
PART 1 OF SCHEDULE 11

INSURANCE REQUIREMENTS

1. **EVIDENCE OF COVERAGE**

The following evidence of coverage will be required:

- (a) File originals or signed, certified copies of all policies and renewals of such policies together with any other endorsements necessary to comply with this Part 1 and any other requirements outlined in this Agreement with: The Manager, Insurance and Bonds, Ministry of Transportation, P.O. Box 9850 STN Prov Govt, 4 Floor, 940 Blanshard Street, Victoria, BC V8W 9T5.
- (b) If filed originals or signed, certified copies of such policies and renewals are not available as at the time that delivery to the Province is required, the Concessionaire may, as an **INTERIM** measure pending delivery of the originals and signed certified copies and subject to the condition that the Concessionaire complies with paragraph 1.1(c) of this Part 1, deliver to the Province a duly completed Certificate of Insurance certifying to the Province that the insurance requirements have been met.
- (c) If the Concessionaire delivers a Certificate of Insurance, the Concessionaire must by not later **one hundred and twenty (120)** days after the date of issuance of the Certificate, deliver originals or signed, certified copies of all current policies and necessary endorsements to the Province at the following address: The Manager, Insurance and Bonds, Ministry of Transportation, PO Box 9850, Stn Prov Govt, 940 Blanshard Street, Victoria, BC V8W 9T5.
- (d) Any endorsements issued must be countersigned, and only original or certified copies of endorsements are acceptable.
- (d) 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.

2. **INSURANCE COVERAGES REQUIRED**

(See Section 20.1.1.1 and Section 20.1.1.2 of the Concession Agreement)

Construction Phase

2.1 **Third Party General Liability Policies**

- (a) “Wrap-Up” Commercial General Liability insurance with inclusive limits of not less than **DELETED** for bodily injury, death, and property damage arising from any one accident or occurrence. The insurance policy will indemnify the named insureds and the additional named 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 Concessionaire, or contractors or subcontractors of any tier, including all persons, firms or corporations who perform any of the Works and/or the Decommissioning, in connection with this Agreement, anywhere within Canada. 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.

Marine Cargo Insurance, Marine Insurance

For all bodily injury or death and property damage arising from any one accident or occurrence for all vessels that are owned, leased, rented or operated by the Concessionaire or contractors or subcontractors of any tier, including all persons, firms or corporations who perform any works in connection with this Agreement, insurance coverage is to be provided, at the option of the Concessionaire, through either the “Wrap-up” Comprehensive General Liability Insurance policy, or through a separate Protection and Indemnity insurance policy(ies) and if provided through a separate Protection and Indemnity insurance policy(ies) then with inclusive limits of not less than **DELETED**, submitted to the Province in accordance with and to which there is no objection under the Review Procedure. The Concessionaire 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.

Aircraft Insurance

If aircraft (including helicopters) are used in the performance of this Agreement and are owned, leased, rented or used by the Concessionaire, or any contractors or subcontractors of any tier, then third party liability coverage with inclusive limits of not less than **DELETED** must be provided, together with a waiver of subrogation on the hull.

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- (b) Extension of Coverage (applicable to liability policies described in paragraph 2.1(a) of this Part 1):

Such liability insurance will cover liability assumed by the Concessionaire in connection with and applicable to this Agreement and will include the following coverage extensions (it is acknowledged that certain extensions of coverage will be provided as a sublimit of the policy):

Coverage Extensions Applicable to the “Wrap-Up” Commercial General Liability Policy

- Canada coverage territory
- Products/Completed Operations
- Occurrence Property Damage
- Broad Form Property Damage
- Broad Form Completed Operations
- 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)
- 24 months Products and Completed Operations (as more fully outlined under paragraph 2.5 of this Part 1)
- Sudden and Accidental Pollution with coverage of not less than **DELETED** (IBC Form #2313)

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- 60 days notice of Cancellation or Limitation of cover (as more fully outlined under paragraph 2.6 of this Part 1)

- Blanket Additional Insureds

Coverage Extensions Applicable to the Marine and Aviation Policies:

- Canada coverage territory
- 60 days notice of Cancellation or Limitation of cover (as more fully outlined under paragraph 2.6 of this Part 1)

(c) 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 imposed 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 arising out of all products where the Concessionaire supplies the material will not be excluded.

