

**SUPPLY AND INSTALLATION OF TURBINES AND GENERATORS CONTRACT**

**SCHEDULE 13**

**INSURANCE**

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# SUPPLY AND INSTALLATION OF TURBINES AND GENERATORS CONTRACT

## SCHEDULE 13

### INSURANCE

#### 1 INTERPRETATION

##### 1.1 Definitions

In this Schedule 13 [Insurance], definitions are as set out in Schedule 1 [Definitions and Interpretation].

#### 2 CONTRACTOR PROVIDED INSURANCE COVERAGE

Without limiting any of the Contractor's obligations or liabilities under the Contract and prior to commencing performance of the Work under the Contract, the Contractor will, at its sole cost and expense, obtain and maintain during the performance of the Work policies in respect of the following insurances:

- (a) Workers' Compensation coverage for all employees engaged in the performance of the Work in accordance with the *Workers Compensation Act* (British Columbia);
- (b) Personal Optional Protection coverage available through the Workers' Compensation Board of British Columbia for all employees engaged in the performance of the Work who are not covered by the *Workers Compensation Act* (British Columbia);
- (c) Commercial General Liability Insurance in an amount of [REDACTED] per occurrence, and annually in the aggregate with respect to Products and Completed Operations Liability. Such coverage to include, but not be limited to, Blanket Contractual Liability, including liability assumed under the Contract, Tortious Liability, Contractual Liability, Contractors Protective Liability, Non Owned Automobile Liability, Attached Equipment Cross Liability, Broad Form Property Damage Liability, Products and Completed Operations Liability, and, when applicable to the Work, Hook Liability, Sudden and Accidental Pollution Liability and Explosion, Collapse and Underground Damage Liability and Forest Fire Fighting Expense Liability, and, in any event, such Commercial General Liability Insurance will provide coverage not less than the insurance required by IBC Form 2100 or its equivalent replacement. The policy will name BC Hydro as additional insured in respect of liability arising out of the Contractor's operations or its employees outside of the Contractor's Work Area, and will contain cross liability and severability of interest clauses, or equivalent wording;
- (d) Automobile Liability Insurance for owned, non-owned, leased, operated or licensed automobiles, trucks, trailers, tractors and all-terrain vehicles with limits of [REDACTED] for accidental injury to or death of one or more Persons or damage to or destruction of property as a result of one accident or occurrence;
- (e) Contractor's Equipment / Property Insurance covering loss or damage to, or loss of use of, tools, property and equipment of the Contractor and its Subcontractors, if any, or for which the Contractor and its Subcontractors, if any, are legally liable or responsible, in an amount equal to the full replacement value of the tools, property and equipment (or on such other value basis as Hydro's Representative may approve). The policy will include a waiver of the insurer's rights of subrogation in favour of BC Hydro;
- (f) Cargo / Marine Cargo Insurance covering all insurable risks of loss or damage to equipment, parts and materials that comprise or are intended to comprise the Work, including the Equipment. Such coverage to attach at the commencement of loading at the manufacturer's facility and be

maintained throughout the course of transport, including while the insured property is in trans-shipment, customs or interim storage, until arrival at and completion of unloading at the Site. Such policy will be in an amount not less than the total replacement cost of the insured property, and the scope of coverage will be not less than that provided by the Institute Cargo Clauses ("All Risks") or equivalent, and will specifically include coverage for war, strikes, riots and civil commotions;

- (g) if aircraft or watercraft or both are used in connection with the Work, then the Contractor will carry Aircraft Liability and Watercraft Liability Insurance, as applicable, covering all aircraft and watercraft owned or non-owned and licensed by the Contractor with limits of liability of [REDACTED] for aircraft liability and [REDACTED] for watercraft liability, for bodily injury or death of one or more Persons or damage to or destruction of property as a result of one accident or occurrence; and
- (h) such additional coverage as may be required by Law or by BC Hydro, or which the Contractor considers necessary.

