

## **EDUCATION (K-12) – OWNER INSURED CONSTRUCTION PROJECTS**

### **Insurance and Indemnification Clauses (to be included in Supplementary Conditions to the CCDC 2 – 2008 Contracts for Education (K-12) projects insured by the Owner with an Estimated Project Cost of \$50,000 or greater)**

#### **MODIFICATIONS TO GENERAL CONDITIONS**

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

11.1.1 Without restricting the generality of GC 12.1 – INDEMNIFICATION, insurance and coverage will be arranged and paid for as under-noted:

**a) Commercial General Liability Insurance**

- 1) The Owner shall provide, maintain and pay for Commercial General Liability Insurance with a limit of Ten Million Dollars (\$10,000,000.00), inclusive per occurrence, Twenty Million Dollars (\$20,000,000.00) general aggregate for bodily injury, death, and damage to property including loss of use thereof, product/completed operations liability with a limit of Ten Million Dollars (\$10,000,000.00) annual aggregate.
- 2) The insurance shall cover the Owner, Contractors & Sub-contractors, Architects, Engineers, Consultants and anyone employed by them to perform a part or parts of the Work but excluding suppliers whose only function is to supply and/or transport products to the project site. The insurance does not extend to any activities, works, jobs or undertakings of the insureds other than those directly related to the Work of this Contract.
- 3) The insurance shall preclude subrogation claims by the insurer against anyone insured hereunder.
- 4) The insurance shall include coverage for:
  - .01 Premises and Operations Liability;
  - .02 Products and Completed Operations Liability;
  - .03 Blanket Contractual Liability;
  - .04 Cross Liability;

- .05 Elevator and Hoist Liability;
  - .06 Contingent Employer's Liability;
  - .07 Personal Injury Liability;
  - .08 Shoring, Blasting, Excavating, Underpinning, Demolition, Piledriving and Caisson Work, Work Below Ground Surface, Tunneling and Grading, as applicable;
  - .09 Liability with respect to Non-Owned Licensed Vehicles (\$5,000,000.00);
  - .10 Broad Form Property Damage;
  - .11 Broad Form Completed Operations;
  - .12 Limited Pollution Liability (\$2,000,000.00);
  - .13 Employees as Additional Insureds;
  - .14 Broad Form Tenants Legal Liability (\$1,000,000.00); and
  - .15 Operation of Attached Machinery.
- 5) Any applicable deductibles shall not exceed Ten Thousand Dollars (\$10,000.00) except with respect to loss or damage arising from hot roofing operations which will carry a deductible of Two Million Dollars (\$2,000,000.00).

If the Project requires hot roofing work, the Contractor will provide, maintain and pay for a Commercial General Liability Insurance in the amount of Two Million Dollars (\$2,000,000.00) inclusive per occurrence against bodily injury and property damage and will require the roofing Sub-contractor to maintain a similar insurance policy. The Owner shall be added as an additional insured. Such insurance shall include, but not be limited to:

- .01 Premises and Operations Liability;
- .02 Products and Completed Operations;
- .03 Owner's and Contractor's Protective Liability;
- .04 Blanket Written Contractual Liability;

- .05 Contingent Employer's Liability;
- .06 Personal Injury Liability;
- .07 Non-Owned Automobile Liability;
- .08 Cross Liability;
- .09 Employees as Additional Insureds; and
- .10 Broad Form Property Damage.

6) This insurance shall be maintained continuously from commencement of the Work until the date of final certificate for payment is issued or when the insured project is completed and accepted by or on behalf of the Owner, whichever occurs first, plus with respect to completed operations, cover a further period of twenty-four (24) months.

**b) Property Coverage**

- 1) The Owner shall provide, maintain and pay for Course of Construction coverage, against "All Risks" of physical loss or damage, and will cover all materials, property, structures and equipment purchased for, entering into, or forming part of the Work whilst located anywhere in Canada and continental United States of America (excluding Alaska), during construction, erection, installation and testing until completed and handed over and accepted by the Owner. Such insurance shall not include coverage for Contractor's equipment of any description. There will be a deductible of Two Thousand Five Hundred Dollars (\$2,500.00) for each and every occurrence except for the perils of flood which shall have a deductible of Ten Thousand Dollars (\$10,000.00) and earthquake which shall have a five percent (5%) (subject to minimum One Hundred Thousand Dollars (\$100,000.00)) deductible based upon completed values at time of loss.
- 2) The coverage shall include as a protected entity, each Contractor, Subcontractor, Architect or Engineer who is engaged in the Project.
- 3) The coverage will contain a waiver of the Owner's rights of subrogation against all protected entities except where a loss is deemed to have been caused by or resulting from any error in design or any other professional error or omission.

- 4) The Contractor shall, at their own expense, take special precaution to prevent fires occurring in or about the Work and shall observe, and comply with, all laws and regulations in force respecting fires.

**c) Automobile Liability Insurance**

The Contractor shall provide, maintain and pay for and require all Subcontractors to provide, maintain and pay for Automobile Liability Insurance in respect of all owned or leased vehicles, 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**

The Contractor shall provide, maintain and pay for liability insurance with respect to 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 where applicable. The insurance shall be placed with such company or companies and in such form and deductibles as may be acceptable to Owner.

- 11.1.2 Unless specified otherwise, the duration of each coverage and insurance policy shall be from the date of commencement of the Work until the date of final certificate for payment.
- 11.1.3 The Owner shall, upon request, provide the Contractor with proof of coverage and insurance for those coverages and insurances required to be provided by the Owner prior to commencement of the Work.
- 11.1.4 The Contractor and/or their Subcontractors, as may be applicable, shall be responsible for any deductible amounts under the policies of coverage and insurance except for perils of flood and earthquake.
- 11.1.5 The Contractor shall provide, maintain and pay for any additional insurance which he is required to provide by law or which he considers necessary to cover risks not otherwise covered by coverage/insurance specified in this section.
- 11.1.6 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 in the form of a completed Certificate of Insurance.

- 11.1.7 The Owner shall not be responsible for any injury to the Contractor's employees or for loss or damage to the Contractor's employees' machinery, equipment, tools or supplies which may be temporarily used or stored in, on or about the premises during construction and which may, from time-to-time, or at the termination of the contract, be removed from the premises. The Contractor hereby waives all rights of recourse against the Owner or any other contractor with regard to damage to the Contractor's property.

**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.