Tort liability assumed by the Concessionaire under this Agreement for bodily injury, property damage and death will not be excluded. It is acknowledged that misrepresentation, action in tort and breach of contract are acceptable exclusions.

Exclusions for design/build, design/build/finance, design/build/finance/ operate or joint venture projects will not be permitted.

Other types of services not listed above, to be performed by the Concessionaire under this Agreement in connection with the Works and the Decommissioning will not be excluded.

(d) Deductible

A maximum deductible on the primary insurance policy will be allowed for any one accident or per occurrence of up to **DELETED**. Payment of any deductible will be the responsibility of the Concessionaire.

(e) Self-Insured Retention

A maximum self-insured retention of up to **DELETED** for any one accident or per occurrence will be permitted for the Concessionaire providing umbrella/excess liability insurance subject to having a minimum primary insurance policy of **DELETED** underlying the umbrella/excess.

2.2 Professional Liability Insurance (Errors & Omissions)

- (a) Single Project Specific Professional Liability insurance with minimum limits of **DELETED** per claim, and **DELETED** annual aggregate insuring against all insured loss or damage including coverage for errors and omissions to property damage, bodily injury or death, arising out of the professional services rendered by the Concessionaire, the Concessionaire's consultants or sub-consultants of any tier, and/or any engineers/ architects/ surveyors and any of their servants or employees to the Concessionaire or the Concessionaire's contractors or subcontractors of any tier and personnel who perform professional services under this Agreement in connection with the Works and the Decommissioning.

The named insured shall also include but not be limited to all architectural or engineering firms, including project managers, construction managers, applied science technologists, land surveyors or quantity surveyors engaged in the Project.

The discovery period under such policy will be **DELETED** years after the Completion Date.

- (b) The deductible will be reflective of the insurance market at the relevant time but will not be greater than **DELETED**.

Exclusions for design/build, design/build/finance, design/build/finance/operate, or joint venture projects will not be permitted.

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- (c) The required insurance shall not be cancelled, removed, or endorsed to restrict coverage or limits of liability, without **Sixty (60)** days notice in writing by Registered Mail to: **The Manager, Insurance and Bonds, Ministry of Transportation, PO Box 9850, Stn Prov Govt, 940 Blanshard Street, Victoria, B.C. V8W 9T5.**
- (d) The Province may, in its absolute and sole discretion, agree to an alternative insurance package to that set out in this paragraph 2.2, provided that the alternative insurance package provides equivalent or better coverage to the Concessionaire and the Province.

2.3 Automobile Insurance

Automobile Liability coverage with inclusive limits of not less than **DELETED** providing third party liability and accident benefits insurance coverage must be provided for all vehicles required by law to be licensed that are owned, leased or rented by the Concessionaire by or the Contractor, and that are used in the performance of this Agreement.

2.4 Property Insurance

(a) Builders Risk, Direct Damage, Installation Floater, “All-Risk” Insurance

“All risks” of direct physical loss or damage including but not limited to flood, earthquake, full resultant loss or damage, structural collapse and transit risks by any conveyance to and/or from the site, while there, awaiting and/or during erection, installation and testing, occurring anywhere within Canada. The insurance policy shall provide coverage for and limits to total cost of rebuilding or completing the New Crossing and include the value of any material and/or structure and/or property destined for or entering into or forming part of the Works, whether belonging to the Concessionaire, or of any contractors or sub-contractors of any tier and/or the Province and/or the engineers and/or otherwise and including automatically any changes in design or method of construction occurring during the term of the policy.

(b) Deductibles per Occurrence

- (i) Flood - reflective of the insurance market but not greater than **DELETED**
- (ii) Earthquake - up to **DELETED** of the actual value (as at time of loss) replacement cost at time of loss. Responsibility for payment of the deductible will be shared between the Concessionaire and the Province as follows:

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- (A) The first **DELETED** of the deductible will be payable by the Concessionaire.
- (B) The portion of the deductible exceeding **DELETED** will be payable by the Province.
- (iii) All other losses up to **DELETED**.

Save and except for the allocation of responsibility between the Province and the Concessionaire for payment of the earthquake deductible, as set out in paragraph (ii) above, the payment of any deductible shall be the responsibility of the Concessionaire.

