



# **HSC GROUP INSURANCE PROGRAM GUIDELINES**

For Local Housing and Non-Profit Housing Corporations

2021-2022 POLICY TERM



## Have questions? We're here to help.

As a non-profit focused exclusively on housing, HSC works for the sector – not for an insurance company or a for-profit shareholder. Our goal is simple: to connect housing providers and tenants with expert risk management advice and to ensure that our clients are adequately and cost-effectively covered.

If you have any questions on these guidelines or your insurance coverage, please contact:

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## 1.

## HSC Group Insurance Program

HSC is mandated by the *Housing Services Act* (HSA) to provide and manage a group insurance program for prescribed housing providers. In order to provide this group insurance program, HSC has created a fully owned subsidiary called HSC Insurance Inc., a licensed Ontario insurance brokerage. All activities regulated under Ontario's *Registered Insurance Brokers Act* are undertaken by HSC Insurance Inc. Our goal is to ensure program participants receive the lowest overall cost of risk for their housing portfolios while obtaining superior insurance coverages specifically designed to meet the unique needs of the social housing sector.

The purpose of this guideline is to provide an overview of the HSC Group Insurance Program, its key features and its associated processes, procedures and deadlines.

### Program Structure for 2021-22 Policy Term

The program's structure for 2021/22 will remain similar to the structure that has been in place for the past several years. To best address the needs of providers of varying sizes and to attract and negotiate the best coverage and prices from insurers, the group is divided into two streams. **Stream A** comprises of providers with total insured values under \$100M. **Stream B** comprises of providers with total insured values over \$100M.

The table below outlines common features as well as differences in program attributes.

Program Attribute for 2021/22:	Stream A	Stream B
Alternate Brokers	Available to all providers based on minimum coverage standards and price competitiveness (see section 4)	
Property Claims Trust Fund	Combined Stream A and Stream B Property Claims Trust Fund to control number and dollar amount of claims that are payable by insurer and to finance smaller, more common claims (see section 3)	
Property Claims Trust Fund Thresholds	Pays out insured property claims between provider's individual deductible and \$1M (see section 3)	Pays out insured property claims between provider's individual deductible and \$2.5M
Credits	Property coverage premium credits are available to providers where providers have implemented the following risk mitigation mechanisms: <ul style="list-style-type: none"> <li>• Mandated non-smoking buildings</li> <li>• Mandated tenants insurance and monitoring of tenant insurance</li> <li>• Installation of stove top safety elements installed in every unit within an entire building</li> </ul>	
Customer Service	Face-to-face support via Service Managers; <i>Managing Risky Business</i> communications; additional learning tools and techniques for proactive risk management; education on insurance fundamentals	Customer service and claims management approach that recognizes in-house risk management capacity; face-to-face support via Service Managers; <i>Managing Risky Business</i> communications

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## Program Overview & Key Features

Social housing providers are different from private sector landlords or municipal landlords. As a sector we have residents with different needs and we operate as businesses differently – in the way we are financed, the way we are governed and the rules and regulations we must operate under. The HSC Group Insurance Program offers a comprehensive insurance service that is designed to meet the unique needs of social housing providers in Ontario.

The philosophy behind the program is twofold:

- To ensure that providers have adequate insurance coverage at the best possible price so they are protected when accidents or disasters occur.
- To help providers, and the sector as a whole manage risk. This philosophy is embodied by the key design, processes and principles that govern HSC's group program.

<b>Ensuring adequate coverage at the best possible price</b>	<b>Helping reduce risks</b>
<ul style="list-style-type: none"> <li>• Established core coverages based on the business of social housing</li> <li>• Participants benefit from the power of the group to leverage the best rates possible for the group</li> <li>• Streamed program design based on insured values enables us to attract and negotiate the best coverages and prices from insurers</li> <li>• Utilize a stringent procurement process for the broker, insurer and third-party adjuster</li> <li>• Enable providers to opt for lowest cost coverage that meets minimum coverage standards with a clear and transparent process</li> </ul>	<ul style="list-style-type: none"> <li>• Offer targeted training and support to help our clients reduce future claims based on historical loss information</li> <li>• Support individual participants in identifying and reducing risks via advice available through HSC Insurance Inc., HSC's wholly-owned insurance brokerage</li> <li>• Advocate on behalf of the participants to the Province on the unique needs of social housing providers based on historical loss information and research</li> <li>• Offer optional coverages for providers with additional, business-specific needs</li> </ul>

## Comprehensive Core Coverage: How it protects you

The HSC Group Insurance Program delivers six basic core coverages that are automatically included when we issue your insurance quote. These core coverages represent our minimum coverage standards and are focused on helping protect your building asset and protecting your organization and people when emergencies occur.

Protecting your building asset	Protecting your organization and people
<p><b>Property Insurance:</b> Covers you for damage to, or the loss of your buildings, contents and equipment and the loss of income and extra expenses indirectly resulting from an insured peril such as fire or water damage. Additional insurance is in place to assist tenants with their Additional Living Expenses following insured events.</p> <p><b>Equipment Breakdown Insurance (also called Boiler &amp; Machinery):</b> Covers most equipment breakdowns, including mechanical and electrical systems and those that are under pressure in your building (e.g., boilers, electrical transformers, HVAC systems, fire alarm and security systems and backup generators).</p>	<p><b>Commercial General Liability:</b> Protects you against liability for bodily injury, including death, and third-party property damage arising out of the premises and its operations.</p> <p><b>Umbrella Liability:</b> Protects your assets and future income in addition to your primary policies. Unlike excess insurance, which goes into effect only when <i>all</i> underlying policies are totally exhausted, umbrella liability is able to "drop down" to fill coverage gaps in underlying policies.</p> <p><b>Comprehensive Crime:</b> Provides coverage for employee dishonesty, forgery or alteration, computer fraud, funds transfer fraud, kidnapping, ransom or extortion, money and securities, money orders and counterfeit currency.</p> <p><b>Directors' &amp; Officers' Liability:</b> Provides coverage for corporate directors and officers against claims for financial loss arising from any alleged wrongful act in directing the business of a corporation. It covers the associated legal, accounting, adjusting and investigation expenses, compensatory damages and punitive or exemplary damages.</p>

In addition to these core coverages, HSC also offer a full suite of optional coverages to meet specialized needs. A listing of these is included in **Appendix A**.