### **3 BC HYDRO PROVIDED INSURANCE COVERAGE**

Prior to the commencement of the Work at the Site and until the date of issuance of the certificate of Substantial Completion or any other additional period of time as required by the Contract Documents, BC Hydro will obtain and maintain the following insurance coverage:

- (a) Project specific "Wrap-up" liability insurance in an amount of not less than [REDACTED] per occurrence. This policy will have an aggregate limit of [REDACTED] with respect only to completed operations liability. This policy will also have sub-limits as described in Appendix 13-1 [Wrap-up Liability Insurance Specifications]. The policy will have a per occurrence deductible of up to [REDACTED]. The policy will name BC Hydro as the insured and will include Others, the Contractor and the Subcontractors, project and construction managers, architects, engineers, and consultants, if any, while engaged in the Work and providing work or services with respect to the Project as additional insured and will contain cross liability and severability of interest clauses, or equivalent wording. The policy will maintain in force and effect an "Extended Completed Operations Liability" endorsement coverage for a period ending not earlier than 24 months after the earlier of (i) the date of issuance of the certificate of Total Completion, and (ii) termination of the Contract. For the purposes of this Schedule 13 [Insurance] "Extended Completed Operations Liability" means what is typically referred to as "Completed Operations Liability" in the insurance industry. BC Hydro's construction wrap-up liability coverage will be primary and non-contributory to the Contractor's Commercial General Liability Insurance for Work at the Site; and
- (b) Broad Form "Builder's Risk" insurance, on a replacement cost valuation basis, in an amount deemed appropriate by BC Hydro. The policy will have a per occurrence deductible as described in Appendix 13-2 [Course of Construction Insurance Specifications]. The policy will provide coverage on an "All Risks" basis, including perils of flood and earthquake, will name BC Hydro as the insured, and Others, the Contractor and the Subcontractors as additional insureds, including any person employed directly or indirectly by either or both the Contractor and Subcontractors to perform a part or parts of the Work and any other person employed directly or indirectly to perform work or services with respect to the Project. The policy will contain a waiver of insurer's rights of subrogation in favour of the Contractor and the Subcontractors.

The documents attached at Appendix 13-1 [Wrap-Up Liability Insurance Specifications] and Appendix 13-2 [Course of Construction Insurance Specifications] contain terms and conditions applicable to the insurances that BC Hydro is required to obtain and maintain pursuant to this Section 3. In the event of a conflict between the terms and conditions contained in:

- (c) Appendix 13-1 [Wrap-Up Liability Insurance Specifications] and the provisions of Section 3(a) of this Schedule 13 [Insurance]; and

- (d) Appendix 13-2 [Course of Construction Insurance Specifications] and the provisions of Section 3(b) of this Schedule 13 [Insurance],

the terms and conditions of the applicable Appendix will govern.

#### **4 GENERAL INSURANCE PROVISIONS**

##### **4.1 Requirements for Contractor Provided Insurance**

The insurance provided by the Contractor will be provided in accordance with the following terms and conditions:

- (a) the Contractor will provide Hydro's Representative with evidence of compliance with the *Workers Compensation Act* (British Columbia) and coverage under that Act prior to commencement of performance of the Work, and the Contractor will:
- (i) upon request, at any time, from Hydro's Representative, provide such evidence to Hydro's Representative within five days of such request; and
  - (ii) immediately notify Hydro's Representative in writing of any change with respect to such compliance or coverage;
- (b) certificates of insurance for the policies described in Section 2 of this Schedule 13 [Insurance] will be submitted to Hydro's Representative prior to commencement of performance of the Work;
- (c) copies of insurance policies described in Section 2 of this Schedule 13 [Insurance] will be submitted to Hydro's Representative within 14 days upon written request by Hydro's Representative;
- (d) all insurance provided by the Contractor will be considered primary, non-contributory and not excess to any insurance carried by BC Hydro, unless expressly stated otherwise in the Contract Documents;
- (e) all policies of insurance to be obtained by the Contractor in accordance with this Contract will be issued by financially sound insurers acceptable to BC Hydro, acting reasonably, and, where required by statute, licensed to insure such risk in British Columbia;
- (f) all insurance provided by the Contractor will contain endorsements confirming that the policy will not be cancelled, adversely reduced, adversely materially altered or adversely materially amended without the insurer(s) giving at least thirty (30) days prior written notice by registered mail to BC Hydro;
- (g) all insurance provided by the Contractor will contain endorsements confirming that, in the event of cancellation for non-payment of premium, the insurer(s) will give at least fifteen (15) days prior written notice by registered mail to BC Hydro;
- (h) all insurance, except for automobile liability insurance and workers compensation insurance, provided by the Contractor will:
- (i) include BC Hydro and its directors, officers, employees and agents as additional insureds (but this requirement will not apply to equipment insurance described in Section 2(e) of this Schedule 13 [Insurance]);
  - (ii) contain a waiver of subrogation against BC Hydro and its directors, officers, employees and agents; and

- (iii) contain a cross liability or severability of interest clause.