- (c) Contractors Equipment Insurance: Such coverage may be provided by the individual contractors for the equipment that they own, lease or operate and will include the Concessionaire and the Province as additional insureds.

The following Waiver of Subrogation is to be added to Equipment and Property Insurance Policies:

"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 or the BC Transportation Financing Authority, or any of their employees, agents and servants, or the Architects, Engineers, Consultants, Contractors, or any of their servants, agents, employees, volunteers, directors, parent, subsidiary, affiliated or related firms, engaged in or connected with the design, construction and related operations known as the "Okanagan Lake New Crossing Services Project"

2.5 Additional Conditions in All Property and Liability Policies (Except Owned Automobile and Professional Liability Insurance) are to be Included by Endorsement as Follows

Each of the Province and BC Transportation Financing Authority will be named as an additional named insured in all property insurance policies pursuant to an endorsement satisfactory to the Province.

Notwithstanding any other terms, conditions, or exclusions elsewhere in the policies or in this Part 1, it is understood and agreed that every liability insurance policy (except owned automobile and professional liability insurance) is extended to include insurance coverages and clauses as follows:

"Her Majesty the Queen in Right of the Province of British Columbia and BC Transportation Financing Authority, together with all their employees, agents and servants, and all Architects, Engineers, Consultants, Contractors and any of their

servants, agents, employees, volunteers, directors, parent, subsidiary, affiliated or related firms, engaged in or connected with the design, construction and related operations known as the “Okanagan Lake New Crossing Services Project” hereinafter referred to as Additional Named Insureds, are added as Additional Named Insureds, in respect of liability arising from the work or operations of the Insured and the Additional Named Insureds, in connection with contracts entered into between the Insured and the Additional Named Insureds.

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.

Products and Completed Operations Hazard coverage shall be provided and such cover shall remain in full force and effect for a period of 24 months after the work has been completed, irrespective of the expiry date of the policy.

2.6 Cancellation / Limitation For All Policies (Except Owned Automobile and Professional Liability)

The required insurance coverages shall not be cancelled, or endorsed to restrict coverage or limits of liability, without 60 days’ notice in writing by registered mail to: The Manager, Insurance and Bonds, Ministry of Transportation, P0 Box 9850, Stn Prov Govt, 940 Blanshard Street, Victoria, BC V8W 9T5.

The required insurance coverages shall not be lapsed without at least 30 days’ notice in writing by registered mail to: The Manager, Insurance and Bonds, Ministry of Transportation, P0 Box 9850, Stn Prov Govt, 940 Blanshard Street, Victoria, BC V8W 9T5

2.7 Loss Payable

The insurance policies must contain a loss payable clause directing payment in accordance with the provisions of Section 20.7 [Application of Proceeds].

2.8 Use and Occupancy

Use and occupancy of the work or any part thereof prior to the date of completion shall not be cause for any termination of insurance coverage shown in the applicable sections.

2.9 Primary and Excess Coverage

The Concessionaire may satisfy limit requirements through the use of primary and excess liability insurance programs.

2.10 Construction Works After Construction Insurance End Date

The insurances described in paragraph 2.1 to and including paragraph 2.8, subject to any reasonable variations in such insurance requirements made by the Province, including any adjustments in policy limits and additions of coverages will apply, *mutatis mutandis*, in connection with any works undertaken after the Construction Insurance End Date that impact the integrity of the New Crossing with reference to the Completion Date being deemed a reference to the date of final completion of any such construction works (as evidenced, if applicable, by the Province issuance of a completion certificate in respect of such construction works). Variations to the insurance requirements contemplated in this section 2.10 will not impose more stringent requirements than those imposed by the Ministry for construction contracts of a similar nature or value to the Construction Works undertaken after the Construction Insurance End Date and will be based on the Province's reasonable assessment of the risks involved, based on the then current version of the Ministry's form INS 152 or INS 172 as appropriate.

3. **INSURANCE COVERAGES REQUIRED**

(Section 20.1.1.3 of the Concession Agreement)

Operation Phase

3.1 Third Party General Liability Policies

- (a) Commercial General Liability insurance will be arranged with inclusive limits of not less than **DELETED** for bodily injury, death, and property damage arising from any one accident or occurrence. The insurance policy will indemnify the named insureds and the additional named 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 Concessionaire or contractors or subcontractors of any tier, including all persons, firms or corporations who perform any works, in connection with this Agreement, anywhere within Canada. 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.

