16:4 Employer’s Liability Endorsement
- § 16:5 Canadian Cases
- § 16:6 American Cases—In the Course of Employment
- § 16:7 —Vicarious Liability
- § 16:8 —Clear Exclusion Wording
- § 16:9 —Sexual Harassment and Assault Claims
- § 16:10 —Non-Standard Wording
- § 16:11 —Necessity of Workers’ Compensation Coverage
- § 16:12 —Work-Related Defamation
- § 16:13 —“Executive Officer” Considered
- § 16:14 —Independent Contractors

CHAPTER 17. AUTOMOBILE EXCLUSION

I. POLICY PROVISIONS; INTRODUCTION

- § 17:1 Policy Provisions
- § 17:2 Introduction

II. HISTORY AND SPECIFIC DEVELOPMENTS

- § 17:3 Introduction

- § 17:4 Complementary Coverage
- § 17:5 —Restrictive Interpretation of the Exclusion
- § 17:6 —Concurrent Causation
- § 17:7 —What is a Concurrent Cause?
- § 17:8 —Actual Overlap
- § 17:9 2005 Policy Amendments

III. COMMENTARY AND CASES

- § 17:10 Introduction
- § 17:11 “Arising Out Of”
- § 17:12 Purpose Test
- § 17:13 —Origins
- § 17:14 —Applications of the Purpose Test
- § 17:15 —American Cases
- § 17:16 —“Ownership”
- § 17:17 —Use vs. Operation
- § 17:18 —Presence in an Automobile
- § 17:19 —Maintenance
- § 17:20 Causation Test
- § 17:21 —Origins
- § 17:22 —Application
- § 17:23 —American Cases
- § 17:24 The *Amos* Decision and *Derksen*
- § 17:25 “Speed or Demolition Contest”
- § 17:26 “Stunting Activity”
- § 17:27 “Attached Equipment”
- § 17:28 Proof of Other Coverage
- § 17:29 Otherwise Covered by an Automobile Policy
- § 17:30 Negligent Entrustment/Supervision Claims
- § 17:31 The Workers’ Compensation Exception

IV. ALTERNATIVE WORDING

- § 17:32 “Loading or Unloading”
- § 17:33 “Mobile Equipment”

CHAPTER 18. “OWNERSHIP, MAINTENANCE, USE . . . OF ANY WATERCRAFT”

I. POLICY PROVISIONS; HISTORY OF THE CLAUSE

- § 18:1 Policy Provisions

TABLE OF CONTENTS

§ 18:2 History of the Clause

II. COMMENTARY AND CASES

§ 18:3 Canadian Cases

§ 18:4 American Cases

§ 18:5 Conclusion

**CHAPTER 19. “OWNERSHIP,
MAINTENANCE, USE . . . OF ANY
AIRCRAFT OR AIR CUSHION VEHICLE”**

**I. POLICY PROVISIONS; HISTORY OF THE
CLAUSE**

§ 19:1 Policy Provisions

§ 19:2 History of the Clause

II. COMMENTARY AND CASES

§ 19:3 Introduction

§ 19:4 Canadian Cases

§ 19:5 American Cases

**CHAPTER 20. POLICYHOLDER’S OWN
PROPERTY**

**I. POLICY PROVISIONS; HISTORY OF THE
CLAUSE**

§ 20:1 Policy Provisions

§ 20:2 History of the Clause

II. COMMENTARY AND CASES

**A. SUBCLAUSE H.1): PROPERTY YOU OWN,
RENT OR OCCUPY**

1. Policy Provisions

§ 20:3 Policy Provisions

2. Commentary and Cases

§ 20:4 Introduction

§ 20:5 Canadian Cases

§ 20:6 American Cases

§ 20:7 —Personal vs. Real Property

- § 20:8 —Does Time of Ownership Coincide With Policy Period?
- § 20:9 —Control
- § 20:10 —Occupancy and Possession
- § 20:11 —First Party vs. Third Party Property Damage
- § 20:12 —Preventative Measures

B. SUBCLAUSE H.2): PREMISES YOU SELL, GIVE AWAY OR ABANDON

- § 20:13 Policy Provisions
- § 20:14 Commentary and Cases
- § 20:15 —American Cases