## Property Claims Trust Fund: How it works and its benefits to you

Since the 2011/12 policy term, HSC has incorporated a Property Claims Trust Fund into its program design. The Property Claims Trust Fund works like a group deductible to pay the expected level of property insured claims. Insurers only pay for (i) larger catastrophic property insured claims in excess of the per claim limit (\$1M for Stream A and \$2.5M for Stream B); and (ii) all further claims in the event that the Property Claims Trust Fund is fully depleted during the policy term.

There are many benefits to having a Property Claims Trust Fund:

- Mitigates overall cost of risk of the group program by funding the smaller, more common claims
- Transfers the cost of insuring and funding the larger unexpected claims to the insurer

- Reports can be generated from loss data, providing members with information regarding claim frequency and type that may guide and support risk control
- Enables targeted risk management support for the type of claims that are most common in the program

By gaining a better understanding of the types of claims and working with providers to develop risk management strategies, there is an opportunity to reduce claims and thereby create a surplus that remains with the group, not the insurance company.

The Property Claims Trust Fund relates only to the property insurance component of your insurance. A portion of your property premium is paid directly to the Property Claims Trust Fund. Your premium invoice will identify your Property Claims Trust Fund contribution amount. Contributions into the Property Claims Trust Fund are held in trust by HSC and used by the adjusters to pay claims.

The amount of the Property Claims Trust Fund is determined annually by the insurer based on projected claims for the upcoming policy term considering the claims history of the program and greater insurance industry trends and benchmarks. The program broker negotiates with the insurer on behalf of the providers to identify a Property Claims Trust Fund amount that provides the most competitive program premiums for providers. Generally speaking, the aggregate Fund amount will be an amount that is projected to cover the majority of expected claims during the policy term, resulting in a lower premium charged by the insurer for excess coverage.

Funds in the Property Claims Trust Fund are held in an interest-bearing account and all interest earned is credited to the Fund's balance. Funds for each policy term are held separately. The Property Claims Trust Fund is used exclusively to pay for insured property claims occurring during the applicable policy period.

In the event that there is a surplus in the Property Claims Trust Fund at the end of the policy year and once all claims from that year have been closed off, surplus funds will be used for the benefit of the group through one or more of the following ways:

- Credits made available to all members during the applicable policy term who have continued to be members to the present date, uninterrupted
- Credits made available to all members during the applicable policy term who have continued to be members to the present date, uninterrupted, and who did not make a claim during the applicable policy year
- Retention to increase the size of the Property Claims Trust Fund or offset premium increases in subsequent years in the event of hardening insurance market conditions
- Retention to offset the impacts of extreme and out of the ordinary claims in subsequent years
- Such other use as is determined to be in the best interests of the group, in consultation with the sector-led Insurance Reference Group

Decisions regarding the use of Property Claims Trust Fund surpluses are made by HSC in the best interests of the group. The Insurance Reference Group will be consulted prior to any decision regarding the use of a surplus.

HSC periodically provides updates on the status of the Property Claims Trust Fund via its quarterly program communication, *Managing Risky Business*. In addition, the Program's Insurance Reference Group monitors the Property Claims Trust Fund and provides advice and support to HSC on developing risk management strategies to best utilize the Fund.



If you have any questions on the Property Claims Trust Fund, please contact HSC at [insurance@hscorp.ca](mailto:insurance@hscorp.ca).

## Insurance Reference Group

The Insurance Reference Group is an advisory committee made up of member representatives (including Service Managers and housing providers of different sizes) and risk management experts. The Insurance Reference Group works to continually improve the quality of the HSC Group Insurance Program by providing focused feedback based on the experiences of clients. The Group meets at least twice per year and provides advice, recommendations and insights to HSC related to the following:

- The Property Claims Trust Fund (i.e., operating rules, structure and surpluses)
- Proposed changes to the HSC Group Insurance Program and related policies
- Marketing and communications strategies

Members of the Insurance Reference Group are appointed by HSC for a 3-year term and are eligible for reappointment. A list of [current members](#) can be found on HSC's website. In carrying out its duties, the Insurance Reference Group is supported by HSC staff, as necessary.

## Competitive Procurement: How we obtain competitive rates and adequate coverage for you

To ensure that we can secure the coverages that housing providers need and our insurance rates are as affordable and competitive as possible, HSC conducts a competitive procurement process on behalf of program participants. We follow a stringent procurement process and regularly tender each component of the group insurance program in the insurance marketplace.

- **Broker and Adjuster:** HSC issues a public Request for Proposal (RFP) for a program broker and a third-party claims adjuster every five years.
- **Insurers and Premiums:** HSC's program broker (currently Marsh Canada) and HSC meet with insurers annually, review risk initiatives and claims and negotiate ratings and premiums for the program. Premium pricing is then applied based on the settled premium allocation model.

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## Renewals Process and Timelines

At the start of the renewal process, you will receive from Marsh an electronic summary of the most up-to-date information that we have on file for you. You will be asked to review this information and update Marsh regarding any changes.