For all bodily injury or death and property damage arising from any one accident or occurrence for all vessels that are owned, leased, rented or operated by the Concessionaire or contractors or subcontractors of any tier, including all persons, firms or corporations who perform any works in connection with this Agreement, insurance coverage is to be provided, at the option of the Concessionaire, through either the Comprehensive General Liability Insurance policy, with inclusive limits of not less than **DELETED**, or through a separate Protection and Indemnity insurance policy(ies) submitted to the Province in accordance with and to which

there is no objection under the Review Procedure. The Concessionaire 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.

- (b) Extension of Coverage (applicable to liability policies described above in this Part 1):

Such liability insurance will cover liability assumed by the Concessionaire in connection with and applicable to this Agreement and will include the following coverage extensions (it is acknowledged that certain extensions of coverage will be provided as a sublimit of the policy):

Coverage Extensions Applicable to the “Wrap-Up” Commercial General Liability Policy

- Canada coverage territory
- Products/Completed Operations
- Occurrence Property Damage
- Broad Form Property Damage
- Broad Form Completed Operations
- 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)

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- 24 months Products and Completed Operations (as more fully outlined under paragraph 3.5 of this Part 1)
 - Sudden and Accidental Pollution with coverage of not less than **DELETED** (IBC Form #2313)
 - 60 days notice of Cancellation or Limitation of cover (as more fully outlined under paragraph 3.6 of this Part 1)
 - Blanket Additional Insureds

Coverage Extensions Applicable to the Marine and Aviation Policies

- Canada coverage territory
- 60 days notice of Cancellation or Limitation of cover (as more fully outlined under paragraph 3.6 of this Part 1)

(c) **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 imposed 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 arising out of all products where the Concessionaire supplies the material will not be excluded.

Tort liability assumed by the Concessionaire under this Agreement for bodily injury, property damage and death will not be excluded. It is acknowledged that misrepresentation, action in tort and breach of contract are acceptable exclusions.

Exclusions for design/build, design/build/finance, design/build/finance/operate, or joint venture projects will not be permitted.

Other types of services not listed above, to be performed by the Concessionaire under this Agreement in connection with the Undertakings will not be excluded.

(d) Deductible

A maximum deductible on the primary insurance policy will be allowed for any one accident or per occurrence of up to **DELETED**. Payment of any deductible will be the responsibility of the Concessionaire.

(e) Self-Insured Retention

A maximum self-insured retention of up to **DELETED** for any one accident or per occurrence will be permitted for the Concessionaire providing umbrella/excess liability insurance subject to having a minimum primary insurance policy of **DELETED** underlying the umbrella/excess.

(f) Amendments to Insurance Coverages

The Province may from time to time in its reasonable discretion and on written notice to the Concessionaire amend the required insurance coverage described in this paragraph 3, including by adjusting the policy limits and by changing the scope of coverages to reflect changes in the insurance specifications applicable to the Road and Bridge Maintenance Contracts of the Province or, if the Road and Bridge Maintenance Contracts are not in effect, such other insurance specifications as the Province applies generally to risks of a similar nature.

Amendments to policy limits of the insurance coverages under the first paragraph of this paragraph (f) will be at the sole expense of the Concessionaire.

Amendments to the insurance coverages under this paragraph to add coverage and any other amendments to this Part 1, including, for greater certainty, changes to policy limits that do not fall within the first paragraph of this paragraph (f), will be considered a Province Change.

3.2 Professional Liability Insurance (Errors & Omissions)

- (a) The Concessionaire will obtain and maintain professional liability insurance coverage in connection with the services of "professionals" in the performance of the Undertakings or any part thereof, including the maintenance, repair, rehabilitation, or construction of any road or bridge.

If the Concessionaire maintains such cover by means of practice policies, the discovery period under such policy will be **DELETED** years following completion of each item of maintenance, repair, rehabilitation or construction work of the Project. If the Concessionaire maintains such cover by means of project specific policies renewed each year, the final such policy shall have a discovery period of **DELETED** years after the expiry of that policy.

- (b) A maximum deductible of **DELETED** will be allowed.