C. SUBCLAUSE H.3): PROPERTY LOANED TO YOU

- § 20:16 Policy Provisions
- § 20:17 Commentary and Cases
- § 20:18 —Canadian Cases
- § 20:19 —American Cases

D. SUBCLAUSE H.4): PERSONAL PROPERTY IN YOUR CARE, CUSTODY OR CONTROL

- § 20:20 Policy Provisions
- § 20:21 Commentary and Cases
- § 20:22 —Canadian Cases
- § 20:23 —American Cases

E. SUBCLAUSE H.5): REAL PROPERTY DAMAGED BY YOUR OPERATIONS

- § 20:24 Policy Provisions
- § 20:25 Commentary and Cases
- § 20:26 —Canadian Cases
- § 20:27 —American Cases

F. SUBCLAUSE H.6): YOUR INCORRECTLY PERFORMED WORK

- § 20:28 Policy Provisions
- § 20:29 Commentary and Cases

TABLE OF CONTENTS

G. EXCEPTION TO H.2): PREMISES THAT ARE “YOUR WORK” AND WERE NEVER OCCUPIED, RENTED OR HELD FOR RENT BY YOU

- § 20:30 Policy Provisions
- § 20:31 Commentary and Cases

H. EXCEPTION TO H.3), 4), 5) & 6): LIABILITY ASSUMED UNDER A SIDETRACK AGREEMENT

- § 20:32 Policy Provisions
- § 20:33 Commentary and Cases—What is “Sidetrack” or
“Siding”?
- § 20:34 —What is a “Sidetrack Agreement”?
- § 20:35 —What is the Insuring Intent or Purpose?
- § 20:36 —A Word of Caution

I. EXCEPTION TO H.6): “PROPERTY DAMAGE” INCLUDED IN THE “PRODUCTS-COMPLETED OPERATIONS HAZARD”

- § 20:37 Policy Provisions
- § 20:38 Commentary and Cases

CHAPTER 21. DAMAGE TO “YOUR PRODUCT”

I. POLICY PROVISIONS; HISTORY OF THE CLAUSE

- § 21:1 Policy Provisions
- § 21:2 History of the Clause

II. COMMENTARY AND CASES

- § 21:3 Introduction
- § 21:4 Distinction Between “Product” and “Work”
- § 21:5 Policyholder’s Product
- § 21:6 Resultant Damage to Property of Others
- § 21:7 —Canadian Case Law
- § 21:8 —American Case Law
- § 21:9 —Building Construction Cases
- § 21:10 — —Canadian Approach
- § 21:11 — —American Approach

- § 21:12 —Manufacturing Cases
- § 21:13 Incorporation of “Your Product” Into Other Products
- § 21:14 Economic Loss

III. ISSUES FROM INSURER’S PERSPECTIVE; ISSUES FROM INSURED’S PERSPECTIVE

- § 21:15 Issues From Insurer’s Perspective
- § 21:16 Issues From Insured’s Perspective

CHAPTER 22. DAMAGE TO “YOUR WORK”

I. POLICY PROVISIONS

- § 22:1 Policy Provisions

II. HISTORY OF THE CLAUSE

- § 22:2 “Products-Completed Operations Hazard”
- § 22:3 Issue of Completeness
- § 22:4 “Work”
- § 22:5 Subcontractor’s Exception
- § 22:6 —Evolution of the Exception
- § 22:7 —Who Qualifies as a Subcontractor?
- § 22:8 —Developments in the Interpretation of the Exception
- § 22:9 —Recent Decisions Interpreting the Exception—
Cases Refusing to Apply the Exception
- § 22:10 — —Cases Supporting Recovery

III. COMMENTARY AND CASES

A. CANADIAN CASES

- § 22:11 Generally

B. AMERICAN CASES

- § 22:12 Introduction
- § 22:13 Loss of Use
- § 22:14 Scope of “Work”

