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**CASE SUMMARY: COVERAGE WAS GRANTED TO A RESIDENCE EMPLOYEE WHO WAS ENGAGED TO PROVIDE SERVICES FOR THE NAMED INSURED'S RENTAL BUSINESS ON THE INSURED PROPERTY WHEN THE RENTAL WAS DECLARED ON THE POLICY**

**Insurance law – Liability insurance – Exclusions – Interpretation of policy – Rights and duties of insurer – Multiple policies – Different insurer**

*Economical Mutual Insurance Co. v Optimum West Insurance Co.*, [2018] B.C.J. No. 1312, 2018 BCSC 1116, British Columbia Supreme Court, July 5, 2018, G.S. Funt J.

Economical insured D. Wong and acknowledged liability coverage for D. Wong. D. Wong managed her brother's residential rental property. The property's tenants sued D. Wong alleging an exposed electrical cord injured their child. Optimum West insured the property owners and denied coverage for D. Wong on the basis that Ms. Wong was not a "residence employee" as she was employed in relation to a business, the rental business. The Court held that to exclude coverage for an individual employed in relation to the rental of the residence when the rental was declared on the policy would allow the insurer to pocket the premium without risk as it would not then be possible to fall within the residence employee coverage. Therefore, the Optimum West policy was found to provide coverage for Ms. Wong.

The two policies were co-primary insurance. Both policies contained an "other insurance" clause which stated that it would provide excess coverage where there is other insurance. The Court held that the two insurers were to contribute equally up to their policy limits for defence costs and indemnity.

This case was digested by [Dionne H. Liu](#), and first published in the LexisNexis® Harper Grey Insurance Law Netletter and the Harper Grey Insurance Law Newsletter. If you would like to discuss this case further, please contact Dionne H. Liu at [dliu@harpergrey.com](mailto:dliu@harpergrey.com).