Exclusions for design/build, design/build/finance, design/build/finance/operate, or joint venture projects will not be permitted.

- (c) The required insurance shall not be cancelled, removed, or endorsed to restrict coverage or limits of liability, without **Sixty (60)** days notice in writing by Registered Mail to: **The Manager, Insurance and Bonds, Ministry of Transportation, PO Box 9850, Stn Prov Govt, 940 Blanshard Street, Victoria, B.C. V8W 9T5.**

3.3 Automobile Insurance

Automobile Liability coverage with inclusive limits of not less than **DELETED** providing third party liability and accident benefits insurance coverage must be provided for all vehicles required by law to be licensed that are owned, leased or rented by the Concessionaire or by the Operator, and that are used in the performance of this Agreement.

3.4 Aircraft Insurance

If aircraft (including helicopters) are used in the performance of this Agreement and are owned, leased, rented or used by either the Concessionaire or by the Operator, then third party liability coverage with inclusive limits of not less than **DELETED** must be provided, together with a waiver of subrogation on the hull.

3.5 Additional Conditions in All Property and Liability Policies (Except Owned Automobile and Professional Liability Insurance) are to be Included by Endorsement as Follows

Each of the Province and BC Transportation Financing Authority will be named as an additional named insured in all property insurance policies pursuant to an endorsement satisfactory to the Province.

Notwithstanding any other terms, conditions, or exclusions elsewhere in the policies or in this Part 1, it is understood and agreed that every liability insurance policy (except owned automobile and professional liability insurance) is extended to include insurance coverages and clauses as follows:

“Her Majesty the Queen in Right of the Province of British Columbia and BC Transportation Financing Authority, together with all their employees, agents and servants, and all Architects, Engineers, Consultants, Contractors and any of their servants, agents, employees, volunteers, directors, parent, subsidiary, affiliated or related firms, engaged in or connected with the design, construction and related operations known as the “Okanagan Lake New Crossing Services Project” hereinafter referred to as Additional Named Insureds, are added as Additional

Named Insureds, in respect of liability arising from the work or operations of the Insured and the Additional Named Insureds, in connection with contracts entered into between the Insured and the Additional Named Insureds.

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.”

Products and Completed Operations Hazard coverage shall be provided and such cover shall remain in full force and effect for a period of **DELETED** months after the work has been completed, irrespective of the expiry date of the policy.

3.6 Cancellation / Limitation for All Policies (except Owned Automobile or Professional Liability)

The required insurance coverages shall not be cancelled, removed, or endorsed to restrict coverage or limits of liability, without 60 days’ prior notice in writing by registered mail to: The Manager, Insurance and Bonds, Ministry of Transportation, P0 Box 9850, Stn Prov Govt, 940 Blanshard Street, Victoria, BC V8W 9T5.

The required insurance coverages shall not be lapsed without at least 30 days’ notice in writing by registered mail to: The Manager, Insurance and Bonds, Ministry of Transportation, P0 Box 9850, Stn Prov Govt, 940 Blanshard Street, Victoria, BC V8W 9T5.

3.7. Loss payable

The insurance policies must contain a loss payable clause directing payment in accordance with the provisions of Section 20.7 [Application of Proceeds].

3.8. Primary and Excess Coverage

The Concessionaire may satisfy limit requirements through the use of primary and excess liability insurance programs.

3.9 Use and Occupancy

Use and occupancy of the work or any part thereof prior to the date of completion shall not be cause for any termination of insurance coverage shown in the applicable sections.

4. **INSURANCE COVERAGES REQUIRED**

(Section 20.1.1.4 of the Concession Agreement)

4.1 Property Insurance

(a) Property and Equipment Insurance

The Concessionaire shall obtain, maintain and provide evidence of “ALL RISKS” insurance coverage for buildings, structures and improvements and equipment insurance, including earthquake, flood and waterborne coverages, satisfactory to the Province covering all equipment, including equipment owned, rented or leased and used in the performance of the Concession Agreement or for which the Concessionaire may be responsible, including the current (as at the time of loss) replacement value of the New Crossing.