Submitting up-to-date information each year allows the program broker to form a clear understanding of the risks facing your buildings and the 'exposures' in question – that is, the specific buildings and organization that will be covered. It is also critical for the program broker to know if you have bought or sold properties in the last year as this will impact your insurance coverage. The complete information on file for you is what is used to determine your premium for the next year.

It is essential that you update your information, even if you plan on getting a quote from an alternate broker. This helps HSC compare coverage and improve our program. It also helps us understand and provide advice to the Province and Service Managers on broader trends in the sector. If you intend to obtain a quote from an alternate broker, we recommend that you contact them at the same time as you are completing the HSC renewal process. Alternate broker quotes will need to reflect the program's minimum coverage standards in order to be eligible (see **Appendix B**). Therefore, you should provide the alternate broker with the program minimum coverage standards for their use in generating their quote.

**Help us help you get the best insurance rates and ensure you are adequately protected.**

- Review the summary of information on file when you receive it
- Ensure that your data is correct as it will be used to determine your premium
- Notify Marshy of any changes to your data before the deadline for updates (typically mid-July)

## Alternate Broker Renewal Process & Timelines

If your renewal date is **November 1, 2021**, then please use the following timelines:

May	July	September	October	November 1 <sup>st</sup>
<ul style="list-style-type: none"> <li>Renewal packages sent to providers for update</li> <li>Providers send information to alternate broker if they wish to seek an alternate quote</li> </ul>	<ul style="list-style-type: none"> <li>Renewal information updates due by <b>July 9, 2021</b></li> <li>Broker begins to solicit quotes from insurance marketplace for both streams</li> </ul>	<ul style="list-style-type: none"> <li>Program renewal sent to providers by <b>September 24, 2021</b></li> <li>If provider wishes to submit an alternate broker quote to HSC, we must receive it by <b>September 24, 2021</b></li> </ul>	<ul style="list-style-type: none"> <li>If a provider wishes to use an alternate broker, they must submit an Alternate Broker Coverage Form by <b>October 15, 2021</b></li> </ul> <p>LHCs must also submit an LHC form (Service Manager waiver) by <b>October 15, 2021</b></p>	<ul style="list-style-type: none"> <li>Insurance Renewal – Coverage Commences</li> </ul>

Forms are available on our “Alternate Broker Package” webpage: <http://www.hscorp.ca/our-programs-and-services/forms-and-policies/alternate-broker-renewal-process-timelines-renewal-date-november-1/>

If your renewal date is **not** November 1, 2021 then please use the following timelines:

May	2 Months Before Renewal Date	35 Days Before Renewal	14 Days Before Renewal	Renewal Date
<ul style="list-style-type: none"> <li>Renewal packages sent to providers for update</li> <li>Providers send information to alternate broker if they wish to seek an alternate quote</li> </ul>	<ul style="list-style-type: none"> <li>Renewal information updates due 2 months prior to renewal date</li> <li>Broker begins to solicit quotes from insurance marketplace for both streams</li> </ul>	<ul style="list-style-type: none"> <li>Program premium quote sent to providers <b>35 days prior to renewal date</b></li> <li>If provider wishes to submit an alternate broker quote to HSC, we must receive it <b>35 days prior</b> to renewal date</li> </ul>	<ul style="list-style-type: none"> <li>If a provider wishes to use an alternate broker, they must submit an Alternate Broker Coverage Form</li> <li>LHCs must also submit an LHC form (Service Manager waiver)</li> </ul>	<ul style="list-style-type: none"> <li>Insurance Renewal – Coverage Commences</li> </ul>

Forms for providers with renewal dates that are not November 1, 2021 are available at this link: <https://hscorp.ca/services/insurance/forms-policies/#alternate-broker> .

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## 2021-2022 Alternate Broker Process

HSC's alternate broker process ensures that you get the insurance you need at the lowest cost:

- Prescribed providers have the option to solicit and pursue a quote from an alternate broker
- Providers may bind coverage with an alternate broker where the broker offers equivalent coverage to those included in the HSC quote at a lower price
- You will be automatically bound with the group program unless you submit notification of an alternate broker through the submission of the **Alternate Broker Coverage Form** as noted below.

### Minimum Coverage Standards

HSC sets minimum coverage standards for the program on an annual basis. These standards have been developed to ensure that providers have adequate coverage to protect their assets. In cases where a provider wishes to use an alternate broker, it will be necessary for them to ensure that the alternate broker confirms that the insurance coverage they are providing meets these minimum standards (see **Appendix B**). When soliciting an alternate broker quote, please ensure that you provide the broker with these minimum standards.

### Alternate Broker Process

The following process must be followed if you wish to purchase your insurance coverage through an alternate broker.

If you are obtaining a quote, provide the alternate broker with HSC's Coverage Checklist. Review this checklist with the alternate broker to ensure that the alternate broker is providing equal or better coverage to you. Please ensure that the values reported to the alternate broker are the same values as those reported to the program broker so that an accurate comparison can be made.

At least 35 days prior to renewal or initial purchase of coverage you must submit a copy of the quote from the alternate broker to HSC.

If you have been offered equivalent coverage at a lower price and have decided to bind coverage with the alternate broker, these additional documents must be sent to HSC at least 14 days before your scheduled renewal (for a November 1, 2021 renewal, these documents are due by October 15, 2021):

- **A completed Alternate Broker Coverage Form:** This form contains a Statement of Terms and Fees that will help us ensure that the alternate broker has provided a lower price for equal or

better coverage and obligates the alternate broker to forward the provider's claims history. It also confirms your alternate broker did their due diligence in explaining the coverage they are offering.

- **(For LHCs only) A completed LHC Form:** This form confirms the agreement for the LHC to obtain coverage from an alternate broker from either the LHC's CEO/Executive Director or the Service Manager.

