



OREGON MUTUAL INSURANCE GROUP
SECTION II - LIABILITY COVERAGE
PERSONAL LIABILITY AND MEDICAL PAYMENTS COVERAGE

G0022HC (3-03)

COVERAGE L - PERSONAL LIABILITY

We pay, up to **our limit**, for this coverage stated in the declarations, all sums, including pre-judgment interest and costs taxed against an **insured**, for which an **insured** is legally liable because of **bodily injury, personal injury or property damage** caused by an **occurrence** to which this coverage applies.

If a suit is brought against the **insured**, we will defend the **insured** at **our** expense, using lawyers of **our** choice, provided the suit results from **bodily injury, personal injury, or property damage** caused by an **occurrence** to which this coverage applies. We may make any investigation and settle any claim or suit that we decide is appropriate. We do not have to provide a defense after we have paid an amount equal to **our limit** as a result of judgments or settlements.

COVERAGE M - MEDICAL PAYMENTS TO OTHERS

We pay, up to **our limit**, for this coverage stated in the declarations, medical expenses incurred or determined within three years from the date an accident occurring during the policy period causing **bodily injury** to which this coverage applies. Medical expenses means the reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, funeral services, prosthetic devices and eye glasses, including contacts. This coverage applies only to:

1. a person on the **insured premises** with the permission of an **insured**; and
2. a person away from an **insured premises** if the **bodily injury**:
 - a. is the result of a condition on an **insured premises**;
 - b. is caused by an activity of an **insured**;
 - c. is caused by a person while performing duties as a **domestic employee** of an **insured**;
 - d. is caused by an animal owned by or in the care of an **insured**; or
 - e. is sustained by a **domestic employee** and arises out of and in the course of employment.

Payment under this coverage is not an admission of liability under Coverage L - Personal Liability.

INCIDENTAL LIABILITY COVERAGES

These coverages are subject to all **terms** and conditions of Coverage L - Personal Liability and Coverage M - Medical Payments To Others, except as provided herein. They do not increase the **limit** stated for Coverages L - Personal Liability and Coverage M - Medical Payments To Others, except for Claims and Defense Expense Coverage and First Aid Expense Coverage.

1. **Incidental Motorized Vehicle Coverage - We** pay for the **bodily injury, personal injury or property damage** which:

- a. occurs on the **insured premises** and is the result of the ownership, maintenance, use, loading or unloading of:
 - (1) a **motorized vehicle** if it is not subject to motor vehicle licensing because of its type or use; or
 - (2) a **recreational motor vehicle**;
- b. results from:
 - (1) a golf cart while used for golfing, including traveling to and from the golf course;
 - (2) a utility, boat, travel trailer, or camp trailer, except when the trailer is carried on, is towed by or is attached to a **motor vehicle** or **recreational motor vehicle**;
 - (3) a **motorized vehicle** not subject to motor vehicle licensing which is designed and used for assisting the handicapped;
 - (4) a **motorized vehicle** not subject to motor vehicle licensing which is designed only for use off roads and is used only to service the **insured premises**.
- c. results from an **insured's** use of a **recreational motor vehicle** which is not owned by an **insured**.

2. Incidental Watercraft Coverage

- a. We pay for the **bodily injury, personal injury, or the property damage** which results from the maintenance, use, loading, or unloading of:
 - (1) a watercraft while in dead storage on the **insured premises**, another residence premises, or a public storage facility;
 - (2) a watercraft which is not owned by or rented to an **insured**, if the loss is the result of activities of an **insured**;
 - (3) a watercraft, owned by or rented to an **insured**, powered by inboard or inboard/outboard motors which total 50 horsepower or less;
 - (4) a sailing vessel, owned by or rented to an **insured**, less than 26 feet in length; or
 - (5) a watercraft which is powered by outboard motors which total 25 horsepower or less.

This coverage does not apply to watercraft designated as an airboat, aircushion, jet ski, or similar craft.

- b. We pay for **bodily injury, personal injury or property damage** which results from the maintenance, use, loading, or unloading of watercraft that is powered by outboard motors which total more than 25 horsepower, if:
 - (1) the motors are listed in the Declarations as insured for personal liability;