(b) Deductibles per Occurrence

- (i) Flood - reflective of the insurance market but not greater than **DELETED**.
- (ii) Earthquake - up to **DELETED** of the actual value (as at time of loss) replacement cost. Responsibility for payment of the deductible will be shared between the Concessionaire and the Province as follows:
 - (A) The first **DELETED** of the deductible will be payable by the Concessionaire.
 - (B) The portion of the deductible exceeding **DELETED** will be payable by the Province.
- (iii) All other losses up to **DELETED**.

Save and except for the allocation of responsibility between the Province and the Concessionaire for payment of the earthquake deductible, as set out in paragraph (ii) above, the payment of any deductible will be the responsibility of the Concessionaire.

The following Waiver of Subrogation is to be added to Equipment and Property Insurance Policies:

"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 or the BC Transportation Financing Authority, or any of their employees, agents and servants, or the Architects, Engineers, Consultants, Contractors, or any of their servants, agents, employees, volunteers, directors, parent, subsidiary, affiliated or related firms, engaged in or connected with the design, construction and related operations known as the “Okanagan Lake New Crossing Services Project”.

Each of the Province and BC Transportation Financing Authority will be named as an additional named insured in all Equipment and Property Insurance Policies pursuant to an endorsement satisfactory to the Province.

4.2 Cancellation / Limitation for *All* Policies (except owned automobile)

The required insurance coverages shall not be cancelled, removed, or endorsed to restrict coverage or limits of liability, without 60 days' prior notice in writing by registered mail to: The Manager, Insurance and Bonds, Ministry of Transportation, P0 Box 9850, Stn Prov Govt, 940 Blanshard Street, Victoria, BC V8W 9T5.

The required insurance coverages shall not be lapsed without at least 30 days' notice in writing by registered mail to: The Manager, Insurance and Bonds, Ministry of Transportation, P0 Box 9850, Stn Prov Govt, 940 Blanshard Street, Victoria, BC V8W 9T5.

4.3 Loss payable

The insurance policies must contain a loss payable clause directing payment in accordance with the provisions of Section 20.7 [Application of Proceeds].

4.4 Primary and Excess Coverage

The Concessionaire may satisfy limit requirements through the use of primary and excess liability insurance programs.

4.5 Use and Occupancy

Use and occupancy of the work or any part thereof prior to the date of completion shall not be cause for any termination of insurance coverage shown in the applicable sections.

ANNEX 1

TO PART 1 OF SCHEDULE 11

INSURANCE REQUIREMENTS

Illustrative Benchmarking Figures

Substantial Completion Date – Assume July 1, 2008, with Commencement Date for Contract June 30, 2005

Insurance cover	Initial Premium Indication	Annual Percentage Increase	Base Initial Premium (Assuming 3 years)
General Liability, as set out in paragraph 3.1 of Part 1 of Schedule 11	DELETED	DELETED	DELETED
Professional Indemnity, as set out in paragraph 3.2 of Part 1 of Schedule 11	DELETED	DELETED	DELETED
Directors & Officers Legal Liability, – limit of liability, DELETED, deductible, DELETED	DELETED	DELETED	DELETED
Boiler & Machinery – limit of liability, DELETED, deductible, DELETED	DELETED	DELETED	DELETED
Auto Liability in accordance with paragraph 3.3 of Part 1 of Schedule 11	DELETED	DELETED	DELETED
Property Insurance, as set out in paragraph 4 of Part 1 of schedule 11	DELETED	DELETED	DELETED
Business Interruption insurance coverage extension (as part of the Property Insurance referred to in Section 20.11.11.6) up to	DELETED	DELETED	DELETED

DELETED as a result of an insurable loss. Limit of liability - DELETED ; deductible – DELETED			
Base Initial Premium			DELETED

Lowest Initial Premiums Calculation (being the lowest premium achieved in the insurance market for the respective contract year)

Insurance cover	Lowest Initial Premiums
General Liability, as set out in paragraph 3.1 of Part 1 of Schedule 11	DELETED
Professional Indemnity, as set out in paragraph 3.2 of Part 1 of Schedule 11	DELETED
Directors & Officers Legal Liability, – limit of liability, DELETED , deductible, DELETED	DELETED
Boiler & Machinery – limit of liability, DELETED , deductible, DELETED	DELETED
Auto Liability in accordance with paragraph 3.3 of Part 1 of Schedule 11	[n/a]
Property Insurance, as set out in paragraph 4 of Part 1 of schedule 11	DELETED
Business Interruption insurance coverage extension (as part of the Property Insurance referred to in Section 20.11.11.6) up to DELETED as a result of an insurable loss. Limit of liability - DELETED ; deductible – DELETED	DELETED
Lowest Initial Premiums	DELETED

Base Initial Premiums total: **DELETED**

Lowest Initial Premiums: **DELETED**

Premium difference (lower costs): - **DELETED**

DELETED

Net Adjustment: Performance Payments (Availability Payments) from this period onwards are reduced by **DELETED**.