The Coverage Checklist and required forms are available on our "Alternate Broker Package" webpage: <https://hscorp.ca/services/insurance/forms-policies/#alternate-broker>

## Claim Information

HSC needs to maintain accurate and complete data on all prescribed providers and to monitor insurance trends in order to provide helpful sector advice and guidance to the Province. Therefore, providers who use an alternate broker are also required to provide HSC with annual claims experience in order that HSC may maintain accurate and complete data on the claims history of prescribed providers. This information must include:

- Type of Claim
- Insurance Line of Business
- Date
- Total Incurred Cost
- Deductible

As part of HSC's alternate broker process, the alternate you choose is required to provide this information to HSC on a regular basis.

## Where Alternate Broker Quote is More Expensive

HSC is committed to ensuring that providers have adequate coverage at the lowest rates. If upon reviewing the alternate quote HSC finds that the coverage is not equivalent or is more expensive than the quote by the program broker:

- HSC will inform the provider in writing that they are required to bind their coverage with the program broker and will be expected to provide binding instructions to the program broker, with a copy to HSC. Copies of this correspondence will also be sent to the relevant Service Manager for their information.

## Administration Fee

- An administration fee is only applicable where a provider binds coverage with an alternate broker.
- The fee is 2.5% of the total premium for the HSC identified core coverages.
- This fee is purely administrative and supports the legislated role that HSC plays in establishing

and managing the group insurance program.

- When reviewing quotes from an alternate broker, the comparison should be premium to premium, however **providers should recognize that they will have to pay the 2.5% administration fee.**
- The alternate broker will be required to include this fee as a separate line in their quote and remit the fee to HSC once the provider has paid their invoice.
- Services covered by the fee include:
  - Publicly procuring the program broker, third-party claims adjuster and program insurer
  - Negotiating on behalf of program participants in the insurance marketplace
  - Setting minimum coverage limits to ensure that all providers are adequately protected
  - Maintaining building and claims data for all prescribed providers
  - Providing customer service, risk management support and working to improve the risk profile of Ontario's social housing sector

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## Changing Insurer Mid-Term

HSC recognizes that there may be extenuating circumstances that could lead a provider to change its insurer mid-way through the insurance term. Where this is the case, providers are asked to submit a written request to [insurance@hscorp.ca](mailto:insurance@hscorp.ca) at least 30 days before they wish to leave the program stating their reason. HSC will then be in touch with the provider to process this request.

Providers will receive a net refund of their premium as follows:

- **Total premium pro-rated for the number of months that they were in the program,**
- **less the portion of the premium that went into the Property Claims Trust Fund,**
- **less the short-rate cancellation penalty (see below)**

**HSC is unable to return the portion of the premium that went into the Property Claims Trust Fund.**

**The short-rate cancellation penalty relates to the costs associated with cancelling the contract prior to its normal expiry. Mid-term cancellations involve additional administration because most of the work done to bind insurance is completed at the beginning of the term – such as underwriting, premium calculations and document issuance. This penalty is calculated based on standardized rates established in an insurance industry cancellation wheel and applied according to where you are in your insurance term.**

# Appendix A

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## Optional Coverage

**Accident Coverage for Board Members and Volunteers:** Coverage for accidental death and dismemberment.

**Automobile Insurance:** Basic and optional coverage for vehicle loss or damage and third-party liability coverage.

**Abuse Insurance:** Protects against liability due to physical abuse/neglect, emotional abuse, sexual abuse/harassment or exploitation.

**Builders' Risk Insurance:** Covers construction, renovation, installation, repair, scaffolding, hoarding, excavation, landscaping and site problems that are beyond the scope of the Builders' Risk Insurance already included in your core coverage up to \$5 million. If your renovation or new construction project will go over \$5 million, you may wish to purchase this additional coverage.

**Cyber Fraud Insurance:** This insurance protects you from losses resulting from your activity of communicating and conducting business online.

**Excess Property and Excess Liability Insurance:** Provides coverage in excess of the primary property or umbrella liability limits described in the underlying insurance limits of coverage.

**Garage Keepers' Legal Liability Insurance:** Protects garage keepers against liability for damage caused by specified perils to vehicles in their care and control.

**Miscellaneous Errors and Omissions:** Covers the activities of nurses, social workers, family counsellors, massage therapists and physiotherapists.

**Property Managers' Errors and Omissions:** Covers property management services that are performed for another housing provider for a fee.

**Storage Tank Third-Party Liability and Clean-up:** Protects owners and/or operators of aboveground and underground fuel and oil storage tank systems against claims should the tanks cause environmental contamination. Also pays for the cleanup of your own property.

**Well Water Coverage:** The Ontario *Safe Drinking Water Act, 2002* imposes strict requirements on providers to test and treat tenants' water. Well water liability coverage protects you against claims made by a third party as a result of inadequate testing, whether it is done by you or by a company you hire.



# Appendix B

## HSC Minimum Coverage Standards

Please note that the coverage details, limits and deductibles outlined here are from the 2020-21 term and should only be used for general direction. This information will be updated to reflect the underwriter terms for 2021-22 as soon as they become available. In addition, there are places where specific values are not identified. Values will depend on your insured values and the coverage choices you decide to make. If you're uncertain about your insured values or coverage needs, contact HSC for advice.

