

## HEALTH – CONTRACTOR INSURED CONSTRUCTION PROJECTS

### Indemnification and Insurance Clauses (to be included in Supplementary Conditions to the CCDC 2 – 2008 Contracts for Health projects with an Estimated Project Cost of less than One Million Dollars (\$1,000,000.00) Insured by the Contractor)

Note: Estimated Project Cost means the total cost of project (e.g. all materials, labour, etc.) excluding the cost of land.

#### MODIFICATIONS TO GENERAL CONDITIONS

**GC 11.1—INSURANCE**, replace entirely with the following:

11.1.1 The Contractor shall, without limiting its obligations or liabilities herein and at its own expense, provide and maintain the following insurances with insurers licensed in British Columbia and in forms and amounts acceptable to the Owner:

- (a) **Commercial General Liability Insurance** in an amount not less than:
- Two Million Dollars (\$2,000,000.00) inclusive per occurrence against bodily injury and property damage for projects less than Two Hundred and Fifty Thousand Dollars (\$250,000.00); or
  - Five Million Dollars (\$5,000,000.00) inclusive per occurrence against bodily injury and property damage for projects greater than Two Hundred and Fifty Thousand Dollars (\$250,000.00) but less than One Million Dollars (\$1,000,000.00).

The Owner is to be added as an additional insured under this policy. Any deductible applicable to property damage shall not exceed Five Thousand Dollars (\$5,000.00) or such other reasonable deductible. Such insurance shall include, but not be limited to:

- .01 Products and Completed Operations Liability (Twenty-Four (24) months);
- .02 Owner's and Contractor's Protective Liability;
- .03 Blanket Written Contractual Liability;
- .04 Contingent Employer's Liability;
- .05 Personal Injury Liability;

- .06 Non-Owned Automobile Liability;
- .07 Cross Liability;
- .08 Employees as Additional Insureds;
- .09 Broad Form Property Damage;
- .10 Elevator and Hoist Liability;
- .11 Operation of Attached Machinery;

**and where such further risk exists:**

- .12 Shoring, Blasting, Excavating, Underpinning, Demolition, Piledriving and Caisson Work, Work Below Ground Surface, Tunneling and Grading, as applicable; and
- .13 Limited Pollution Liability in an amount not less than Two Million Dollars (\$2,000,000.00); and
- .14 Broad Form Tenants Legal Liability.

**(b) Property** insurance which shall cover, on a replacement cost basis, all property, of every description, to be used in the construction of the Work, against "All Risks" of physical loss or damage, including earthquake and flood, while such property is being transported to the site, and thereafter throughout erection, installation and testing, and such insurance shall be maintained until Substantial Performance of the Work. Such policy of insurance shall extend to protect the interest of the Owner, and shall contain a waiver of subrogation against the Owner. Any deductible shall not exceed Five Thousand Dollars (\$5,000.00) or such other reasonable deductible for each and every occurrence except for the peril of flood, which may include a maximum deductible of Twenty Five Thousand Dollars (\$25,000.00), and earthquake, which may include a maximum deductible of Ten Percent (10%) based upon the total project value insured.

**(c) Automobile Liability Insurance**

The Contractor (or Contractor's Subcontractors) shall provide, maintain and pay for Automobile Liability insurance with respect of all owned or leased vehicles if used directly or indirectly in the

performance of the Work, subject to limits of not less than Two Million Dollars (\$2,000,000.00) inclusive per occurrence. The insurance shall be placed with such company or companies and in such form and deductibles as may be acceptable to Owner.

**(d) Aircraft and/or Watercraft Liability Insurance**

When applicable, the Contractor (or Contractor's Subcontractors) shall provide, maintain and pay for liability insurance with respect to all owned or non-owned aircraft and watercraft if used directly or indirectly in the performance of the Work, subject to limits of not less than Two Million Dollars (\$2,000,000.00) inclusive per occurrence for bodily injury, death, and damage to property including loss of use thereof and including aircraft passenger hazard liability. The Owner must be included as an additional insured but only with respect to liability arising out of the Contractor's performance of the Contract.. The insurance shall be placed with such company or companies and in such form and deductibles as may be acceptable to Owner.

**(e) Contractors Pollution Liability Insurance**

When applicable, the Contractor (or Contractor's Subcontractors) shall provide, maintain and pay for Contractor's Pollution Liability, where the Contractor's performance (or Contractor's Subcontractors performance) of the work is associated with hazardous materials clean-up, removal and/or containment, transit and disposal. This insurance must have a limit of liability not less than Two Million Dollars (\$2,000,000.00) inclusive per occurrence insuring against bodily injury, death, and damage to property including loss of use thereof. The Owner must be included as an additional insured but only with respect to liability arising out of the Contractor's performance of the Contract. Such insurance shall not be impaired by any time element limitations to the pollution event, biological contaminants (without limitation, mould and bacteria), asbestos, or lead exclusions. Any "insured vs. insured" exclusion shall not prejudice coverage for the Owner and shall not affect the Owner's ability to bring suit against the Contractor as a third party.