First Anniversary of Substantial Completion Date:

Premiums payable in previous year for O&M Insurances: **DELETED**

Apply Annual Percentage Increase to each premium individually:

Insurance cover	Premium Paid in Previous Contract Year	Annual Percentage Increase	Base Annual Premium
General Liability, as set out in paragraph 3.1 of Part 1 of Schedule 11	DELETED	DELETE	DELETED
Professional Indemnity, as set out in paragraph 3.2 of Part 1 of Schedule 11	DELETED	DELETE	DELETED
Directors & Officers Legal Liability, – limit of liability, DELETED , deductible, DELETED	DELETED	DELETE	DELETED
Boiler & Machinery – limit of liability, DELETED , deductible, DELETED	DELETED	DELETE	DELETED
Auto Liability in accordance with paragraph 3.3 of Part 1 of Schedule 11	[n/a]	DELETE	[insert when insurance is obtained]
Property Insurance, as set out in paragraph 4 of Part 1 of schedule 11	DELETED	DELETE	DELETED
Business Interruption insurance coverage extension (as part of the Property Insurance referred to in Section 20.11.11.6) up to DELETED as a result of an insurable loss. Limit of liability - DELETED ; deductible – DELETED	DELETED	DELETE	DELETED

Base Annual Premium			DELETED
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Lowest Initial Premiums Calculation (being the lowest premium achieved in the insurance market for the respective contract year)

Insurance cover	Lowest Initial Premiums
General Liability, as set out in paragraph 3.1 of Part 1 of Schedule 11	DELETED
Professional Indemnity, as set out in paragraph 3.2 of Part 1 of Schedule 11	DELETED
Directors & Officers Legal Liability, – limit of liability, DELETED , deductible, DELETED	DELETED
Boiler & Machinery – limit of liability, DELETED , deductible, DELETED	DELETED
Auto Liability in accordance with paragraph 3.3 of Part 1 of Schedule 11	DELETED
Property Insurance, as set out in paragraph 4 of Part 1 of schedule 11	DELETED
Business Interruption insurance coverage extension (as part of the Property Insurance referred to in Section 20.11.11.6) up to DELETED as a result of an insurable loss. Limit of liability - DELETED ; deductible – DELETED	DELETED
Lowest Initial Premiums	DELETED

Base Annual Premium: **DELETED**

Lowest Initial Premiums: **DELETED**

Premium difference (higher costs): **DELETED**

Concessionaire’s Maximum Insurance Exposure: **DELETED**

Concessionaire Share: **DELETED**

Province's Share: **DELETED**

Net Adjustment: Performance Payments (Availability Payments) from this period onwards are increased by a net amount of **DELETED**.

DELETED

Second Anniversary of Substantial Completion Date

Premiums payable in previous year for O&M Insurances: **DELETED**

Apply Annual Percentage Increase to each premium individually:

Insurance cover	Premium Paid in Previous Contract Year	Annual Percentage Increase	Base Annual Premium
General Liability, as set out in paragraph 3.1 of Part 1 of Schedule 11	DELETED	DELETED	DELETED
Professional Indemnity, as set out in paragraph 3.2 of Part 1 of Schedule 11	DELETED	DELETED	DELETED
Directors & Officers Legal Liability, – limit of liability, DELETED , deductible, DELETED	DELETED	DELETED	DELETED
Boiler & Machinery – limit of liability, DELETED , deductible, DELETED	DELETED	DELETED	DELETED
Auto Liability in accordance with paragraph 3.3 of Part 1 of Schedule 11	[n/a]	DELETED	[insert when insurance is obtained]
Property Insurance, as set out in paragraph 4 of Part 1 of schedule 11	DELETED	DELETED	DELETED
Business Interruption insurance coverage extension (as part of the Property Insurance referred to in Section 20.11.11.6) up to DELETED as a result of an insurable loss. Limit of liability - DELETED ; deductible – DELETED	DELETED	DELETED	DELETED
Base Annual Premium			DELETED