#### 4.2 Minimum Amount No Limit on Recovery

All policy limits and types of insurance specified by the Contract to be obtained and maintained by the Contractor are the minimum policy limits and types of insurance that are to be provided. The Contractor will be solely responsible for determining whether the policy limits and types of insurance are adequate and for placing any excess insurance and any additional insurance which it considers necessary to protect and indemnify itself.

Subject to Section 23.1 of Schedule 2 [Design and Construction Protocols], the Contractor will be liable to BC Hydro for all Claims and Claim Costs excluded by, or in excess of the policy limits of, applicable insurance policies.

#### 4.3 BC Hydro's Right to Maintain

If, at any time, any insurance required to be obtained and maintained by the Contractor under the Contract has its policy limits reduced by the applicable insurance provider or the Contractor, from the policy limits required by the Contract, or is no longer in force, then, without limiting BC Hydro's rights in respect of any default that arises as a result of such occurrence, BC Hydro may, at its option, obtain and maintain the applicable insurance or portion of such insurance. In such event, BC Hydro may withhold and set-off the cost of insurance premiums expended for such insurance from any payments due to the Contractor.

#### 4.4 Subcontractor Insurance

Without duplication of insurance coverage provided by BC Hydro, the Contractor will require all first tier Subcontractors to enter into an agreement with the Contractor containing provisions in the same form as those found in Section 2 of this Schedule 13 [Insurance], as applicable to the Work being undertaken by such Subcontractors. The Contractor will provide to Hydro's Representative, upon request, certificates of insurance for the insurance policies the Contractor has obtained from such Subcontractors and a copy of the agreement entered into with such Subcontractors setting out the insurance requirements of such Subcontractors, without reference to commercial terms.

#### 4.5 Deductibles

The Contractor will be responsible for the payment of all deductibles for the insurance policies described in this Schedule 13 [Insurance], except with respect to damage arising out of the negligent acts or omissions of BC Hydro or any Person for whom BC Hydro is in law responsible (other than the Contractor and those engaged by or through the Contractor, including Subcontractors), BC Hydro will pay the proportion of the deductible that represents the proportionate fault of BC Hydro for the loss which gave rise to the damage.

Deductibles for insurance policies required under Section 2 of this Schedule 13 [Insurance] will be no more than [REDACTED], except as otherwise agreed by BC Hydro in writing.

#### 4.6 Liability of Contractor

Neither the providing of insurance by BC Hydro or the Contractor in accordance with the requirements of this Schedule 13 [Insurance], nor the insolvency, bankruptcy or the failure of any insurance company to pay any claim occurring will be held to relieve the Contractor from any other provisions of the Contract with respect to liability of the Contractor or otherwise.

#### 4.7 Notice of Occurrence

Hydro's Representative and the Contractor's Representative will immediately notify, in writing, each other and the relevant insurer of any occurrence or incident likely to give rise to a claim under the policies or insurance coverage referred to in this Schedule 13 [Insurance] whether or not such occurrence or incident arises under the Contract, and of any other matter or thing in respect of which notice should be given by BC Hydro or the Contractor to the relevant insurers. In addition, both BC Hydro and the Contractor will give all such information and assistance as may be reasonably practicable in all the circumstances.

#### 4.8 Claims Cooperation

With respect to any Claim against BC Hydro, whether insured or otherwise, the Contractor will cooperate with BC Hydro, BC Hydro's insurers, claims adjusters and other representatives to mitigate any impact of any investigations relating to the Claim on BC Hydro's operations, including the performance of the Work.

**SUPPLY AND INSTALLATION OF TURBINES AND GENERATORS CONTRACT**

**APPENDIX 13-1**

**WRAP-UP LIABILITY INSURANCE SPECIFICATIONS**

(see attached)

**SUPPLY AND INSTALLATION OF TURBINES AND GENERATORS CONTRACT**

**APPENDIX 13-2**

**COURSE OF CONSTRUCTION INSURANCE SPECIFICATIONS**

(see attached)

# Site C Clean Energy Project

## Wrap-up Liability Insurance Specifications

### Insured

British Columbia Hydro and Power Authority.

### Additional Insured

As set out in Section 3(a) of Schedule 13 [Insurance].

### Insured Project

The Site C Clean Energy Project.

### Coverage

Comprehensive Wrap-Up General Liability, on occurrence and pay on behalf basis, covering property damage, personal injury and bodily injury arising out of the Insured Project.

