



The St. Lawrence
Seaway Management
Corporation

Corporation de Gestion
de la Voie Maritime
du Saint-Laurent

ADDITIONAL INSURANCE CONDITIONS

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ADDITIONAL INSURANCE CONDITIONS

The following Insurance Conditions apply to all contracts negotiated and agreed between the St. Lawrence Seaway Management Corporation referred to the Corporation and the Contractor as defined in the Articles of Agreement.

The Contractor must, at its own expense, obtain and maintain insurance with insurance companies approved by the Corporation. The Contractor must also obtain and maintain any additional insurance as stated in the Supplementary Conditions.

In the event the Contractor is exposed to one or any of the following additional risks, the Contractor must ensure that these risks are covered by an insurance policy.

PART I

PROFESSIONAL LIABILITY (PL)

PL 1 SCOPE OF POLICY

- 1.1. The policy shall cover financial loss incurred by the Corporation and Her Majesty in Right of Canada as a result of a negligent act, error and/or omission by the Contractor and/or its employees and/or its sub-contractors and their suppliers.

PL 2 COVERAGE

- 2.1. The Contractor shall obtain and maintain Professional Liability insurance coverage appropriate to the contract as described in the Articles of Agreement for a minimum amount as specified in the Supplementary Conditions, but not less than \$2,000,000 per claim and annual aggregate.
- 2.2. In the event that a claim and/or knowledge of a possible claim has reduced the Contractor's Professional Liability insurance coverage prior to the commencement of the work or the coverage is reduced after the commencement of the work, the Contractor shall immediately obtain, at the Contractor's own cost, an additional Professional Liability insurance policy in accordance with the Insurance Conditions and the Supplementary Conditions.

PL 3 PERIOD OF INSURANCE

- 3.1. In addition to GIC 6 Period of insurance and proof of insurance of Insurance Conditions document, the Contractor shall maintain the insurance coverage with the same insurer(s) on a continuous and uninterrupted basis during the term of the contract and for a period of twenty-four (24) months following date of completion of the work.
- 3.2. In the event that the original insurer(s) is/are no longer available or willing to underwrite the policy or the insurance is terminated, then the new policy shall contain a clause providing retroactive coverage covering the full term of the contract and the period of twenty-four (24) months following the date of the completion of the work.

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PART II

WRAP-UP LIABILITY (WUL)

WUL 1 SCOPE OF POLICY

- 1.1. The Wrap-Up Liability policy must provide for limits of liability of not less than \$5,000,000 per occurrence as well as limits of not less than \$5,000,000 in the annual aggregate as respects Products and Completed Operations for a period of twenty-four (24) months beyond the date of the Corporation's Final Certificate of Completion, with coverage for bodily injury, death, and property damage for any one occurrence or series of occurrences arising out of one cause. Coverage must also include blanket contractual liability, severability of interests, and sudden and accidental pollution.

WUL 2 NAMED INSUREDS

- 2.1. Contractor and all sub-contractors, architects, engineers and contractors who have access to the work site.

WUL 3 ADDITIONAL NAMED INSUREDS

- 3.1. The St. Lawrence Seaway Management Corporation and Her Majesty in Right of Canada.

WUL 4 POLICY PERIOD

- 4.1. The required insurance policy must take effect from the commencement date of the work and remain in effect for the duration of the contract, and for a period of twenty-four (24) months from the date of the Final Certificate of Completion.

WUL 5 COVERAGES

- 5.1. The policy shall include but not be limited to the following coverages:
 - a) Liability arising out of or resulting from property, existence, maintenance or use of premises by the Contractor and operations necessary or incidental to the performance of this contract.
 - b) Broad Form property damage including completed operations and the loss of use of property.
 - c) Removal or weakening of support of any building, structure or land whether such support is natural or otherwise.
 - d) Liability to third parties for bodily injury, personal injury (while not limited to, the coverage must include violation of privacy, libel and slander, false arrest, detention or imprisonment and defamation of character), death, and property damage arising out of the use, maintenance, operation, including loading and unloading of vehicles and equipment which are not licensed for highway use and which are not covered by Automobile Liability insurance.
 - e) Non owned automobile liability.
 - f) Elevator Liability (including hoists and similar devices).
 - g) Owner's and Contractor's Protective Liability.
 - h) Contractual and assumed liabilities under this contract
 - i) Completed operations liability.