- (2) the motors are acquired by an **insured** during the policy period and a request for coverage is made within 45 days after they are acquired; or
 - (3) the motors are not owned by an **insured**.
3. **Incidental Business Coverage - We** pay for the **bodily injury, personal injury, or property damage** which results from:
- a. the rental of that part of the **insured premises** that is usually occupied by **you** as a **residence**;
 - b. the rental of other parts of the **insured premises** for use as a **residence** (no family unit may include more than two roomers or boarders);
 - c. the rental of a part of the **insured premises** for use as a school, studio, office or private garage.
4. **Contracts and Agreements Coverage - We** pay for damages for **bodily injury** or **property damage** resulting from liability assumed by an **insured** under a written contract made before the loss. This coverage does not apply to a contract in connection with **business** activities of an **insured**.
5. **Claims and Defense Cost Coverage - If we** defend a suit, **we** pay:
- a. the costs incurred by **us**;
 - b. the actual loss of earnings sustained by an **insured** for time spent away from work at **our** request (**we** pay up to \$100 a day);
 - c. the necessary costs incurred by **you** at **our** request;
 - d. the interest which accrues after entry of judgment but ending when **we** tender or pay up to **our limit**;
 - e. the premiums on appeal bonds or bonds for the release of attachments up to **our limit** (**we** are not required to apply for or furnish bonds); and
 - f. the premiums up to \$500 per bail bond incurred by an **insured** because of an accident or traffic law violations arising out of the use of a vehicle to which this policy applies (**we** are not required to apply for or furnish bonds).
6. **First Aid Expense Coverage - We** pay, regardless of the **insured's** legal liability, the expenses incurred by an **insured** for first aid, performed at the scene of the accident, to persons, other than **insureds**, for **bodily injury** covered by this policy.
7. **Damage to Property of Others - Regardless of an insured's** legal liability, **we** pay for property of others damaged by an **insured**, or at our option **we** will repair or replace the property, to the extent practicable, with property of like kind and quality. **Our limit** for this coverage is \$1,000 per **occurrence**.
- The exclusions that apply to Coverage L - Personal Liability and Coverage M - Medical Payment to Others do not apply to this coverage. **We** do not pay for damage to property:

- a. owned by, rented to or leased to an **insured**, another resident of **your** household, a tenant of an **insured** or a **domestic employee**;
- b. caused intentionally by an **insured** who has attained the age of 13;
- c. covered by this policy under Property Coverage; or
- d. resulting in whole or in part from:
 - (1) activities related to a **business** of an **insured**;
 - (2) premises owned, rented or controlled by an **insured**, other than an **insured premises**; or
 - (3) the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading, or unloading of **motorized vehicles, aircraft or watercraft**. **We** do pay for **property damage** to **motorized vehicles** not subject to motor vehicle registration and not owned by an **insured** if the **motorized vehicle** is used only to service the **insured premises** or is designed and used for assisting the handicapped.

EXCLUSIONS THAT APPLY TO COVERAGE L - PERSONAL LIABILITY AND COVERAGE M - MEDICAL PAYMENTS TO OTHERS

Coverage L - Personal Liability and Coverage M - Medical Payments to Others coverages do not apply to liability which results directly or indirectly from:

- 1. **war**, including declared or undeclared war, civil war, insurrection, rebellion, riot, revolution, warlike act by a military force or military personnel, or destruction, seizure, or use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon is always deemed a warlike act, even if accidental;
- 2. **aircraft**, including:
 - a. the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading, or unloading of **aircraft**; or
 - b. vicarious liability, whether or not statutorily imposed, for actions of a child or minor owning, operating, maintaining, using, occupying, renting, loaning, entrusting, supervising, loading, or unloading an **aircraft**.

This exclusion does not apply to **bodily injury** to a person while performing duties as a **domestic employee**;
- 3. **watercraft**, including:
 - a. the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading, or unloading of **watercraft**; or
 - b. vicarious liability, whether or not statutorily imposed, for actions of a child or minor owning,

operating, maintaining, using, occupying, renting, loaning, entrusting, supervising, loading, or unloading a watercraft.

This exclusion does not apply:

- a. to **bodily injury** to a person while performing duties as a **domestic employee**; or
 - b. if coverage is provided by Incidental Watercraft Coverage;
4. **motorized vehicles**, including;
- a. the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading, or unloading of **motorized vehicles**; or
 - b. vicarious liability, whether or not statutorily imposed, for actions of a child or minor owning, operating, maintaining, using, occupying, renting, loaning, entrusting, supervising, loading, or unloading a **motorized vehicle**.

This exclusion does not apply:

- a. to **bodily injury** to a person performing duties as a **domestic employee**; or
 - b. if coverage is provided for by Incidental Motorized Vehicle Coverage;
5. the use of a **motorized vehicle** in or in the practice or preparation for racing, speed, pulling or pushing, demolition, or stunt activities or contests;
6. the rendering or failing to render a professional service;
7. arising out of or in connection with a **business** engaged in by an **insured**. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the **business**, except as provided by Incidental Business Coverage;
8. premises that are owned, rented or controlled by an **insured** and are not an **insured premises**. This exclusion does not apply to **bodily injury** to a person while performing duties as a **domestic employee**;
9. an intentional act which is:
- a. expected by, directed by, or intended by an **insured**;
 - b. that is the result of a criminal act of an **insured**, or
 - c. that is the result of intentional and malicious acts by or at the direction of an **insured**.

This exclusion applies regardless of the person or persons by or at whom the intentional act was directed.

