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PUBLICATION

The CGL Policy: Coverage A Concepts

Date: May 2017
Co-Author: Jason Mangano
Risk Management Counsel of Canada

The Commercial General Liability ("CGL") Policy is the standard policy of insurance issued to businesses and commercial organizations to insure against third party liability for, among other things, bodily injury and property damage that arising out of the course of the insured's business operations. The CGL policy is sometimes referred to, in a nutshell, as the policy that insures businesses from third party claims resulting from accidents, including negligent behaviour, for which the insured is legally obligated to pay damages.

At the same time, as has been argued on countless occasions by insurers with some success, the CGL policy is not a warranty or performance bond to be looked to in the event of product or workmanship failures. This paper focuses on judicial interpretations of certain terminology and exclusions from Coverage A of the CGL policy. Specifically, this paper canvasses the meaning of "bodily injury" and "property damage" as those terms are typically defined in the CGL policy. Moreover, the scope and judicial interpretation of the typical "business risks" exclusions from coverage are also discussed.

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