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j) Severability of Insureds:

The clause shall be written as follows:

“Except with respect to the limit of insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- i. As if each Named Insured were the only Named Insured; and
- ii. Separately to each Insured against whom claim is made or legal action is brought”.

k) Cross Liability:

The clause shall be written as follows:

“The insurance as is afforded by this policy shall apply in respect to any claim or action brought against anyone insured by any other insured. The coverage shall apply in the same manner and to the same extent as though a separate policy had been issued to each insured. The inclusion of more than one insured shall not increase the limit of the insurer’s liability. Furthermore, any breach of a condition of this policy by any insured shall not affect the protection given by this policy to any other insured.”

WUL 6 ADDITIONAL EXPOSURES

6.1. The Contractor shall ensure that the insurance policy includes additional coverage(s), if the contract is subject to any of the following additional exposures:

- a) Blasting.
- b) Pile driving and caisson work.
- c) Underpinning.
- d) Damage to the existing building or structure directly associated with an addition, renovation, repair or installation contract. (The care, custody and control exclusion to be deleted).
- e) Marine risks associated with the construction of piers, wharfs, walls and docks. A separate marine policy may be required by the Contractor.
- f) Where the Contractor uses “in-house” engineers or architects, or engages consulting engineers or architects for the purposes of the contract, the Professional Services Exclusion contained in the General Liability policy should be amended so it does not apply to such “in-house” services.
- g) Environmental Impairments Liability (EIL). A separate policy may be required.
- h) Radioactive contamination resulting from the use of commercial isotopes.

PART III

BUILDERS’ RISK – INSTALLATION FLOATER ALL RISKS (BR)

BR 1 SCOPE OF POLICY

1.1. The policy shall be written on an “All Risk” basis granting coverages similar to those provided by the forms known and referred to in the insurance industry as “Builders’ Risk Comprehensive Form” and/or Installation Floater “All Risks” including the risks of flood, sewer back-up, earthquake, testing and commissioning.

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BR 2 NAMED INSUREDS

- 2.1. Contractor and all sub-contractors, architects, engineers and contractors who have access to the work site.

BR 3 ADDITIONAL NAMED INSUREDS

- 3.1. The St. Lawrence Seaway Management Corporation and Her Majesty in Right of Canada.

BR 4 PROPERTY INSURED

- 4.1. The property insured shall include:

- a) The work and all property, equipment and materials intended to become part of the finished work including off-site, while in transit and at the site of the project while awaiting, during and after installation, erection or construction including testing, commissioning and by-law coverage.
- b) Expenses incurred in the removal from the construction site of debris of the property insured, including demolition of damaged property, de-icing and dewatering, occasioned by loss, destruction or damage to such property and in respect of which insurance is provided by the policy.

BR 5 INSURANCE PROCEEDS

- 5.1. The policy shall provide that the proceeds thereof are payable to the Corporation unless otherwise directed by the Corporation and within thirty (30) days after filing of the proof of loss.
- 5.2. The Contractor shall provide all documents required to effect payment of the proceeds without any delay.

BR 6 AMOUNT OF INSURANCE

- 6.1. The amount of insurance shall be for the sum of the contract value plus the declared value (if any) mentioned in the contract documents of all material and equipment supplied by the Corporation to be incorporated into and form part of the finished work. Settlement shall be on a replacement cost basis.

BR 7 SUBROGATION

- 7.1. The following clause shall be included in the policy:

“All rights of recovery against the Additional Insureds and their associated, affiliated and/or related companies are hereby waived.”

BR 8 COMPULSORY CLAUSES

- 8.1. The following clauses shall be inserted in the policy and shall be paramount to any other clauses in the policy:

8.2. Permissions

- a) The insurer(s) hereby grant permission to the insured to immediately carry out necessary and reasonable repairs for damage to the insured property where the damage does not exceed \$100,000 and such damage is insured by this policy. Subject to the deductible and any limit of liability, the insurer(s) will reimburse the insured for their proportion of the actual cost of such

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repairs. Nothing in this clause shall be deemed to have waived the requirement that notice of loss is to be given immediately to the insurer(s).

- b) The insurer(s) hereby grant permission for partial or full occupancy of the insured project.

