

SCHEDULE 3

INSURANCE CONDITIONS

Without restricting the generality of the indemnification provisions in Section 58, insurance and coverage will be arranged and paid for as follows:

1. WRAP-UP LIABILITY INSURANCE

- 1.1 The Owner will provide, maintain and pay for Wrap-up Liability Insurance with a limit of _____ inclusive per occurrence, general aggregate for bodily injury, death, and damage to property including loss of use thereof, product/completed operations liability with a limit of _____ aggregate.
- 1.2 This insurance will cover the Owner, Design-Builder & Subcontractors, Architects, Engineers, Consultants and anyone employed by them to perform a part or parts of the Work (includes both Construction and Design services, but excludes all professional services, under this Agreement) but excluding suppliers whose only function is to supply and/or transport products to the project site or security protection persons or organizations providing site protection on or at the insured project. 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 Agreement.
- 1.3 The insurance will preclude subrogation claims by the insurer against anyone insured hereunder.
- 1.4 The insurance will include coverage for:
 - (a) Products or Completed Operations Liability;
 - (b) Cross Liability;
 - (c) Shoring, Blasting, Excavating, Underpinning, Demolition, Piledriving and Caisson Work, Work Below Ground Surface, Tunneling and Grading, as applicable;
 - (d) Limited Pollution Liability
 - (e) Broad Form Tenants Legal Liability
 - (f) Operation of Attached Machinery; and
 - (g) Forest Fire Fighting Expenses
- 1.5 Any applicable deductibles will not exceed _____ except with respect to loss or damage arising from hot roofing operations where the deductible will not exceed _____.
- 1.6 This insurance will be maintained continuously from commencement of the Work until Substantial Completion of the Project, plus cover completed operations for a further period of _____.

2. PROFESSIONAL LIABILITY INSURANCE

- 2.1 The Design-Builder or the Design-Builder's Consultant during the term of this Agreement will provide and maintain continuously from the commencement of the Work, until _____ after Substantial Completion of the Project, the following insurance which will be placed with such

company or companies and in such form and amounts and with such deductibles as may be acceptable to the Owner:

- (a) Professional Errors and Omissions Liability Insurance protecting the Design-Builder or the Design-Builder's Consultant, sub-consultant(s) and their respective servant(s), agent(s) or employee(s) against any loss or damage arising out of the Design under this Agreement. Such insurance will be for the adequate amount acceptable to the Owner and will in any event be not less than:
- (i) For construction valued at \$0.00 to \$2.5 million: per claim;
 - (ii) For construction valued at \$2.5 million to \$7.5 million: per claim;
 - (iii) For construction valued at \$7.5 million to \$15.0 million: per claim;
 - (iv) For construction valued over \$15.0 million to \$30.0 million: per claim;
and
 - (v) For construction valued over \$30.0 million to \$75.0 million: per claim.

The amount of insurance coverage to be carried by structural, mechanical, electrical and civil sub-consultants is to be based on the value of their scope of work. All other specialty Consultants to carry a minimum Errors and Omissions Insurance despite the value of their scope of work.

- 2.2 If coverage is provided by the Design-Builder's Consultant, then such Professional Errors and Omissions Liability Insurance will not contain a "Design-Build" exclusion.

3. PROPERTY COVERAGE INSURANCE

- 3.1 The Owner will provide, maintain and pay for Course of Construction coverage, against "All Risks" of direct physical loss or damage including flood and earthquake, and will cover all materials, property, structures and equipment purchased for, entering into, or forming part of the Work whilst located anywhere within Canada and continental United States of America during construction, erection, installation and testing, but such coverage will not include coverage for Design-Builder's and Subcontractors' equipment of any description. Such coverage will be maintained until Substantial Completion of the Project. There will be a deductible of _____ for each and every occurrence on projects valued at Ten Million Dollars (\$10,000,000) or less and a deductible of _____ on projects valued at more than Ten Million Dollars (\$10,000,000) except for the peril of earthquake which will have a _____ (subject to minimum _____ deductible based upon the total project value insured. A one day waiting period for each month of the project duration subject to a minimum waiting period of 30 days will apply with respect to soft costs.
- 3.2 The coverage will include as a protected entity the Owner, BC Housing and each Design-Builder, Subcontractor, Architect and Engineer who is engaged in the Project.
- 3.3 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, or manufacturers (not employees of the insured).

