

Important Changes to Insurance

Annually the Agency is contracted with various Government of Alberta Ministries and Departments, including Persons with Developmental Disabilities to provide supports and services to Individuals accessing our services. These annual contracts outline various requirements, obligations, and parameters for the services that the Agency must abide by. Under certain circumstances the contracts allow the Agency to use Sub-Contractors to meet the unique needs of the individuals that access our services. The Agency primarily uses sub-contractors to provide residential models and living situations such as, Support Homes/Supportive Roommates and Supportive Neighbour settings. In addition to the screening and training obligations under the contracts, the Agency is required to ensure that the sub-contractors obtain and maintain general liability insurance sufficient to meet the requirements specified under the contracts as follows:

Insurance requirements related to sub-contractors (support homes, supportive roommates and supportive neighbours) under the Agency's contract with the Alberta Government:

16.1 The Contractor shall, without limiting its liabilities or obligations under this Contract, insure its operations under a contract or general liability insurance in an amount not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury, personal injury, and property damage including loss of use thereof.

And

16.6 The Contractor shall ensure that all its subcontractors obtain and maintain general liability insurance sufficient to meet the requirement in Article 16.1.

Subsequently, this obligation is also included in our agreements between the Agency and Sub-Contractors.

Historically, over the past 20 years the Agency has been able to extend our blanket General Commercial Liability Coverage to cover the insurance requirements for our independent sub-contractors, as it related to the Individuals accessing services from the Agency. The insurance was provided at no additional cost to the Sub-Contractor. This coverage insured the Sub-Contractor for any third party liability stemming from supporting Individuals within the home. This model of insurance fulfilled the requirements of PDD and the Government of Alberta. However, in light of several recent claims and situations in our sector, our insurance carrier has chosen to not extend this coverage cost free or as a blanket of the Agency's policy. This means that each setting / situation must now be individually insured.

There are two different ways that each setting / situation can be individually insured. The first is that the Agency requires each Sub-Contractor, at their own expense, to independently arrange their own policies to meet the requirements outlined in 16.1 above. The cost of the policy would be influenced by the insurance carrier and/or situation of the home. Sub-Contractors

would be responsible for providing proof of insurance annually, and at any time during the course of the year to ensure it meets all requirements and is up to date. The Sub-Contractor would also be responsible to make sure that the policy itself includes a commitment, by the insurance carrier, to notify the Agency a minimum of thirty (30) days prior to the cancellation of the policy. Most insurance carriers are reluctant to make this commitment.

The second way is for the Sub-Contractors to purchase, again at their own expense, the required coverage from a separate “bundle” or “pooled” General Commercial Liability policy arranged through the Agency. To accomplish this, the Agency has approached several carriers and arranged for a policy with a carrier to cover our Support Homes / Supportive Roommates / Supportive Neighbours on a per home basis but pooled as a group. This policy is separate from the Agency’s “blanket” coverage and would be provided to Sub-Contractors at cost with no mark up or administrative fees by the Agency. The insurance bundle would meet all requirements set in the Government contracts. As a result of this being a new policy and the recent situations in the sector the initial cost is higher than we would have liked at a cost per Sub-Contractor of \$93.60 per month. However, one of the benefits of pooling (volume) versus every support home getting their own individual policy would be the ability to negotiate better rates over time. Coverage under this policy is provided by Ecclesiastical Insurance through Kelly Guard of BrokerLink and provides the following:

- Bodily Injury & Property Damage Liability \$2,000,000 (including Products & Completed Operations)
- General Aggregate Limit \$5,000,000
- Personal & Advertising Injury Limit \$2,000,000
- Tenants Legal Liability \$100,000

The commercial general liability policy covers up to \$2,000,000 per occurrence for bodily injury& property damage to a third party as a result of the insured’s (subcontractor’s) negligence. There is also a general aggregate which is the maximum coverage afforded per policy term across all subcontractors. The personal & advertising liability is automatically included and covers liable and slander. Tenants Legal Liability is also automatically included and covers if the subcontractor is negligent and causes damage to the premises that they may lease for example a grease fire from the stove.

The Agency understands that both methods are costly to the Sub-Contractor. The Agency has strived to make sure all Sub-Contractors have the choice in the manner their homes meet the insurance requirements and that the cost have the least impact on their own day to day lives.

Please Contact your coordinator at the Agency as soon as possible to discuss your situation and explore your options.