<b>PROPERTY INSURANCE (AND BUSINESS INTERRUPTION) – Mandatory Coverage</b> If your buildings and boiler & machinery equipment are covered under a separate insurance program such as Condominium Insurance, you only need to purchase property insurance for all your contents and loss of income.	
<b>TYPE OF COVERAGE</b>	<b>DETAILS, LIMITS AND DEDUCTIBLES</b>
Property of Every Description including Office Contents	<b>LIMIT OF INSURANCE</b> Buildings: Contents:
Covered Perils	ALL RISKS including flood and earthquake
Sewer Backup Deductibles Basic Deductible: \$5,000 each loss (Various deductible options to choose from for losses other than earthquake and flood)	Included – No Sub-limit EARTHQUAKE: 3% or \$50,000 (the greater) for properties valued < \$3,000,000; 3% or \$100,000 (the greater) for properties valued ≥\$3,000,000  With respect to CRESTA Zones (Ottawa, Kingston, Cornwall, Hawkesbury area): 5% or \$250,000 for all other properties FLOOD: \$25,000 each loss SEWER BACKUP: \$5,000 each loss or other deductible, Specify: \$ ALL OTHER LOSSES: Basic deductible: \$5,000 Other deductible, specify: \$  <b>Note:</b> CRESTA zones are based on the observed and expected seismic activity, as well as on other natural disasters, such as droughts, floods and storms. See <a href="http://www.cresta.org">www.cresta.org</a> for more information
Gross Rentals: Actual Loss Sustained 12 months or 24 months (insured values and indemnity period)	Indemnity Period:
Contingent Gross Rentals: (Loss caused by interruption of utility services due to a covered loss at their facilities except for damage to off-premises transmission or distribution lines)	Included – No Sub-limit
Delayed Rentals: due to covered loss at property in course of construction, or property the insured plans to acquire.	Included – No Sub-limit

Revenues (other than housing rental income): Actual Loss Sustained	Limit:
Extra Expense	Included – No Sub-limit
Contingent Extra Expense: (Loss caused by interruption of utility services due to a covered loss at their facilities except for damage to off-premises transmission or distribution lines)	Included – No Sub-limit
Basis of Loss Settlement	Full Replacement Cost on the same site or on another site without any co-insurance provision or penalty
Automatic Coverage for newly acquired properties	Where the value of the newly acquired property exceeds \$1,000,000. coverage is provided, subject to Insured reporting to the insurer within 120 days of acquisition, and is limited to \$10,000,000
By-Laws Coverage: including cost of demolition and increased cost of construction	Included – No Sub-limit
Additional time required due to By-laws	Included – No Sub-limit
Fire Department Service Charges and Fire Fighting Expenses: including fire extinguishing materials, municipal or private fire department charges and other firefighting expenses	Included – No Sub-limit
Professional and Auditors Fees	Sub-limit: \$5,000,000
Expediting Expenses	Included – No Sub-limit
Fine Arts	Included – No Sub-limit
Valuable Papers and Records	Included – No Sub-limit
Accounts Receivable	Sub-limit: \$5,000,000
Personal Effects	Sub-limits: \$5,000 per employee/ \$25,000 per occurrence
Blanket Glass: Interior and Exterior	Included – No Sub-limit
Signs: Attached and Freestanding	Included – No Sub-limit
Electronic Data Processing: EDP Equipment, EDP Media & EDP Breakdown	Sub-limit: \$250,000
Property in Transit	Included – No Sub-limit
Debris Removal: includes removal of debris of property not covered under policy (i.e., property blown by windstorm upon a location)	Included – No Sub-limit
Service Interruption (Physical Damage): Loss caused by interruption of utility services due to a covered loss at their facilities except for damage to off-premises transmission or distribution lines	Included – No Sub-limit
Defence Costs: for claims or suits related to loss or damage to property of others in the custody of the Insured	Included – No Sub-limit
Consequential loss: as a result of an insured peril	Included – No Sub-limit

Ingress and Egress Coverage: when ingress to or egress from the insured's premises is prevented or impaired as a result of a covered peril	4-week limitation
Interruption by Civil Authority: to retard or prevent a conflagration or other catastrophe or a result of a covered peril	4-week limitation
Vacancy	Cease operations in, and for any individual "buildings" to remain vacant for 180 days. If vacancy exceeds 180 days, coverage converts to Named Perils only and basis of loss settlement is on Wreckage Value;
Notice of Cancellation or Non-Renewal	<b>90 days</b>
Additional Living Expenses	Sub-limit: \$10,000 per unit to a maximum of \$1,000,000 per occurrence incurred by tenants while repairs are being made as a result of an insured peril
First Party Pollution Clean-Up – Land & Water	Sub-limit \$1,000,000
Automatic Builders' Risk coverage: for routine repair and renovation work	Sub-limit: \$5,000,000
Builders' Risk for Property in Course of Major Construction or Renovation: must be reported and rated individually	Available if required
Joint Loss Agreement: with Boiler and Machinery Insurer	Included
Salvage and Sue and Labour: Insurer's pro rata contribution	Included
Limited Fungi and Spores Coverage	Sub-limit \$250,000
Immediate Repairs Permission	Included
Unintentional Errors and Omissions: "Failure of the Insured to disclose all hazards existing as of the inception date of the Policy, or improper, or inaccurate, or wrong descriptions of premises, products, contracts or otherwise shall not invalidate or in any way affect the coverage afforded by this Policy provided such failure or any error or omission was not intentional and notice is given to the Broker, for transmission to the Insurer(s) as soon as such error or omission comes to the knowledge of the Insured."	Sub-limit: \$5,000,000
Liberalization Clause	Included
Business Interruption	Actual Loss Sustained and Extra Expense resulting from an order by a Civil or Military Authority restricts or prohibits partial or total access to an insured location
Terrorism Exclusion	Loss or Damage by Fire, Basis of Loss Settlement will be Actual Cash Value

Green Building Upgrade Extension	25% of the value of loss to a maximum of \$2,500,000 to rebuild/replace with upgrade to "Green" alternatives.
Pre-Existing Green Building Extension	Additional costs and expenses, including "Green" certified Consultants required to maintain or re-attain the same pre-loss "Green Building" designation

**EQUIPMENT BREAKDOWN (Boiler & Machinery) – Mandatory Coverage for Housing Providers that have Boiler and Machinery Equipment** If your buildings and boiler & machinery equipment are covered under a separate insurance program such as the Condominium Insurance, you only need to purchase property insurance for all your contents and loss of income.

