

# **SCHEDULE “18”**

## **INSURANCE REQUIREMENTS**

### **MAINTENANCE AGREEMENTS**

#### **1. ISSUANCE OF INSURANCE**

All insurance coverage will be issued with insurers acceptable to the Minister, and issued by companies licensed to transact business in the Province of British Columbia.

#### **2. EVIDENCE OF COVERAGE**

The following evidence of coverage will be supplied by the Contractor:

File originals or signed, certified copies of all current policies and any other endorsements necessary to comply with these insurance specifications and any other requirements outlined in the Maintenance Agreement with: The Manager, Insurance and Bonds, Ministry of Transportation, PO Box 9850 STN Prov Govt, 4<sup>th</sup> Floor, 940 Blanshard Street, Victoria, B.C. V8W 9T5.

Any endorsements issued to satisfy the specific requirements outlined in these documents must be countersigned, and only original or certified copies of endorsements are acceptable.

For Automobile Liability insurance, a duly executed Insurance Corporation of British Columbia APV 47 form may be used for evidence of coverage or renewal provided that if excess limits are purchased through private insurers, evidence will be provided by way of signed, certified copies of such policies.

#### **3. LIABILITY POLICIES**

##### **3.1 THIRD PARTY LIABILITY INSURANCE**

Commercial General Liability insurance including non-owned automobile and contractual liability insurance will be arranged with inclusive limits of not less than **TEN MILLION DOLLARS (\$10,000,000.00)** for bodily injury, death, and property damage arising from any one accident or occurrence. The insurance policy will pay on behalf of the named insureds, additional named insureds and the additional insureds under the policy for any sum or sums which the insured may become liable to pay or shall pay for bodily injury, death or property damage or for loss of use thereof, arising out of or resulting from the work or operations of the Contractor or subcontractors, including all persons, firms or corporations who perform any of the work, in connection with the Maintenance Agreement, anywhere within Canada and the United States of America. In addition to the above limits, such liability insurance will also pay all costs, charges, and expenses in connection with any claims that may require to be contested by the insureds anywhere within Canada and the United States of America.

##### **EXTENSION OF COVERAGE**

Such liability insurance will cover liability assumed by the Contractor in connection with and applicable to the Maintenance Agreement and will include the following coverage extensions applicable to the following liability policies:

##### **Coverage Extensions Applicable to the Commercial General Liability Policy**

- \* Canada and United States coverage territory
- \* Products/Completed Operations
- \* Occurrence Property Damage
- \* Broad Form Property Damage

- \* Contingent Employers Liability
- \* Medical Payments
- \* Incidental Medical Malpractice
- \* Blanket Written Contractual
- \* Cross Liability
- \* Attached Machinery
- \* Non Owned Automobile
- \* Legal Liability for damage to hired automobiles
- \* Hazardous Operations (XCU)
- \* Sudden and Accidental Pollution with coverage of not less than \$2,000,000.00 (IBC Form #2313) if the Maintenance Agreement includes an Agreement to Lease or Sublease a Yard from the British Columbia Buildings Corporation ("BCBC")
- \* 30 days notice of Cancellation or Limitation of cover (as more fully outlined under Section 6.1 of this Schedule)

### **INCLUSIONS/EXCLUSIONS NOT PERMITTED**

Hazardous operations, including excavation pile driving, shoring, blasting, underpinning, or demolition work or any other operation or work to be performed will not be excluded from insurance coverage.

Claims arising out of the legal liability upon the Insured at common law and extended by Statute for bodily injury or death to employees of the Insured will not be excluded. However, exclusions applicable to liability imposed upon or assumed by the Insured under any Workers Compensation Statutes or for assessment by any Workers Compensation Board will be permitted.

Liability assumed by the insureds under contract with railroad companies for the use and operation of railway sidings or crossings will not be excluded.

Liability assumed by the Contractor under and applicable to any Gravel Licenses will not be excluded.

Liability arising out of all products where the Contractor supplies the material will not be excluded.

Tort liability assumed by the Contractor under the Maintenance Agreement will not be excluded.

Exclusion of joint venture projects will not be permitted.

Other types of services not listed above, to be performed by the Contractor under the Maintenance Agreement will not be excluded.

**IF** vessels owned, leased or operated in the course of the Maintenance Agreement are covered under the Commercial General Liability policy for all bodily injury or death and property damage, then the Contractor will ensure that at all times during the term of the Maintenance Agreement the minimum limits and amounts as required by the Marine Liability Act and or regulations to the Marine Liability Act are maintained. The Contractor will be responsible for ensuring that any changes to the requirements of the Marine Liability Act and/or the regulations of the Marine Liability Act are reflected in the insurance coverage provided. Notwithstanding the requirements of the Marine Liability Act, the limits under the Commercial General Liability insurance must not be less than **\$10,000,000 (TEN MILLION)**.

### **DEDUCTIBLE**

A **maximum** deductible on the primary insurance policy will be allowed for any one accident or per occurrence of up to **FIFTY THOUSAND DOLLARS (\$50,000.00)** on the primary insurance policy. Payment of any deductible will be the responsibility of the Contractor.

## **SELF-INSURED RETENTION**

A **maximum** self-insured retention of up to **FIFTY THOUSAND DOLLARS (\$50,000.00)** for any one accident or per occurrence will be permitted for Contractors providing umbrella/excess liability insurance subject to having a **minimum** primary insurance policy of **TWO MILLION DOLLARS (\$2,000,000.00)** underlying the umbrella/excess.