C. “PRODUCTS-COMPLETED OPERATIONS HAZARD”

- § 22:15 Introduction

TABLE OF CONTENTS

§ 22:16 Canadian Decisions

§ 22:17 American Decisions

D. RESULTANT DAMAGE TO PROPERTY OF OTHERS

§ 22:18 Introduction

§ 22:19 Canadian Decisions

§ 22:20 American Decisions

E. CONSTRUCTION DEFECT CASES

§ 22:21 Generally

**IV. ISSUES FROM INSURER'S PERSPECTIVE;
ISSUES FROM INSURED'S PERSPECTIVE**

§ 22:22 Issues From Insurer's Perspective

§ 22:23 Issues From Insured's Perspective

**CHAPTER 23. DAMAGE TO "IMPAIRED
PROPERTY"**

**I. POLICY PROVISIONS; HISTORY OF THE
CLAUSE**

§ 23:1 Policy Provisions

§ 23:2 History of the Clause

II. COMMENTARY AND CASES

§ 23:3 Introduction

§ 23:4 Defect, Deficiency, Inadequacy or Dangerous
Condition

§ 23:5 Delay or Failure to Perform a Contract

§ 23:6 Property Restored to Use

§ 23:7 The "Sudden and Accidental" Exception

**CHAPTER 24. REMOVAL OR WEAKENING
OF SUPPORT EXCLUSION**

§ 24:1 Policy Provisions

§ 24:2 Introduction

§ 24:3 Commentary and Cases

§ 24:4 The Subcontractor Exception

CHAPTER 25. PRODUCT OR WORK RECALL: THE “SISTERSHIP” EXCLUSION

- § 25:1 Policy Provisions
- § 25:2 History of the Clause
- § 25:3 Commentary and Cases—Canadian Cases
- § 25:4 —American Cases
- § 25:5 Issues From Insurer’s Perspective
- § 25:6 Issues From Insured’s Perspective
- § 25:7 Alternative Wording

CHAPTER 26. PROFESSIONAL SERVICES

I. POLICY PROVISIONS; HISTORY OF THE CLAUSE

- § 26:1 Policy Provisions
- § 26:2 History of the Clause

II. COMMENTARY AND CASES

- § 26:3 Absence of a Professional Services Exclusion
- § 26:4 Distinction Between “Professional Services” in the
Errors and Omissions Insuring Agreement and in
the CGL Exclusion
- § 26:5 Proper Legal Characterization of the Claim
- § 26:6 “Professional Services”
- § 26:7 —Specialized Knowledge, Labour or Skill With an
Intellectual Component
- § 26:8 —Nature of the Act Governs
- § 26:9 Traditional and Non-Traditional Professions
- § 26:10 Exclusion Not Limited to Claims by Professional’s
Client
- § 26:11 Sexual Abuse Committed During Professional
Services
- § 26:12 Ambiguity and the Professional Services Exclusion
- § 26:13 The Nullification of Coverage Argument

CHAPTER 27. ABUSE EXCLUSION

- § 27:1 Policy Provisions
- § 27:2 History/Purpose of the Clause
- § 27:3 Commentary and Cases

**CHAPTER 28. ELECTRONIC DATA AND
DATA-RELATED LIABILITY
EXCLUSIONS**

- § 28:1 Policy Provisions
- § 28:2 Purpose/History of the Clauses
- § 28:3 Commentary and Cases

Volume 2

**SUBPART D. COVERAGE B PERSONAL
INJURY LIABILITY**

**CHAPTER 29. PERSONAL INJURY
INSURING AGREEMENT**

I. POLICY PROVISIONS

- § 29:1 Policy Provisions

II. HISTORY OF THE CLAUSE

- § 29:2 Introduction
- § 29:3 Interpretation of the Section
- § 29:4 Injury Arising Out of an Enumerated Offence

III. OFFENCES

**A. ORAL OR WRITTEN PUBLICATION OF
MATERIAL WHICH SLANDERS OR LIBELS A
PERSON OR ORGANIZATION OR
DISPARAGES A PERSON OR
ORGANIZATION'S GOODS, PRODUCTS OR
SERVICES**

- § 29:5 Introduction
- § 29:6 Canadian Cases
- § 29:7 American Cases
- § 29:8 —False Arrest, Detention or Imprisonment
- § 29:9 —Malicious Prosecution