### Policy Term

As stipulated in Section 3 of Schedule 13 [Insurance]; plus 24 months Extended Completed Operations Coverage, starting at the date of Total Completion.

### Limit of Liability

██████████ each and every Occurrence

██████████ aggregate with respect to the Completed Operations coverage

### Principal Sub-limits

Tenant's Legal Liability	██████████
Forest Fire Fighting Expenses Aggregate	██████████
Damage to Hired Vehicles	██████████
Sudden and Accidental Pollution Aggregate	██████████
Employee Benefits Liability Aggregate	██████████

**Territory**

Worldwide including Canada and USA

**Deductible**

██████████ per occurrence on property damage only

**Principal Extensions**

- Broad form Property Damage
- Premises & Operations Liability
- Products & Completed Operations liability
- Sudden & Accidental Pollution liability
- Cross Liability and Severability clause
- Blanket Contractual liability
- Contingent Employer's liability
- Incidental Malpractice liability
- Non-owned Automobile liability and use of attached machinery
- Legal liability for damage to hired Automobiles or non-owned auto
- Hazardous Operations (No XCU exclusion)
- Blanket Additional Insured
- Hoist / Elevator liability
- Blanket Tenant's Legal Liability
- Watercraft Liability
- Voluntary Medical payments
- Intentional Injury to protect persons or property
- Forest Fire Fighting Expenses

**Principal Exclusions**

- Occupational Disease and Workers Compensation
- Automobile, Aircraft or large Watercraft liability
- Intentional acts
- Broad form Property Damage
- Known Defects
- Lack of Performance
- Professional Services
- War
- Nuclear Liability
- Pollution, except Sudden & Accidental
- Fines & Penalties
- Asbestos
- Fungus

**Cancellation**

Non-cancellable policy except for non-payment of the premium

**Currency**

All amounts are in Canadian Dollars unless indicated otherwise

**Jurisdiction**

This insurance shall be governed and construed in all respects in accordance with the laws of the Province of British Columbia wherever applicable

# Site C Clean Energy Project

## Course of Construction Insurance Specifications

**Insured**

British Columbia Hydro and Power Authority

**Additional Insured**

As set out in Section 3(b) of Schedule 13 [Insurance].

**Policy Term**

The whole period of the Project as stipulated in Section 3 of Schedule 13 [Insurance], including up to 90 days Hot Testing and Commissioning (any one item).

**Insured Project**

The Site C Clean Energy Project.

**Insured Property**

Permanent works, materials (including those supplied free to the Project by or on behalf of the Principal, provided the value is included in the Contract Works Sum Insured), temporary works and all other property used for or in connection with the Project (provided the value is included in the Contract Works Sum Insured).

**Limit of Insurance**

██████████ per occurrence  
██████████ in aggregate with respect only to loss caused by Earthquake and Flood

**Principal Sub-limits**

- Extra & Expediting Expenses ██████████
- Debris Removal ██████████
- Consulting/Auditors' Fees ██████████
- Fire Fighting Expenses ██████████
- By-law & Regulations ██████████
- Valuable Papers ██████████

## **Deductibles**

5% of the value of damaged property for Earthquake, subject to a minimum deductible of

██████████

██████████ each and every occurrence with respect to all other losses

## **Principal Extensions (Sub-limits) & Conditions**

- LEG 3/06 Defects Clause
- Inland Transit
- Removal of Debris
- Automatic Increase
- Loss of Drawings
- Expediting Expenses/Airfreight
- Fire Fighting Expenses
- Payment of Indemnity
- Reinstatement of the Sum Insured
- Public Authorities
- 72 Hour Loss Period
- Inland Transits, Offsite Storage and Temporary Removal
- Repeat Tests
- Completed Works
- Extra Expense
- Existing Property
- Fuels and Consumables
- Multiple Insureds' Clause
- Munitions of War
- Cessation of Work
- Non-Cancellation
- Loss Minimisation Clause
- Claims Preparation Costs

## **Principal Exclusions**

- Automobiles, Watercraft or Aircraft
- Contractors' Equipment
- Ocean Marine Transit
- Penalties, Fines and Liquidated Damages
- Wear & Tear
- War
- Nuclear Contamination
- Mysterious Disappearance
- Pollution
- Machinery Breakdown except during Testing
- Terrorism

**Cancellation**

Non-cancellable policy except for non-payment of the premium

**Currency**

All amounts are in Canadian Dollars

**Jurisdiction**

This insurance shall be governed and construed in all respects in accordance with the laws of the Province of British Columbia wherever applicable