8.3. Liberalization

- a) If during the period that the policy is in force, or within forty-five (45) days prior to the inception date, the policy is extended or broadened, without increased premium charge, by endorsement or substitution of form, such extended or broadened insurance shall be to the benefit of the insured

8.4. Sue and Labour

- a) In the event of any imminent or actual loss or damage insured it shall be lawful and necessary for the insured, his or their employees, and assigns to sue, labour and travel for, in and about the defence, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the insured or the insurer(s), in recovering, saving and preserving the property insured in case of loss or damage to be considered a waiver or an acceptance of abandonment. The expense so incurred shall be borne by the insured and the insurer(s) proportionally to the extent of their respective interests.
- b) The coverage provided by this clause does not increase the amount of insurance provided by this policy and the limit of liability shown in the Declarations or amended by endorsement.

8.5. Breach of conditions clause

- a) Where a loss or damage occurs and there has been a breach of conditions prior to the loss or damage, the insurer(s) shall demonstrate that the loss or damage was caused by or contributed by the breach of conditions. Any alleged breach of condition occurring beyond the control of the insured shall not be attributed to the insured.
- b) Notwithstanding anything contained elsewhere in this policy, any act or any breach of condition by one of the parties insured shall not prevent recovery by any other party insured who is innocent of such act or breach.

8.6. Debris removal

- a) If off-site coverage is provided by the policy, coverage is extended to include the cost of removing debris of any damaged insured property and, with respect to property in transit, from the site of the accident.

PART IV

MARINE – PROTECTION & INDEMNITY (P&I)

PI 1 SCOPE OF POLICY

- 1.1. The policy shall cover legal liability of the insured for loss, damage or expense arising out of, or incidental to the Property, operation, chartering, maintenance, use of any vessel, craft in use on inland waterways, including liability of the insured for personal injury, illness or death, or for loss or damage to the property of another person.

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PI 2 COVERAGE

2.1. The policy shall include but not be limited to the following coverages:

- a) Hull and Machinery insurance (if applicable), shall be subject to Institute Times Clauses Hull, American Institute Hull or CBMU form, including Towers and Collision Liabilities.
- b) Protection and Indemnity insurance must be carried by the Contractor with respect to third party liabilities and include Towers and Collision Liabilities and excess Towers and Collision Liabilities, for a minimum limit as determined by the Corporation in the Supplementary Conditions, but not less than \$10,000,000 for any one accident or occurrence, including a Cross Liability clause.
- c) St. Lawrence Seaway Management Corporation and Her Majesty in Right of Canada to be named as "Additional Insureds" under both Hull and Machinery and Protection and Indemnity insurance.
- d) Hull and Machinery insurers, Protection and Indemnity insurers and the Contractor are to waive their rights in subrogation against St. Lawrence Seaway Management Corporation and Her Majesty in Right of Canada.

PART V

ENVIRONMENTAL IMPAIRMENT LIABILITY (EIL)

EIL 1 SCOPE OF POLICY

1.1. The policy should cover financial loss incurred by the St. Lawrence Seaway Management Corporation and Her Majesty in Right of Canada as a consequence of or resulting from any negligent act, error or omission causing environmental damages.

EIL 2 COVERAGES

2.1. In conformity with the terms and conditions of the contract, the Contractor must subscribe and maintain in effect an insurance policy covering Environmental Impairment Liability for limits of liability of not less than \$5,000,000 per occurrence or series of occurrences for bodily injury, death and property damage arising from the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants in the ground, atmosphere, water course or any body of water caused by or as a result of any negligent act, error and/or omission of the Contractor.

- a) The Environmental Impairment Liability policy must comply to the laws of the Province of Québec as respects the quality of the environment and/or must comply with the Environmental Protection Act (R.S.O. 1990, c.E. 19) for the Province of Ontario.
- b) The Contractor must divulge the amount of the applicable deductible or self-insured retention under the Environmental Impairment Liability policy and the Corporation reserves the right to require evidence from the Contractor of their financial capability to maintain such amount if the deductible or self-insured retention is considered to be substantial.

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PART VI

MOHAWK SELF INSURANCE (MSI)

MSI 1 SCOPE OF POLICY

- 1.1. The Contractor shall furnish evidence of compliance with all the requirements of the applicable Mohawk Council of Kahnawake – Social development unit ordinance including payments due thereunder.