**B. WRONGFUL ENTRY INTO, OR EVICTION OF
A PERSON FROM, A ROOM, DWELLING OR
PREMISES THAT THE PERSON OCCUPIES**

- § 29:10 Invasion of the Right of Private Occupancy

- § 29:11 Wrongful Eviction
- § 29:12 Landlord-Tenant Relationship Required
- § 29:13 Possessory Interest Only Required
- § 29:14 Neither Landlord-Tenant nor Possessory Interest Required
- § 29:15 IBC Form 2100 – 2005

C. ORAL OR WRITTEN PUBLICATION OF MATERIAL WHICH VIOLATES A PERSON'S RIGHT OF PRIVACY

- § 29:16 Introduction
- § 29:17 Blast Fax Cases
- § 29:18 Publication of Material that Violates a Person's Right of Privacy

D. OTHER OFFENCES

- § 29:19 Attempts to Find Coverage for Wrongful Dismissal
- § 29:20 Various Commercial Activities as a Personal Injury Offence
- § 29:21 Attempts to Find Coverage for Pollution Claims
- § 29:22 A Proposed Solution: Common Sense

CHAPTER 30. PERSONAL INJURY EXCLUSIONS

I. POLICY PROVISIONS; HISTORY OF THE CLAUSE

- § 30:1 Policy Provisions
- § 30:2 History of the Clause

II. COMMENTARY AND CASES

- § 30:3 Knowledge of Falsity
- § 30:4 First Publication Before Beginning of Policy Period
- § 30:5 Wilful Violation of Penal Statute or Ordinance
- § 30:6 —Criminal Acts
- § 30:7 Liability Assumed under Contract
- § 30:8 Knowing Violation of the Rights of Another
- § 30:9 Infringement of Copyright, Patent, Trademark, Trade Secret or Any Other Intellectual Property Right
- § 30:10 Insureds in Media and Internet-Related Businesses
- § 30:11 Electronic Chatrooms or Bulletin Boards

TABLE OF CONTENTS

§ 30:12 Unauthorized Use of Another's Name or Product

**CHAPTER 31. ADVERTISING INJURY
INSURING AGREEMENT COVERAGE B:
PERSONAL AND ADVERTISING INJURY
LIABILITY**

I. POLICY PROVISIONS

§ 31:1 Policy Provisions

II. HISTORY OF THE CLAUSE

§ 31:2 Introduction

§ 31:3 History

III. COMMENTARY AND CASES

A. THE INSURING AGREEMENT; ADVERTISING

§ 31:4 The Insuring Agreement

§ 31:5 Advertising

B. THE NEW DEFINITION

§ 31:6 Introduction

§ 31:7 A Notice

§ 31:8 That is Broadcast or Published

§ 31:9 To the General Public or Specific Market Segments

§ 31:10 About Your Goods, Products or Services for the
Purpose of Attracting Customers or Supporters

C. THE OFFENCES

§ 31:11 Introduction

§ 31:12 Oral and Written Publication of Material that
Slanders or Libels a Person or Organization or
Disparages a Person or Organization's Goods,
Products or Services

§ 31:13 Invasion of the Right of Privacy

§ 31:14 Misappropriation of Advertising Ideas or Style of
Doing Business

§ 31:15 —Misappropriation

§ 31:16 —Advertising Idea

§ 31:17 —Style of Doing Business

§ 31:18 Infringement of Copyright or Title

§ 31:19 —Copyright

- § 31:20 —Title
- § 31:21 Trade Dress
- § 31:22 Slogan
- § 31:23 Piracy
- § 31:24 Unfair Competition

D. CAUSAL CONNECTION REQUIREMENT

- § 31:25 Introduction
- § 31:26 Minority Position
- § 31:27 Canadian Cases

E. COVERAGE TERRITORY AND POLICY PERIOD; COMMENT REGARDING EXCLUSIONS

- § 31:28 Coverage Territory and Policy Period
- § 31:29 Comment Regarding Exclusions

SUBPART E. COVERAGE C MEDICAL PAYMENTS

CHAPTER 32. MEDICAL PAYMENTS INSURING AGREEMENT

- § 32:1 Policy Provisions
- § 32:2 History of the Clause
- § 32:3 Commentary and Cases—Availability of Direct Action

CHAPTER 33. MEDICAL PAYMENTS EXCLUSIONS

- § 33:1 Policy Provisions
- § 33:2 History of the Clause
- § 33:3 Commentary and Cases

