

# ***DIRECTIVE # 2007 - 03***

**Date: September 5, 2007**

*The policies, procedures and service manager requirements in this Directive are to be implemented by all housing providers in the Region of Durham.*

---

## **SUBJECT**

Indemnity and Insurance Coverage

## **BACKGROUND**

Effective February 1, 2002 the Region of Durham, as a designated service manager, assumed responsibility for the administration of social housing programs within Durham. This responsibility included ensuring that the insurance needs of both housing providers and the Region would be met. In 2002, these requirements were originally laid out in Part X – Indemnity and Insurance of the rent geared-to-income Service Agreements signed by both housing providers and the Region.

Effective immediately, minimum mandatory insurance requirements will be issued in the form of Directives and amended from time to time as required by the Region of Durham.

## **ACTION REQUIRED**

Each year, with the submission of audited statements and the Annual Information Return (AIR), housing providers are required to provide proof of current insurance, on a form acceptable to the Region. The proof of insurance must include indemnification of the Region.

The insurance policy must contain specific coverage as required by the Region.

## **POLICY REQUIREMENTS**

The housing provider, at its sole cost and expense, shall acquire and maintain the following forms of insurance on or in respect of the designated project in such amounts and with such deductibles as a prudent owner of a similar building would insure having regard for the designated project's size, age and location:

---

- a) comprehensive general liability insurance including personal injury, broad form contractual liability, owners and contractors protective, contingent employers liability, employers liability, medical payments, completed operations, non-owned automobile liability, all coverages with respect to the designated project and the use of the common areas and facilities, in an amount not less than five million dollars (\$5,000,000.00) for claims arising out of one occurrence;
- b) "all perils" insurance (including flood and earthquake) on the designated project (including the foundations and excavations and other parts of the structure) and the equipment contained in or servicing the designated project, in an amount at least equal to the full replacement cost thereof, insuring all property of the housing provider, property for which the housing provider is legally liable or property installed by or on behalf of the housing provider and the leasehold improvements;
- c) where applicable, broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of all leasehold improvements and contents, and of all boilers, pressure vessels, air-conditioning equipment and miscellaneous apparatus owned or operated by the housing provider or by others on behalf of the housing provider in the designated project;
- d) other forms of insurance as would be carried by a prudent owner of a similar building and exposures.

Such insurance policies shall contain an endorsement to provide the parties with sixty (60) days written notice of cancellation.

The commercial general liability policies shall be in the name of the housing provider and shall name the Region of Durham as an additional insured thereunder.

The housing provider will provide the Region of Durham annually with proof of the required insurance coverage in the form provided (attached as Schedule "A") or as accepted by the Region of Durham.

The housing provider will not change in any material way the coverages provided by the insurance policy, or adjust coverages below those minimum standards and coverages as set out by the Region, and will not do or permit to be done anything which may void the insurance policy.

The housing provider will, both during and following the term of this Agreement, indemnify and save harmless the Region of Durham, its officers, council members, agents, affiliates and employees from and against any and all claims, actions, losses, expenses, costs, demands, suits, complaints and damages of every nature and kind whatsoever that are claimed by any party other than the Region of Durham based upon, occasioned by or attributable to anything done or omitted to be done by the housing provider, its directors, officers, employees, agents, or volunteers in connection with the services provided, purported to be provided or required to be provided by the housing provider in connection with the subject matter of this Agreement.

## LEGISLATED REQUIREMENT

If the housing provider is a prescribed housing provider for the purposes of clause 142 (1) (d) of the *Social Housing Reform Act*, it shall participate in such insurance programs as may be co-ordinated by the Social Housing Services Corporation in accordance with section 37(2) of Ontario Regulation 339/01.

If you have any questions, please contact your Senior Financial Analyst.

---

Joanne Cermak, CA  
Director, Financial Services

Attachment: Schedule "A" – Certificate of Insurance

**Cross Reference: Service Agreement**