If any such insurance is provided on a claims-made basis and that insurance is cancelled or not renewed, such policy must provide a twenty-four (24) month extended reporting period.

11.1.2 All the foregoing insurance shall be primary and not require the sharing of any loss by any insurer of the Owner.

- 11.1.3 The Contractor shall provide the Owner with proof of insurance for those insurances required to be provided by the Contractor prior to the commencement of the Work. Such evidence shall be in the form of the Owner's certificate of insurance (copy attached – Appendix 1). When requested by the Owner, the Contractor shall provide certified copies of required insurance policies. The Contractor must cause all Subcontractors to comply with the insurance requirements outlined herein.
- 11.1.4 All required insurance shall be endorsed to provide the Owner with thirty (30) days advance written notice of cancellation or adverse material change.
- 11.1.5 The Contractor hereby waives all rights of recourse against the Owner with regard to damage to the Contractor's property.

**GC 11.2 CONTRACT SECURITY (for projects of One Hundred and Fifty Thousand Dollars (\$150,000.00) or greater), delete entirely and replace with the following:**

- 11.2.1 The Contractor shall prior to commencement of the *Work* furnish performance and labour and material payment bonds within fourteen (14) days of the date of this Contract. Each bond must be in a sum equal to 50% of the total Contract price. The bonds must be issued on the latest CCDC-221 or CCDC-222 approved forms or other such forms approved by the Surety Association of Canada and issued by a surety company registered in the Province of BC or another surety company acceptable to the Owner. The Contractor must maintain the bonds in good standing until the fulfilment of the Contract.

**GC 12.1 – INDEMNIFICATION, delete GC 12.1.1 and 12.1.2 and replace with the following:**

**GC 12.1 – INDEMNIFICATION**

- 12.1.1 Without restricting the parties' obligation to indemnify as described in paragraphs 12.1.4 and 12.1.5, and excepting always losses arising out of the independent acts of the party for whom indemnification is sought, the Owner and the Contractor shall each indemnify and hold harmless the other from and against all claims, demands, losses, costs, damages, actions, suits, or proceedings whether in respect to losses suffered by them or in respect to claims by third parties that arise out of, or are attributable in any respect to their involvement as parties to this contract, provided such claims are:

- .1 caused by:
  - (1) the acts or omissions of the party from whom indemnification is sought or anyone for whose acts or omissions that party is liable, or
  - (2) a failure of the party to the Contract from whom indemnification is sought to fulfill its terms or conditions; and
- .2 made by Notice in Writing within such periods as prescribed by the Limitation Act of the Province of British Columbia.

12.1.2 The obligation of either party to indemnify as set forth in paragraph 12.1.1 shall be limited as follows:

- .1 In respect to losses suffered by the Owner and the Contractor for which insurance is to be provided by the owner pursuant to GC 11.1 – INSURANCE, the limit of the GENERAL LIABILITY COVERAGE – GC 11.1.1(a) or the limit of the PROPERTY COVERAGE – GC 11.1.1(b) whichever is pertinent to the loss.
- .2 In respect to losses suffered by the Owner and the Contractor for which insurance is not required to be provided by either party in accordance with GC 11.1 – INSURANCE, the greater of the *Contract Price* as recorded in Article A-4 – CONTRACT PRICE or \$2,000,000.00, but in no event shall the sum be greater than \$20,000,000.00.
- .3 In respect to claims by third parties for direct loss resulting from bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, the obligation to indemnify is without limit. In respect to all other claims for indemnity as a result of claims advanced by third parties, the limits of indemnity set forth in paragraphs 12.1.2.1 and 12.1.2.2 shall apply.

# CERTIFICATE OF INSURANCE

## Part 1 To be completed by the Owner

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO <i>(Name of office)</i>		AGREEMENT IDENTIFICATION NO.	
OWNER CONTACT PERSON NAME & TITLE		PHONE NO (      )	
		FAX NO (      )	
MAILING ADDRESS			POSTAL CODE
CONTRACTOR NAME			
CONTRACTOR ADDRESS			POSTAL CODE

## Part 2 To be completed by the Insurance Agent or Broker

INSURED	NAME		
	ADDRESS		POSTAL CODE
OPERATIONS INSURED	PROVIDE DETAILS		
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT

**This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:**

AGENT OR BROKER COMMENTS:

AGENT OR BROKER	ADDRESS	PHONE NO (      )
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)		DATE SIGNED