

Minimum Insurance Requirements

Applicable for New Construction or Repair and Renewals (including structural repairs) for Projects with a total cost of \$500,000 or more

The following document outlines the types of insurance coverage required to be maintained or cause to be maintained from the date of commencement of the planned construction/planned repair & renovation until the planned work has been fully completed and thereafter, for the entire term of operations of the subject property, with insurance companies acceptable to CMHC. The amount of coverage will be as recommended by an Independent Consultant and agreeable to CMHC. Please note that the Borrower has to maintain all appropriate insurances, as required by CMHC, through insurers licensed to carry on business in the jurisdiction where the project is located, with an A.M. Best Company Inc. financial rating of not less than A- (unless CMHC in its sole and absolute discretion consents to another standard) and is required to submit all such certificates of insurance to CMHC for review.

Insurance – Course of Construction

- ☐ **Builder's Risk:** All risks builder's (including coverage against the perils of earthquake, flood, testing and commissioning Hard and Soft Costs) coverage written on the latest edition of the CCDC approved form for the full replacement cost of the Project, excluding land costs. Such insurance shall:
- Include a soft cost endorsement in an amount of not less than 25% of total Soft Costs;
 - Name **Ontario Aboriginal Housing Support Services Corporation** as **first named insured** thereunder and name all others required to be named under any of the Material Project Documents, including architects, engineers, consultants, contractors, sub-contractors and trades of every tier as additional insureds;
 - Name **CMHC** as **First Priority** mortgagee and **First Priority** loss payee and have attached the standard Insurance Bureau of Canada mortgage clause;
 - Boiler and machinery insurance shall have limits of not less than the replacement value of the equipment forming part of the work. The insurance coverage shall not be less than the insurance provided by a comprehensive boiler and machinery policy;
 - Contain a waiver by the insurer or insurers of all rights of subrogation or indemnity or any other claim to which such insurer or insurers might otherwise be entitled against CMHC; and
 - Otherwise be in such form as CMHC shall require or as required under any of the Material Project Documents;

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- ☐ **Wrap-Up Liability:** Wrap-Up liability insurance written on the latest edition of the CCDC approved form with a minimum combined single limit of liability of not less than **\$25M per** occurrence. Such insurance shall:
 - Name **Ontario Aboriginal Housing Support Services Corporation** as **first named insured** and **CMHC** as an **additional insured** and name all others required to be named under any of the Material Project Documents, including architects, engineers, consultants, contractors, sub-contractors and trades of every tier as additional insureds;
 - Contain a waiver by the insurer of all rights of subrogation or indemnity or any other claim to which the insurer might otherwise be entitled against CMHC and others to whom the Borrower(s) granted such waivers under any of the Material Project Documents;
 - Contain a cross-liability clause and a severability of interests clause; and
 - Otherwise be in such form as CMHC shall require or as required under any of the Material Project Documents.
- ☐ **Worker's Compensation:** Worker's compensation coverage for all employees engaged in the Project in accordance with the statutory requirement of the province or territory in which the Project is located.
- ☐ **Contractors Equipment Insurance:** Contractor's equipment insurance coverage covering equipment used by the Borrower(s) for the performance of the work, coverage is to be on a replacement cost basis or shall be in a form acceptable to CMHC.
- ☐ **Commercial Automobile Insurance:** Commercial Automobile Insurance with limits of not less than **\$5,000,000** combined single limit per accident for bodily injury (including death), statutory accident benefits and property damage per occurrence.
- ☐ **Contractor's Environmental Liability Insurance:** Contractor's environmental liability insurance with a limit of not less than **\$5,000,000** inclusive, providing coverage for, but not limited to bodily injury (including death) and property damage arising out of pollution conditions caused while working at the sites of other, sudden and gradual pollution, on-site and off-site clean-up costs and completed operations. CMHC is to be added as an additional insured and policy shall contain a cross liability clause. If the policy is written on a claims-made basis, coverage must be in place for a period of at least 24 months after the completion or termination of the agreement.
- ☐ **Errors and Omissions Professional Liability Insurance:** Errors and omissions liability (also known as Professional Liability) insurance and maintain it in force throughout the duration of the agreement, in an amount usual for a contract of this nature but for not less than **\$5,000,000** per loss and in the annual aggregate, inclusive of defense costs; if the policy is written on a claims made basis, coverage must be in place for a period of at least 24 months after the completion or termination of the agreement.

Other Conditions

- I. All insurance required to be maintained by the Borrower(s), as mentioned above, shall provide that no cancellation or termination thereof, for any reason whatsoever, shall take effect unless the insurer concerned has given CMHC not less than 30 days prior written notice of such proposed action.
- II. The Borrower(s) shall provide written notice to CMHC forthwith upon learning that an insurer described in this schedule intends to cancel, or intends to make or has made a material change to, any insurance referred to in this schedule.
- III. The Borrower(s) will provide, at CMHC's request, detailed certificates of insurance or a certified copy of the insurance policy for all policies required hereunder to be purchased and maintained by the Borrower(s) in a form acceptable to CMHC.
- IV. It shall be the sole responsibility of the Borrower(s) to decide whether or not any other insurance coverage, in addition to the insurance requirements stipulated herein, is necessary for its own protection or to fulfill its obligations.
- V. CMHC shall be entitled to require the Borrower(s) to maintain coverage of such other risks and perils as CMHC may from time to time consider advisable or desirable and in respect of which insurance coverage may be available.

Note: Insurance coverages mentioned above are standard NHCF program requirement and forms part of the loan agreement along with the details on terms related to proceeds of Insurance.