TYPE OF COVERAGE	DETAILS, LIMITS AND DEDUCTIBLES
Combined Limit per Accident (Property Damage/Business Interruption/Extra Expense)	Limit: \$50,000,000 per accident
Deductibles	Direct Damage:  Spoilage: \$1,000  Gross Rents & Extra Expense: 24-hour waiting period
Extra Expense	Included
Coinsurance	Nil
Perils Insured	Sudden and accidental breakdown of all boilers, pressure vessels, electrical and mechanical equipment plus production machines and electronic equipment
Basis of Loss Settlement	Direct Damage – Repair or Replacement including By-Laws (Demolition and Increased Cost of Construction due to By-laws)
Replacement cost if damaged property is repaired or replaced within 24 months after the date of the Accident	Number of months: 24
Broad definition of "Accident"	Included
Broad definition of "Object"	Included
Expediting Expenses	Included
Ammonia Contamination	Sub-limit: up to \$1,000,000 (no charge)
Water Damage from Refrigerating Systems	Sub-limit: up to \$1,000,000 (no charge)
Hazardous Substance	Sub-limit: up to \$1,000,000 (no charge)
Spoilage	Sub-limit: \$50,000
Data and Media Restoration	Sub-limit: \$50,000
Demolition and Increased Cost of Construction due to By-laws	Included – No Sub-limit
Contingent Loss caused by Service Interruption – All Utilities	Included – No Sub-limit

Professional fees	Included – No Sub-limit
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<b>COMPREHENSIVE CRIME INSURANCE – Mandatory Coverage</b>	
<b>TYPE OF COVERAGE</b>	<b>DETAILS, LIMITS AND DEDUCTIBLES</b>
Employee Dishonesty	Limit: \$250,000
Inside Money & Securities	Limit: \$25,000 Loss of Cheques: \$50,000
Outside Money & Securities	Limit: \$25,000 Loss of Cheques: \$50,000
Third Party Computer Theft, Fund Transfer, or Toll Fraud	Limit: \$ \$250,000
Money Order and Counterfeit Currency	Limit: \$25,000
Depositor's Forgery	Limit: \$250,000
Employee extended to include non-compensated directors and officers, volunteers, students, independent property managers while working on behalf of the insured	Included
Named Insured includes any Employee Benefit Plan or Trust sponsored by the Insured (subject to information being provided on application form). Employee includes any natural person while in the service of any Employee Benefit Plan as fiduciary, trustee, administrator, officer or employee and any other natural person required to be bonded by law.	Included
Ex-Employees	30 days
Loss caused by unidentifiable employees	Included
Cancellation or Non-Renewal	90 days
Discovery Clause	Included – 2 years
Audit Expenses	Sub-limit: \$25,000
Prior Fraud (Employee)	Tolerance level: \$25,000
Third-Party Theft	Sub-limit: \$25,000
Consolidation Merger Acquisition – Automatic coverage if total assets of newly acquired subsidiary is 10% or less of total assets (report within 60 days)	Included
Definition of "Employee" states that "Employee of one Named Insured shall be considered an employee of any other Named Insured"	Included

<p><b>COMPREHENSIVE GENERAL LIABILITY (CGL) – Mandatory Coverage Minimum Required Limits: \$2,000,000 (HSC Program offers CGL coverage of \$2,000,000 and Umbrella coverage of an additional \$3,000,000 for a total liability limit of \$5,000,000. Excess Liability of up to \$20,000,000, for a total of \$25,000,000 is available on an individual basis.)</b></p> <p><b>Applicant:</b> The minimum limits of \$2,000,000 may only suit the very small organizations with small detached buildings and low-risk activities or operations. Please consult with HSC and alternate brokers (if applicable) to select the appropriate limits of liability for your organization.</p>	
<b>LIMITS OF LIABILITY</b>	<b>LIMITS OF LIABILITY</b>
Bodily Injury and Property Damage	Limits: \$2,000,000 per occurrence
Products & Completed Operations	Limit & Aggregate \$2,000,000
Employee Benefits Liability	Sub-limits: \$2,000,000
Non-Owned Automobile Liability excluding long-term leased vehicle (SEF #99)	Sub-limit: \$2,000,000
SEF #94, Damage to Hired Vehicles	Sub-limit: \$75,000 Deductible: \$1,000
Advertisers' Liability	Sub-limit: \$2,000,000
Tenants' Legal Liability	Sub-limit: \$2,000,000 Coverage: All Risks
Forest Fire Fighting Expenses	Sub-limit: \$2,000,000
Sudden and Accidental Pollution Coverage	Time Element Pollution – 240 hours Discovery / 240 hours Reporting
Elevator Collision	Sub-limit: \$2,000,000
<b>Deductible</b>	<b>DEDUCTIBLE:</b> Basic Deductible: \$5,000 per loss or other deductible; Specify:
<b>Annual General Aggregate</b>	\$15,000,000 or \$30,000,000 Specify
Occurrence Basis	Included
Broad Form Property Damage	Included
Owners' & Contractors' Protective Liability	Included
Intentional Injury to Protect Persons and/or Property	Included
Employers' Liability	Included
Defence Costs	<u>EXCLUSIVE OF DEDUCTIBLE</u>
Broad Definition of "Insured"	"Insured" includes: -The Named Insured; -Any partner, officer, director, trustee, volunteer, committee member, employee spouse or shareholder or any other person while acting on behalf of the Insured and any partner or former partner with respect to liability arising out of the partnership or former partnership; -Each person, firm, corporation or government body for whom the Named Insured has contracted to provide insurance and mortgagee but only with respect to liability which arises out of the operations of the Named Insured; - Owners of property leased to the Named Insured