Lowest Initial Premiums Calculation (being the lowest premium achieved in the insurance market for the respective contract year)

Insurance cover	Lowest Initial Premiums
General Liability, as set out in paragraph 3.1 of Part 1 of Schedule 11	DELETED
Professional Indemnity, as set out in paragraph 3.2 of Part 1 of Schedule 11	DELETED
Directors & Officers Legal Liability, – limit of liability, DELETED , deductible, DELETED	DELETED
Boiler & Machinery – limit of liability, DELETED , deductible, DELETED	DELETED
Auto Liability in accordance with paragraph 3.3 of Part 1 of Schedule 11	DELETED
Property Insurance, as set out in paragraph 4 of Part 1 of schedule 11	DELETED
Business Interruption insurance coverage extension (as part of the Property Insurance referred to in Section 20.11.11.6) up to DELETED as a result of an insurable loss. Limit of liability - DELETED ; deductible – DELETED	DELETED
Lowest Initial Premiums	DELETED

Base Annual Premium: **DELETED**

Lowest Initial Premiums: **DELETED**

Premium difference (lower costs): - **DELETED**

Concessionaire’s Maximum Insurance Exposure: **DELETED**

DELETED.

Net Adjustment: Performance Payments (Availability Payments) from this period onwards are increased by a net amount of **DELETED**.

DELETED

Third Anniversary of Substantial Completion Date

Premiums payable in previous year for O&M Insurances: **DELETED**

Apply Annual Percentage Increase to each premium individually:

Insurance cover	Premium Paid in Previous Contract Year	Annual Percentage Increase	Base Annual Premium
General Liability, as set out in paragraph 3.1 of Part 1 of Schedule 11	DELETED	DELETED	DELETED
Professional Indemnity, as set out in paragraph 3.2 of Part 1 of Schedule 11	DELETED	DELETED	DELETED
Directors & Officers Legal Liability, – limit of liability, DELETED , deductible, DELETED	DELETED	DELETED	DELETED
Boiler & Machinery – limit of liability, DELETED , deductible, DELETED	DELETED	DELETED	DELETED
Auto Liability in accordance with paragraph 3.3 of Part 1 of Schedule 11	[n/a]	DELETED	[insert when insurance is obtained]
Property Insurance, as set out in paragraph 4 of Part 1 of schedule 11	DELETED	DELETED	DELETED
Business Interruption insurance coverage extension (as part of the Property Insurance referred to in Section 20.11.11.6) up to DELETED as a result of an insurable loss. Limit of liability - DELETED ; deductible –	DELETED	DELETED	DELETED

DELETED			
Base Annual Premium			DELETED

Lowest Initial Premiums Calculation (being the lowest premium achieved in the insurance market for the respective contract year)

Insurance cover	Lowest Initial Premiums
General Liability, as set out in paragraph 3.1 of Part 1 of Schedule 11	DELETED
Professional Indemnity, as set out in paragraph 3.2 of Part 1 of Schedule 11	DELETED
Directors & Officers Legal Liability, – limit of liability, DELETED , deductible, DELETED	DELETED
Boiler & Machinery – limit of liability, DELETED , deductible, DELETED	DELETED
Auto Liability in accordance with paragraph 3.3 of Part 1 of Schedule 11	DELETED
Property Insurance, as set out in paragraph 4 of Part 1 of schedule 11	DELETED
Business Interruption insurance coverage extension (as part of the Property Insurance referred to in Section 20.11.11.6) up to DELETED as a result of an insurable loss. Limit of liability - DELETED ; deductible – DELETED	DELETED
Lowest Initial Premiums	DELETED

Base Annual Premium: **DELETED**

Lowest Initial Premiums: **DELETED**

Premium difference (higher costs): **DELETED**

Concessionaire's Maximum Insurance Exposure: **DELETED**

Concessionaire Share: **DELETED**

Province's Share: **DELETED**

Net Adjustment: Performance Payments (Availability Payments) from this period onwards are increased by a net amount of **DELETED**

DELETED