

Introducing Travelers Canada’s new Property and Casualty forms

TRAVELERS CANADA

On March 18, 2013, new legalese policy language takes effect across most of Travelers Canada’s property and casualty products. To help with this transition, we’ve built in a one year liberalization period for all renewing policies. In the event of a claim during this period, the broader cover (of the expiring or new legalese policy) will automatically apply, subject to a few specific exceptions. We will apply this approach to the first year of new policies only. Any claim arising thereafter will be subject to the terms and conditions of the new policy.

What’s the difference between plain language and legalese policies?

	Plain language	Legalese
Format	Forms utilize a proprietary plain language wording style.	Forms utilize formatting and wording style similar to IBC. Sections are distinguished by Roman numerals and titles, with numbered and titled subsections.
	Sections and subsections are distinguished by titles only, with no numbers or letters.	Numbering and lettering sequence follows a specific order – e.g., I., A., 1., a., (1), (a), (i).
	Subparagraphs generally are not numbered or lettered and often use bullets.	Subparagraphs are numbered or lettered and do not use bullets.
Defined Terms	Many definitions appear throughout the form, usually in each section where the defined term is used. Other definitions are found in the Definitions section.	Most definitions are found in the back of the form in one section entitled “Definitions”.
	The defined term is italicized within the definition only. Defined terms are not identified by special formatting each time they are used.	Most defined terms are identified by quotation marks around the term each time it is used in the form.
Exclusions	Multiple coverages (e.g., BI/PD or PI/AI in the CGL form) have all exclusions listed together in one section.	Exclusions that apply only to a single coverage in the CGL form are listed separately after such coverage (e.g., BI/PD exclusions follow the BI/PD insuring agreement). Some coverage forms also have a Common Exclusions section, which contains exclusions applicable to all coverages.
	Exclusions are shown in the left hand column; exceptions are shown in the right hand column.	Exclusions and exceptions are shown in single-column format, with exceptions appearing after exclusionary wording.
Conditions	A separate General Rules form is utilized for all coverage lines.	Conditions are found in each coverage form and in a separate Common Policy Conditions form.
Loss Instructions	A separate Your Duties In The Event Of Loss form is attached to every policy.	Instructions on what to do in case of a loss are included as a condition in each coverage form.

What's included in the Commercial Property coverage form?

- Business Personal Property includes building glass coverage for tenants
- Precious alloys or metals used as a raw material in the manufacturing process are included (sublimit applies for theft)
- Coverage for vegetative roofs is included in the building limit
- Business Personal Property includes coverage for Leasehold Interest (undamaged improvements and betterments)
- Tear Out And Replacement Expenses for water or other substance loss is included in the limit of insurance
- A total of 42 Additional Coverages are included automatically, most of which provide limits in addition to the Covered Property limits of insurance
- The pro-rated value of non-refundable and non-transferable extended warranties, maintenance contracts or service contracts on personal property is included in the valuation of property
- Replacement cost on EDP equipment includes technological advances
- Selling price on sold personal property and on finished stock manufactured by the insured is included

What's included in the Commercial General Liability coverage form?

- Exception to Aircraft Or Watercraft exclusion for non-owned aircraft chartered with a pilot to any insured and not used to carry persons or property for a charge
- Automatic insured status for:
 - Named Insured's employees (including leased and temporary workers), volunteers and student interns
 - Newly acquired or formed organizations in which the Named Insured has a majority ownership interest (180 days reporting)
 - Equipment lessors, when required by written contract
 - Premises owners, managers or lessors
- Blanket waiver of subrogation when the insured has agreed to such in a contract or agreement, for covered occurrences that take place, or covered offences that are committed, subsequent to the execution of that contract or agreement
- Defence cover for the Named Insured's contractual indemnitees
- Limited worldwide coverage territory

- Coverage is primary and non-contributory to certain other insurance available to an additional insured when the Named Insured has agreed to such in a contract or agreement, for covered occurrences that take place, or covered offences that are committed, subsequent to the execution of that contract or agreement

What is liberalization?

In order to make the transition from plain language to legalese as easy as possible, we will adjust any claims based upon the terms and conditions of either the expiring Travelers Canada policy (the "Expiring Policy") or the new Travelers Canada policy (the "New Policy"), **whichever is broader, with the following exceptions:**

- Any differences in the insured locations or insurance schedules, or the identity of named insureds, additional insureds, loss payees, or mortgage holders;
- Any reductions in coverage that have been requested by the insured or the broker or to which the insured or broker has agreed during renewal negotiations, or any exposures which the insured or broker has elected to insure elsewhere;
- Any reduction in the amount of the limits of insurance shown in any Declarations or endorsement in the New Policy from the amount shown for substantially similar coverage in any Coverage Summary, Declarations or endorsement in the Expiring Policy; and
- Any increase in the amount of the deductible, self-insured retention, retrospective loss limitation or coinsurance obligation shown in any Declarations or endorsement in the New Policy from the amount shown for substantially similar coverage in any Coverage Summary, Declarations or endorsement in the Expiring Policy

We will apply this approach to claims arising during the first year of the New Policy only. Any claim arising thereafter will be adjusted pursuant to the terms and conditions of the New Policy.

What is IndustryEdge®?

Matching the right property and casualty protection to your clients' needs is essential. Our new Industry Edge® coverage enhancements and offerings:

- Are designed with industry specific underwriting and coverage response; and
- Provide services that adapt to risk needs while also delivering exceptional value

To learn more about our new legalese policy language or IndustryEdge® please contact your local Travelers Canada account executive or email InfoCanada@travelers.com.



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