	where the terms of the agreement require the Named Insured to provide insurance on behalf of the owner, but only with respect to liability which arises out of the occupancy by the Named Insured of such property; -Any social or recreational association or club operated for the benefit of the Named Insured's staff and residents and their families and any members while participating in their organized activities; -Any person or firm acting as your real estate manager –Where working arrangements or joint ventures have been made by the Insured with other firms, corporations or individuals, the Insured shall be protected within the terms of this policy for any claim made against the Insured arising directly or indirectly from such arrangements or joint ventures.
Cross Liability	Included
Severability of Interests	Included
Blanket Contractual Liability	Included
Physical and Sexual Abuse (physical abuse, physical neglect, emotional abuse, sexual abuse, molestation, sexual harassment and sexual exploitation) Please note: this extension of coverage is optional and is subject to the completion of the "Abuse Protocol Application" and approval by your insurance carrier.	Limit & Aggregate \$2,000,000
Medical Payment	Limit \$2,000,000
Contingent Incidental Medical Malpractice	Included
Bodily Injury Definition	Includes bodily injury, shock, mental anguish, mental injury, sickness or disease sustained by a person, including incidental medical malpractice Injury.
Notice of Cancellation or Non-Renewal	90 days
Non-Owned Watercraft	Maximum 8 metres
Restricted Worldwide Territory	Included
Unintentional Errors and Omissions Clause: "Failure of the Insured to disclose all hazards existing as of the inception date of the policy, or improper, or inaccurate, or wrong descriptions of premises, products, contracts or otherwise shall not invalidate or in any way affect the coverage afforded by this policy provided such failure or any error or omission is not intentional."	Included
Pesticide Spray Liability	Limit: \$1,000,000

Non-Municipal Water Supply Testing Liability	Any one Accident or Occurrence \$100,000 Annual Aggregate \$250,000
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**UMBRELLA LIABILITY – For providers that need a total liability limit of \$5,000,000 Minimum Required Limits: \$2,000,000**

Applicant: The Umbrella Liability Policy offers several advantages over a straight Comprehensive General Liability (CGL) Policy. It provides the following protection:

- 1) Catastrophic loss protection over various liability policies such as CGL, employers' liability, automobile liability, watercraft & E&O
- 2) Drop down coverage to replace an underlying policy where limits are exhausted by claim payments
- 3) First dollar protection for losses not covered by underlying policies and not excluded in the Umbrella policy

TYPE OF COVERAGE	DETAILS, LIMITS AND DEDUCTIBLES
Umbrella Liability	Limits: \$3,000,000 per occurrence \$3,000,000; annual aggregate where applicable
Self-Insured Retention (SIR)	\$10,000 each occurrence (for claims excluded by underlying policies but covered by Umbrella)
Follow-Form Personal and Real Property	Included
Follow-Form Automobile and Non-Owned Automobile	Included
Follow-Form Blanket Contractual Liability	Included
Follow-Form Employee Benefits	
Pollution Exclusion except for Hostile Fire	Included
Follow-Form Restricted Worldwide Territory	Included
Non-Owned Aircraft and Watercraft Liability	Included
Where coverage is more restrictive in the Umbrella, the primary wording will apply unless specifically excluded on the Umbrella.	Included

**DIRECTORS' & OFFICERS' LIABILITY – Mandatory Coverage Minimum Required Limits: \$2,000,000**

Applicant: Consult with HSC and alternate brokers (if applicable) to select suitable limits of liability for your organization and your directors and officers

TYPE OF COVERAGE	DETAILS, LIMITS AND DEDUCTIBLES
LIMITS OF LIABILITY (\$2,000,000 with optional limits of \$3,000,000, \$5,000,000 and \$10,000,000)	D&O LIMITS OF LIABILITY Specify limits per claim and annual aggregate: Entity Coverage  Deductible: NIL
Pay on behalf of D&O and Corporation	Included
Defence costs	Inclusive in limits
D&O Coverage for wrongful act and statutory liability	Included
Entity Coverage for wrongful act, and loss/costs where permitted by law to indemnify the D&O	Included
Full prior acts	Included



Duty to defend even if groundless, false or fraudulent	Included
Insured includes past, present and future directors, officers, trustees, employees, volunteers and committee members – spouses covered only if named as a co-defendant in a claim against an insured.	Included
Automatic coverage of newly elected or appointed Directors and Officers	Included
Fiduciary Liability	Included
Limited Outside Directorship at the request of the Corporation subject to request and underwriting	Specify:
Joint Loss Agreement	Included
Personal Defence Costs – covers penal defence if charges are laid in Canada and if defence fully succeeds	Sub-limit: \$500,000 (included in the policy limit)
Extended Reporting Period	12 months for a sliding scale charge from 50% to 20% of the expiry premium, if purchased following the first to the fourth year or subsequent consecutive policy issued by the Insurer.
Notice of Cancellation	90 days
Punitive Damages	Included

**EMPLOYMENT PRACTISE LIABILITY INSURANCE (EPLI) – Highly Recommended coverage  
Stand-alone policy or as part of Directors’ & Officers’ Policy**

**Applicant:** EPLI protects your organization against the rapidly emerging employment-related lawsuits. EPLI policies typically cover “wrongful acts” that include dismissal, breach of employment contracts, violation of employment discrimination laws, failure to employ or promote, negligent evaluation, invasion of privacy and infliction of emotional distress.