SUBPART F. COVERAGE D TENANTS' LEGAL LIABILITY

CHAPTER 34. TENANTS' LEGAL LIABILITY INSURING AGREEMENT

I. POLICY PROVISIONS; HISTORY OF THE CLAUSE

- § 34:1 Policy Provisions

TABLE OF CONTENTS

§ 34:2 History of the Clause

II. COMMENTARY AND CASES

§ 34:3 Introduction

§ 34:4 Canadian Cases

§ 34:5 American Cases

**CHAPTER 35. TENANTS' LEGAL
LIABILITY EXCLUSIONS**

§ 35:1 Policy Provisions

§ 35:2 History of the Clause

§ 35:3 Commentary and Cases

**SUBPART G. COMMON EXCLUSIONS
AND SUPP. PAYMENTS**

**CHAPTER 36. POLLUTION LIABILITY
EXCLUSION**

**I. POLICY PROVISIONS; HISTORY OF THE
CLAUSE**

§ 36:1 Policy Provisions

§ 36:2 History of the Clause

**II. THE "SUDDEN AND ACCIDENTAL"
EXCEPTION**

§ 36:3 Introduction

§ 36:4 Canadian Cases

§ 36:5 American Cases

§ 36:6 —Early Interpretations

§ 36:7 —The Burden of Proof

§ 36:8 —"Sudden": The Temporal Debate

§ 36:9 —Duration Issues

§ 36:10 —Accidental

§ 36:11 —Causation

III. THE "ABSOLUTE POLLUTION" EXCLUSION

A. ORIGINAL INTENT

§ 36:12 Generally

B. AMERICAN CASES

§ 36:13 Introduction

- § 36:14 The Industrial Waste Requirement
- § 36:15 Pollution of the Environment
- § 36:16 Active Polluters
- § 36:17 Is the Substance Involved a “Pollutant”?
- § 36:18 —Non-Naturally Occurring Substances
- § 36:19 —Naturally Occurring Substances
- § 36:20 Was the Underlying Loss Caused by the Actual Product or Service of the Insured?
- § 36:21 Did a Pollutant Cause Loss?

C. CANADIAN CASES

- § 36:22 Introduction
- § 36:23 The Connotative Contextual Analysis
- § 36:24 The Active/Passive Polluter Distinction in the Canadian Context
- § 36:25 What is a Pollutant?
- § 36:26 Type of Pollution and Pollution Activity
- § 36:27 Act of Pollution and Causation
- § 36:28 Relationship Between Insuring Agreement and Pollution Liability Exclusion

IV. THE LIMITED LIABILITY ENDORSEMENT

- § 36:29 Generally

CHAPTER 37. ASBESTOS

- § 37:1 Policy Provisions
- § 37:2 Historical Context and Purpose of the Clause
- § 37:3 Commentary and Cases

CHAPTER 38. NUCLEAR ENERGY LIABILITY

- § 38:1 Policy Provisions
- § 38:2 History of the Clause
- § 38:3 Commentary and Cases—Canadian Cases
- § 38:4 —American Cases

CHAPTER 39. FUNGI OR SPORES

- § 39:1 Policy Provisions
- § 39:2 Historical Context and Purpose of the Clause
- § 39:3 Scope of the Exclusion
- § 39:4 Commentary and Cases—Canadian Cases

CHAPTER 40. WAR RISKS

- § 40:1 Policy Provisions

TABLE OF CONTENTS

- § 40:2 History of the Clause
- § 40:3 Commentary and Cases—Canadian Cases
- § 40:4 —American Cases

**CHAPTER 41. SUPPLEMENTARY
PAYMENTS AND OBLIGATIONS**

- § 41:1 Policy Provisions
- § 41:2 History of the Clause
- § 41:3 Commentary and Cases

SUBPART H. SECTIONS II & III

CHAPTER 42. WHO IS AN INSURED

**I. POLICY PROVISIONS; HISTORY OF THE
CLAUSE**

- § 42:1 Policy Provisions
- § 42:2 History of the Clause
- § 42:3 —Principal Changes: A Brief Commentary