This exclusion applies even if:

- a. the **bodily injury** or **property damage** that occurs is different than what was expected by, directed by, or intended by the **insured**; or
- b. the **bodily injury** or **property damage** is suffered by someone other than the person or

persons expected by, directed by, or intended by the **insured**;

This exclusion does not apply to **bodily injury** that arises out of the use of reasonable force to protect people or property;

10. the actual, alleged, or threatened discharge, dispersal, release, or escape of **pollutants** into or upon land, the atmosphere, or water course, body of water, bog, marsh, swamp or wetland.

However, this exclusion does not apply to **bodily injury** or **property damage** that arises from heat, smoke, or fumes of a hostile fire on the **insured premises**. A hostile fire is a fire that becomes uncontrollable or breaks out from where it is intended to be;

11. loss, cost or expense arising out of any:
- a. request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of **pollutants**; or
 - b. claim or suit by or on behalf of any governmental authority relating to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of **pollutants**.

Pollutant means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, oils, vapor, and waste, including, but not limited to hazardous substances as listed in the Federal Water Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act or as designated by the U. S. Environmental Protection Agency. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
 - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions;
12. corporal punishment, sexual, mental, or physical abuse, sexual exploitation or molestation, or any similar act, harm, injury, or damage to any person, whether or not committed by or with the knowledge or consent of an **insured**;
13. the use, sale, manufacture, delivery, transfer, or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician;
14. ownership, use, maintenance, rental, or holding for rental of any part of an insured premises for purposes other than those related or incidental to residential use;

15. actual or alleged **bodily injury** that results directly or indirectly from the ingestion, inhalation, or absorption of lead in any form or **property damage** that results directly or indirectly from any form of lead;
16. loss, cost or expense arising out of any:
 - a. request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of lead; or
 - b. claim or suit by or on behalf of any governmental authority relating to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of lead;
17. **Mold or Microbial matter - ABSOLUTE MOLD EXCLUSION** - coverage does not apply to:
 - a. **Mold or Microbial Matter**
 - b. **Bodily injury, property damage, or personal injury** arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **mold or microbial matter**, wet or dry rot.

Mold or Microbial Matter includes mold, fungi, viral or bacterial matter that reproduces by spores or splitting of cells, whether or not such matter is living; and protists, including, but not limited to algae and slime mold.
18. loss, cost or expense arising out of any:
 - a. request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of **mold or microbial matter**; or
 - b. claim or suit by or on behalf of any governmental authority relating to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of **mold or microbial matter**.

EXCLUSIONS THAT APPLY ONLY TO COVERAGE L - PERSONAL LIABILITY

Coverage L - Personal Liability does not apply to liability:

1. for **bodily injury** or **personal injury** to any **insured**. This exclusion does not apply to a **domestic employee**;
2. which is assumed under contract or agreement, except as provided by Incidental Liability Coverage;
3. for damage to property owned by an **insured**;
4. for damage to property that is rented to, occupied by, used by, or in the care of an **insured** except for **property damage** to the **insured premises** that is caused by fire, smoke, or explosion;
5. for **bodily injury** to a person, including a **domestic employee**, if the **insured** has a workers compensation policy covering the injury or if benefits

- are voluntarily provided or required to be provided under a workers compensation, non-occupation disability, occupational disease, or like law;
6. for which an **insured** under this policy is also an **insured** under a nuclear energy liability policy, or would be an **insured** but for the exhaustion of its **limits** (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);
7. arising out of the willful violation of a law or ordinance by or with the consent of, or the knowledge of an **insured**;
8. for **personal injury** to any person arising out of an offense directly or indirectly related to the person's employment by an **insured**;
9. arising out of a publication, statement, or act by, or with the consent, or with the knowledge of an **insured** if the first injurious publication, statement or act was made prior to the effective date of this insurance;
10. arising out of a publication, statement, or act by or with the knowledge of an **insured**, if the **insured** knew or had reason to believe the information was false;
11. for **personal injury** to any person arising out of civic or public activities performed for pay by an **insured**;
12. for any loss assessment charged against you as a member of an association, corporation or community of property owners.

EXCLUSIONS THAT APPLY ONLY TO COVERAGE M - MEDICAL PAYMENTS TO OTHERS

Coverage M - Medical Payments to Others does not apply to **bodily injury** to:

1. an **insured** or other person who resides on the **insured premises**. This exclusion does not apply to a **domestic employee**;
2. a person who is on the **insured premises** because a **business** is conducted or professional services are rendered on the **insured premises**;
3. a person, including a **domestic employee**, if a workers compensation policy covers the injury or if benefits are voluntarily provided or required to be provided under a workers compensation, non-occupational disability, occupational disease, or like law;
4. a person, caused by any nuclear hazard (nuclear means nuclear reaction, radiation, radioactive contamination including radon, or any result of these). This includes the negligent, defective, or improper design or construction or maintenance of a nuclear facility or other act or omission which results in a nuclear hazard; or
5. a **domestic employee** if the bodily injury:
 - a. occurs off the **insured premises**; and
 - b. does not arise out of or in the course of the **domestic employee's** employment by an insured.