Organizations of all sizes are increasingly faces with EPL lawsuits. This coverage is not a Required Coverage but is highly recommended to protect your organization from potential employee lawsuits and high defense costs. If EPLI is provided as an extension of the D&O policy, both the D&O and EPLI coverages will share the same annual aggregate limit of availability.

<b>LIMITS OF LIABILITY</b> Provided as part of the D&O Policy	Included in the D&O Policy
Coverage:	Discrimination (age, race, religion, sex) Sexual Harassment Wrongful Termination Failure to Employ/Promote Breach of Employment Contract Wrongful Discipline Equal Pay Violations Deprivation of Career Opportunity Negligent Evaluation Invasion of Privacy Defamation Wrongful Infliction of Emotional Distress Retaliation Misrepresentation

## Mandatory Coverages, where applicable

<p><b>EXCESS LIABILITY – For housing providers seeking limits &gt; \$5,000,000 up to \$20,000,000</b> Excess Liability can be secured via a straight excess of CGL policy, an Umbrella policy or via a stand-alone Excess policy. Under the HSC program Excess Liability coverage is offered on a stand-alone basis through Marsh over the Umbrella coverage.</p>	
TYPE OF COVERAGE	DETAILS, LIMITS AND DEDUCTIBLES
EXCESS LIABILITY Limits in excess of Primary and Umbrella insurance can be purchased through Marsh subject to completion of application form.	Limits:
Coverage	Follow-form Umbrella

<p><b>PROPERTY MANAGERS’ ERRORS AND OMISSIONS and MISCELLANEOUS ERRORS AND OMISSIONS LIABILITY INCLUDING MEDICAL MALPRACTISE LIABILITY (excluding physicians, psychiatrists and nurses) – Mandatory where applicable.</b> Applicant: “Where applicable” means that the housing provider (or a third-party on its behalf) offers the applicable services to others such as property management, counselling, social work, education, medical care, personal care, day care, food catering, etc. This does not include the services provided by others through working arrangements. The General Liability coverage protects you from bodily injury and property damage losses suffered by others resulting from an accident. The Professional Liability or Errors and Omissions Liability coverage protects you from financial or economic losses and also injury suffered by others (without the presence of an accident) caused by your error or omission in performing or failing to perform your professional duties. This coverage can be offered within the CGL policy or as a stand-alone policy. Under the HSC program, E&amp;O and Professional Liability coverages are offered on a stand-alone policy basis.</p>	
<p><b>PROPERTY MANAGERS’ ERRORS AND OMISSIONS – This coverage is required for Providers who perform property management activities for third parties.</b></p>	
TYPE OF COVERAGE	DETAILS, LIMITS AND DEDUCTABLES
LIMITS OF LIABILITY Limits in excess of \$2,000,000 can be purchased through Marsh. Deductible options from \$1,000 to \$10,000	LIMITS OF LIABILITY \$2,000,000 any one claim; \$2,000,000 annual aggregate Basic Deductible: \$1,000 or Other, specify \$
Basis of Insurance	Claims-made
Retroactive Date (subject to underwriting and agreement by the Insurer)	Specify:
Provision for Optional Discovery Coverage	One year; subject to additional premium
Duty to defend and pay-on behalf of the Insured	Included
Defence costs	Inside the limits of liability

<p>Broad Named Insured including any current or former partner, executive officer, or director, employees or independent contractors of the Named Insured solely while providing Professional Services on behalf of the Named Insured, and any heirs, executors, administrators, assigns and legal representatives in the event of death, incapacity or bankruptcy.</p>	<p>Included</p>
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**MISCELLANEOUS ERRORS AND OMISSIONS LIABILITY INCLUDING MEDICAL MALPRACTISE LIABILITY (excluding physicians, and psychiatrists) – Mandatory where applicable**

<p><b>TYPE OF COVERAGE</b></p>	<p><b>DETAILS, LIMITS AND DEDUCTIBLES</b></p>
<p>LIMITS OF LIABILITY Limits in excess of \$2,000,000 can be purchased through Marsh. Deductibles options from \$1,000 to \$10,000</p>	<p>LIMITS OF LIABILITY \$2,000,000 each claim \$2,000,000 annual aggregate Basic Deductible: \$1,000 or Other Deductible: \$</p>
<p>Basis of insurance:</p>	<p>Claims-made</p>
<p>Definition of Insured:</p>	<p>If you are designated in the Declarations as a partnership or joint venture, you are an insured, including your members, your partners, and their spouses, but only with respect to the conduct of your business, but not in their professional capacity as physicians, and psychiatrists. If you are designated in the Declarations as an organization other than a partnership or joint venture, you are an insured. Each of the following is also an insured but only with respect to their duties in the conduct of your business: executive officers, directors, governors, trustees, administrators and members of the named insured’s Medical Advisory Boards or Committees. Each of the following is also an insured: -Your employees, other than your executive officers, psychiatrists, or physicians, including but not limited to nurses and technicians, but only for acts within the scope of their employment by you; -All volunteer workers, and assistants, and members of hospital auxiliaries, medical, or other, students, medical personnel and technicians while engaged in research for you regardless of the source of remuneration; - Your legal representative if you die, but only with respect to duties as such. –Any organization you newly acquire or form, other than partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a named insured if there is no other similar insurance available to that organization – Grace period of 90 days.</p>
<p>Covered Acts</p>	<p>Means legal liability because bodily injury arising out of the rendering of or failure to render, professional services in the practice of the business described in the Declarations.</p>

Retroactive Date (subject to underwriting and agreement by the Insurer)	Specify:
Provision for Optional Discovery Coverage	One year subject to additional premium
Duty to defend and Pay-on-behalf of the Insured	Included
Defence Costs	Inside the limits of liability
Medical Malpractice	Available where applicable and declared by housing provider.

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## Contact Information

If you have any questions on these guidelines or insurance coverages, please contact:

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