3.4 The Design-Builder will, at his own expense, take special precaution to prevent fires occurring in or about the Work and will observe, and comply with, all insurance policy warranties and all laws and regulations in force respecting fires.

4. AUTOMOBILE LIABILITY INSURANCE

4.1 The Design-Builder will 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 _____ inclusive per occurrence. The insurance will be placed with such company or companies and in such form and deductibles as may be acceptable to Owner.

5. AIRCRAFT AND/OR WATERCRAFT LIABILITY INSURANCE

5.1 The Design-Builder will 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 _____ 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 will name the Owner as an additional insured, include a cross liability clause, be endorsed to provide the Owner with 30 days' advance written notice of cancellation and be placed with such company or companies and in such form and deductibles as may be acceptable to Owner.

6. CONTRACTORS POLLUTION LIABILITY INSURANCE

6.1 When applicable, the Design-Builder (or Design-Builder's Subcontractors) will provide, maintain and pay for Contractor's Pollution Liability, where the Design-Builder's performance (or Design-Builder'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 _____ 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 for its vicarious liability. Such insurance will not be impaired by any time element limitations, biological contaminants (without limitation, mould and bacteria), asbestos, or lead based paint exclusions. Any "insured vs. insured" exclusion will not prejudice coverage for the Owner and will not affect the Owner's ability to bring suit against the Design-Builder as a third party.

6.2 If any such insurance is provided on a claims-made basis and that insurance is cancelled or not renewed, such policy must provide a _____ extended reporting period. Such policy must include a cross liability clause and be endorsed to provide the Owner with 30 days' advance written notice of cancellation.

7. GENERAL

7.1 The description of the Owner arranged insurance described herein is provided on a summary basis only and is not a statement of the actual policy terms and conditions. The Owner does not represent or warrant that the Owner arranged insurance contains insurance for any and all losses. It is the Design-Builder's responsibility to ascertain the exact nature and extent of coverage provided by the Owner arranged insurance, to review all policies pertaining thereto and to obtain any other insurance that it may be prudent for the Design-Builder to obtain.

7.2 The Design-Builder will also provide, maintain and pay for any other insurance that the Design-Builder is required by law to carry, or which the Design-Builder considers necessary.

- 7.3 Unless specified otherwise, the duration of each coverage and insurance policy will be from the date of commencement of the Work until the date of final certificate for payment.
- 7.4 The Owner will, upon request, provide the Design-Builder with proof of insurance of those coverages and insurances required to be provided by the Owner prior to commencement of the Work and subsequent certified copy of policies within a reasonable time period thereafter.
- 7.5 The Design-Builder and/or its Subcontractors, the Design-Builder's Consultants and sub-consultants as may be applicable, will be responsible for any deductible amounts under the policies of coverage and insurance except for perils of flood and earthquake.
- 7.6 The Design-Builder will provide the Owner with proof of insurance for those insurances required to be provided by the Design-Builder (or Design-Builder's Consultant) prior to the commencement of the Work in the form of a completed Certificate of Insurance and will also provide a certified copy of any required policies upon request.
- 7.7 The Owner will not be responsible for injury to the Design-Builder's employees or for loss or damage to the Design-Builder's or to the Design-Builder'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 this Agreement, be removed from the premises. The Design-Builder hereby waives all rights of recourse against the Owner or any other contractor with regard to damage to the Design-Builder's property.
- 7.8 If the Design-Builder fails to provide, maintain and pay for insurance as required by this schedule, other than automobile liability insurance, the Owner may obtain and pay for the required insurance, the cost of which will be payable on demand by the Design-Builder. The Owner may offset such amounts from any monies due to the Design-Builder if not paid within 15 days.