II. COMMENTARY AND CASES

- § 42:4 Individuals, Partnerships or Joint Ventures, and
other Organizations—Introduction
- § 42:5 —Individuals
- § 42:6 —Partnerships and Joint Ventures
- § 42:7 —Organizations Other Than Partnerships or Joint
Ventures
- § 42:8 Employees of the Named Insured
- § 42:9 Real Estate Manager of the Named Insured
- § 42:10 Death of the Named Insured
- § 42:11 Newly Acquired Organizations
- § 42:12 Current or Past Partnerships or Joint Ventures
Not Shown as Named Insureds in the
Declarations
- § 42:13 The Additional Insured and “Cascading Coverage”
- § 42:14 —American Approach — Confined to the Policy
Wording
- § 42:15 —First Relevant Inquiry — the Underlying
Contract
- § 42:16 —“Arising out of the operations . . .”
- § 42:17 — —Government Contracts
- § 42:18 — —Private Contracts

III. AN ISSUE BASED APPROACH TO ADDITIONAL INSURED STATUS

A. INTRODUCTION; ADDITIONAL INSURED STATUS

- § 42:19 Introduction
- § 42:20 Additional Insured Status

B. CERTIFICATES OF INSURANCE AS EVIDENCE OF INSURED STATUS

- § 42:21 Introduction
- § 42:22 Authority and Reasonable Expectations
- § 42:23 When is Coverage Extended by Certificate
Effective? A Possible Ambiguity
- § 42:24 Certificate Wording is Subordinate to Policy
Wording But May Still Restrict Additional
Insured Status

C. SCOPE OF ADDITIONAL INSURED COVERAGE

- § 42:25 Introduction
- § 42:26 Additional Insured's "Own Negligence" Generally
Outside Scope
- § 42:27 Liability Arising Out of "Operations"

D. ISSUES ARISING BETWEEN NAMED AND ADDITIONAL INSURED

- § 42:28 Introduction
- § 42:29 Consequences of Failing to Add Contracting
Counter-Party as Additional Insured
- § 42:30 Allocation of Defence Costs Between Named and
Additional Insured
- § 42:31 Further Complications Involving Mixed Claims
- § 42:32 Where Coverage is Concurrent but Does not
Overlap

E. EQUITABLE CONTRIBUTION: WHERE TWO OR MORE INSURERS HAVE A DUTY

- § 42:33 Introduction
- § 42:34 Where Coverage Overlaps But at Least One Policy
is Not Primary
- § 42:35 Interim Allocations and "Difficult" Allocations

TABLE OF CONTENTS

F. SEEKING CONTRIBUTION OR INDEMNITY

- § 42:36 Introduction
- § 42:37 Subrogated Actions Against Insurer's Own
Additional Insured
- § 42:38 Seeking Indemnity Directly in an Underlying
Contract
- § 42:39 Limitation Period for Contribution or Indemnity
Claims Seeking Defence Cost Funding

CHAPTER 43. LIMITS OF INSURANCE

**I. POLICY PROVISIONS; HISTORY OF THE
CLAUSE**

- § 43:1 Policy Provisions
- § 43:2 History of the Clause

II. COMMENTARY

- § 43:3 Introduction
- § 43:4 Number of Insureds, Claims Made or Persons
Claiming
- § 43:5 Aggregate Limit
- § 43:6 Each Occurrence Limit
- § 43:7 Personal Injury Limit
- § 43:8 Tenants' Legal Liability and Medical Payment
Limits
- § 43:9 Deductibles, Self-Insured Retentions and Risk
Financing
- § 43:10 —Deductible Clause
- § 43:11 —Self-Insured Retentions
- § 43:12 —Risk Financing
- § 43:13 Court-Awarded Interest
- § 43:14 Competing Claims for Payment