### **3.2. PROTECTION AND INDEMNITY INSURANCE**

**IF** vessels are owned, leased or operated in the course of the Maintenance Agreement by the Contractor, and are not covered under the general liability policy, then the Contractor will provide Protection and Indemnity insurance for all bodily injury or death and property damage with limits of not less than **TEN MILLION DOLLARS (\$10,000,000.00)** for such vessels. Such Protection and Indemnity insurance will include four-fourths collision liability insurance. The Contractor will be responsible for ensuring that any changes to the requirements of the Marine Liability Act and/or the regulations of the Marine Liability Act are reflected in the insurance coverage provided. Notwithstanding the requirements of the Marine Liability Act, the limits must not be less than **TEN MILLION DOLLARS (\$10,000,000.00)**.

### **3.3. AERIAL TRAMS AND/OR FERRIES**

**IF** aerial trams or ferries operated in the course of the Maintenance Agreement are not covered under the Commercial General Liability policy, then the Contractor will obtain and maintain insurance applying to all aerial trams or ferries operated in the course of the Maintenance Agreement. The Contractor shall ensure that at all times during the term of the Maintenance Agreement the minimum limits and amounts of not less than **TEN MILLION DOLLARS (\$10,000,000)** are maintained.

### **3.4. AUTOMOBILE INSURANCE**

Automobile Liability coverage with inclusive limits of not less than **TEN MILLION DOLLARS (\$10,000,000.00)** providing third party liability and accident benefits insurance and automobile physical damage insurance including collision and comprehensive coverage must be provided for all vehicles required by law to be licensed that are owned, leased or rented by the Contractor, and that are used in the performance of the Maintenance Agreement.

### **3.5. AIRCRAFT INSURANCE**

**IF** aircraft (including helicopters) are used in the performance of the Maintenance Agreement and are owned, leased or rented by the Contractor, then third party liability coverage with inclusive limits of not less than **TEN MILLION DOLLARS (\$10,000,000.00)** must be provided.

## **4. ADDITIONAL CONDITIONS FOR ALL LIABILITY POLICIES (except Owned Automobile Liability Insurance)**

Contractual Liability - the insurance provision set out above is the minimum coverage required by the Province under the Maintenance Agreement.

Each Liability Policy will (except Owned Automobile Liability Insurance) be endorsed as follows:

Notwithstanding any other terms, conditions, or exclusions elsewhere in this policy, it is understood and agreed that this policy is extended to include insurance coverages and clauses as follows:

Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation, together with the employees, agents, and servants of the Minister, hereinafter referred to as the Additional Named Insured, is added as an Additional Named Insured, in respect of liability arising from the work or operations of the Insured and the Additional Named Insured in any way relating to maintenance of Highways within the Service Area including under the Maintenance Agreement.

The unqualified word "insured" also includes Contractors and subcontractors including all persons, firms, or corporations who perform any part of the work under this Maintenance Agreement.

The insurance as is afforded by this policy shall apply in the same manner and to the same extent as though a separate policy had been issued to each insured. Any breach of a condition of the policy by any Insured shall not affect the protection given by this policy to any other insured. The inclusion herein of more than one Insured shall not operate to increase the limit of liability under this policy.

Hazardous operations such as excavation, pile driving, shoring, blasting, under-pinning, or demolition work or any other operation or work to be performed by the Province, Contractor or subcontractors, including all persons, firms or corporations who perform any of the work in connection with the Maintenance Agreement, will not be excluded from insurance coverage, where such type of work or operation is to be performed by any such party under the Maintenance Agreement subject to prior notification to the insurer by the Contractor.

## **5. PROPERTY POLICIES**

### **5.1 EQUIPMENT INSURANCE**

The Contractor will obtain, maintain and provide evidence of "ALL-RISKS" insurance coverage, satisfactory to the Province, covering all equipment utilized in the performance of the services under the Maintenance Agreement that is owned, rented, or leased by the Contractor, or for which the Contractor may be responsible.

Policies must include the following Waiver of Subrogation:

In the event of any third party loss or damage or any physical loss or damage to the work, or Contractor's equipment, the settlement or payment of the subsequent claim shall be made without the right of subrogation against her Majesty the Queen as represented by the Minister or any employees, servants or agents of the Minister.

## **6. ADDITIONAL REQUIREMENTS FOR ALL POLICIES**

### **6.1 NOTICE OF CANCELLATION, ETC.**

The required insurance will not be cancelled, removed, reduced, materially changed or altered except upon written consent of the Minister, and in this connection thirty (30) days prior notice in writing must be given by Registered Mail to: The Manager, Insurance and Bonds, Ministry of Transportation, PO Box 9850 STN Prov Govt, 4<sup>th</sup> Floor, 940 Blanshard Street, Victoria, B.C. V8W 9T5.

### **6.2. PRIMARY INSURANCE**

All the foregoing insurance will be primary and not require the sharing of any loss by any other insurer of the Province.

**6.3. EVIDENCE OF RENEWAL**

The Contractor will furnish evidence of the renewal or extension the required policy(s) by certified copy of a renewal certificate(s) or by endorsement(s) to the policy(s) which is to be received by The Manager, Insurance and Bonds at least thirty (30) days prior to the expiry date of the policy.

**THE PROVINCE ASSUMES NO RESPONSIBILITY FOR THE ADEQUACY OF THE INSURANCE EFFECTED IN FAVOUR OF THE CONTRACTOR OR THE PROVINCE UNDER THE MAINTENANCE AGREEMENT.**