**SUBPART I. SECTION IV - POLICY AND
STATUTORY CONDITIONS**

**CHAPTER 44. COMMERCIAL GENERAL
LIABILITY CONDITIONS**

I. INTRODUCTION

- § 44:1 Generally

II. BANKRUPTCY

§ 44:2 Policy Provisions

§ 44:3 Commentary

III. CANADIAN CURRENCY CLAUSE

§ 44:4 Policy Provisions

§ 44:5 Commentary

IV. CANCELLATION

§ 44:6 Policy Provisions

§ 44:7 Commentary

V. CHANGES

§ 44:8 Policy Provisions

§ 44:9 Commentary

VI. DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR ACTION

§ 44:10 Policy Provisions

§ 44:11 Commentary—Notice of Occurrence Which Might
Give Rise to a Claim

§ 44:12 —Co-operation and Assistance by Insured

§ 44:13 —Relief From Forfeiture

§ 44:14 Voluntary Payment and Assumed Obligation

VII. EXAMINATION OF INSURED'S BOOKS AND RECORDS

§ 44:15 Policy Provisions

§ 44:16 Commentary

VIII. INSPECTIONS AND SURVEYS

§ 44:17 Policy Provisions

§ 44:18 Commentary

IX. LEGAL ACTION AGAINST INSURER

§ 44:19 Policy Provisions

§ 44:20 Commentary

X. OTHER INSURANCE

§ 44:21 Policy Provisions

TABLE OF CONTENTS

- § 44:22 Commentary
- § 44:23 Types of Other Insurance Clauses
- § 44:24 The Fundamental Rule
- § 44:25 What Evidence May be Used to Determine an Insurer's Intent
- § 44:26 —Apportioning Loss Based on Unjust Enrichment
- § 44:27 How Loss Should Be Apportioned
- § 44:28 —The “Other Insurance” Clause in the Additional Insured Context
- § 44:29 Other Issues
- § 44:30 New Wording

XI. PREMIUM AUDIT

- § 44:31 Policy Provisions
- § 44:32 Commentary

XII. PREMIUMS

- § 44:33 Policy Provisions
- § 44:34 Commentary

XIII. REPRESENTATIONS

- § 44:35 Policy Provisions
- § 44:36 Commentary

XIV. SEPARATION OF INSURED, CROSS LIABILITY

- § 44:37 Policy Provisions
- § 44:38 Commentary
- § 44:39 —Cross Liability
- § 44:40 —Severability of Interests

XV. INSURER'S RIGHTS OF RECOVERY AGAINST OTHERS

- § 44:41 Policy Provisions
- § 44:42 Commentary—Subrogation
- § 44:43 —Waiver of Subrogation

XVI. TRANSFER OF RIGHTS UNDER THE POLICY

- § 44:44 Policy Provisions
- § 44:45 Commentary

CHAPTER 45. STATUTORY CONDITIONS AND RELATED LEGISLATIVE PROVISIONS

I. INTRODUCTION

§ 45:1 Generally

II. INSURANCE LEGISLATION

§ 45:2 Law of Contract

§ 45:3 —Choice of Law Issues

§ 45:4 —Legislative Provisions

§ 45:5 Materiality as a Question of Fact

§ 45:6 Legislative Relief From Forfeiture

§ 45:7 Action on a Judgment Debtor's Policy

§ 45:7.50 Relief from Forfeiture for Innocent Co-insured

§ 45:8 Insurability of Criminal Acts

III. WORKERS' COMPENSATION LEGISLATION

§ 45:9 Introduction

§ 45:10 Review of Canadian Jurisdictions

§ 45:11 —Claims Against Worker's Own Employer or
Co-Worker

§ 45:12 —Actions Against Other Employers and Their
Workers

§ 45:13 —Motor Vehicle Accident Exception

IV. RULES OF CIVIL PROCEDURE AND COURT PROCESS

§ 45:14 Production of Insurance Policy

§ 45:15 Prejudgment and Post-Judgment Interest

§ 45:16 Declaratory Actions and the "No Action" Clause

§ 45:17 —Historical Treatment At Common Law

§ 45:18 —Statutory Revision in Ontario

§ 45:19 —Cases in Other Canadian Jurisdictions

APPENDICES

Appendix A. IBC Form 2100—Commercial General
Liability Policy

Appendix B. IBC Comparison Chart

Appendix C. IBC Forms 2000 and 2001—Commercial
General Liability Policy

TABLE OF CONTENTS

Appendix D. Commercial General Liability Policy 2005
Edition

Appendix E. Change Highlights–IBC 2100 Comparison
Between Current and Revised Forms

Appendix F. The Date Change Problem

Appendix IF. Issues in Focus

Appendix TC. Table of Concordance

Table of Added Cases

Table of Cases

Index