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## **Section 5**

### **G - Insurance**

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## **G - Insurance**

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**G0001D (01/12/92) Insurance - Third Party Liability**

This clause is cancelled effective 01/06/94.

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**G0001D (01/06/91) Insurance - Third Party Liability**

Effective 01/12/92, this clause is superseded by G0001D.

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**G0003D (01/12/92) Litigation Rights**

This clause is cancelled effective 01/06/94.

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**G0003D (01/06/91) Litigation Rights**

Effective 01/12/92, this clause is superseded by G0003D.

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**G0004D (01/12/92) Insurance, Evidence of**

This clause is cancelled effective 01/06/94.

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**G0004D (01/06/91) Insurance, Evidence of**

Effective 01/12/92, this clause is superseded by G0004D.

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## **G - Insurance**

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**G0005D      (01/12/92)      Proof of Coverage**

This clause is cancelled effective 01/06/94.

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**G0005D      (01/06/91)      Proof of Coverage**

Effective 01/12/92, this clause is superseded by G0005D.

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**G0006D      (01/06/91)      Insurance - Vehicle Leasing**

This clause is cancelled effective 01/06/94.

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**G0007D      (01/06/91)      Insurance**

This clause is cancelled effective 01/06/94.

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**G0008D      (01/08/92)      Insurance Requirements**

This clause is cancelled effective 01/06/94.

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**G0008D      (31/01/92)      Insurance Requirements**

Effective 01/12/92, this clause is superseded by G0008D.

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## G - Insurance

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**G0009D (31/01/92) Insurance Requirements**

This clause is cancelled effective 01/06/94.

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**G0010C (31/01/92) Insurance Requirements**

This clause is cancelled effective 01/06/94.

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**G0010T (31/01/92) Insurance Requirements**

This clause is cancelled effective 01/06/94.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** It is highly advisable that all contracts contain either this clause or G1005D as may be applicable. The following clause should be used when insurance requirements are specifically described in the contract.

Risks arising from work under the contract should be identified and assessed to ensure that the Contractor is adequately and appropriately insured and to protect the interests of Canada.

Contracting officers are advised to establish with their clients, based on the Treasury Board Risk Management Policy, whether or not: (1) the self-underwriting option of Canada is applicable; (2) the Contractor is responsible for the risks; and, (3) commercial insurance is applicable.

**G1001D (10/06/05) Contractor's Responsibility**

1. It shall be the sole responsibility of the Contractor to decide whether or not any other insurance coverage, in addition to the insurance requirements stipulated in the bid solicitation and resulting contract, is necessary for its own protection or to fulfill its obligations under the Contract. Any such insurance shall be provided and maintained by the Contractor at its own expense.

The insurance stipulation contained herein shall not limit any insurance required by federal, provincial or municipal law. The required insurance is to the benefit and protection of the Contractor and shall not be deemed to release or diminish its liability in any manner including as may be referenced elsewhere by the provisions of this Contract.

2. To meet the insurance requirements of the Contract, the Contractor shall forward to the Contracting Authority, upon the execution of the Contract, or within ten (10) days thereof; a Certificate of Insurance containing reasonable detail of the insurance coverage, exclusions, deductibles and conditions applying to such policies and confirming that the insurance is in force to meet these requirements or, at the request of the Contracting Authority, a certified true copy of all applicable insurance policies.
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### **G1001D (14/05/04) Contractor's Responsibility**

Effective 10/06/05, this clause is superseded by G1001D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** It is highly advisable that all contracts contain clause G1001D. In instances where the insurance provisions do not apply to specific contracts, the following clause should be used instead.

### **G1005D (10/06/05) Contractor's Responsibility**

It shall be the sole responsibility of the Contractor to decide whether or not any insurance coverage is necessary for its own protection or to fulfill its obligations under the Contract and to ensure compliance with required federal, provincial or municipal law. Any such insurance shall be provided and maintained by the Contractor at its own expense.

Any insurance secured is to the benefit and protection of the Contractor and shall not be deemed to release or diminish its liability in any manner including as may be referenced elsewhere by the provision of this Contract.

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### **G1005D (14/05/04) Contractors Responsibility**

Effective 10/06/05, this clause is superseded by G1005D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** It is highly advisable that all contracts contain this clause. Commercial General Liability insurance protects the Contractor against claims for damages (principally property damage and bodily injury), the Contractor may cause by negligence in its activities and operations whilst in performance of the Contract.

This clause comprises essential endorsements applicable to government procurement contracts. The noted description of the endorsements convey only the intent of the coverage sought and standard insurance industry wording is the expected requirement.

The contracting officer should also refer to G2015D for important additional endorsements that may apply to specific contracting areas and that are to be individually selected and included in the endorsements found in this clause.

If either the contracting officer or the client believes that the suggested MINIMUM LIMIT of liability of \$2,000,000 per accident or occurrence is not sufficient, alternate limits may be established in consultation with the client and Public Works and Government Services Canada's Risk Management and Insurance Advisory Services at [NCR\\_RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

### **G2001D (10/06/05) Commercial General Liability Insurance**

1. Commercial General Liability insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but, in

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any case, for a limit of liability NOT LESS THAN \$2,000,000 per accident or occurrence and in the annual aggregate.

2. The following endorsements must be included:

- (a) Additional Insured: Canada is included as an additional insured, but only with respect to liabilities that may arise from the Contractor's own negligence in the performance of the Contract.

The interest of Canada as additional insured should read as follows: Canada, represented by \_\_\_\_\_ (**insert client department's name**) and/or Public Works and Government Services Canada.

- (b) Notice of Cancellation or Amendment: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
- (c) Cross Liability: Without increasing the limit of liability, the policy shall protect all insured parties to the full extent of coverage provided. Further, the policy shall apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
- (d) Contractual Liability: The policy shall, on a blanket basis or by specific reference to this Contract, extend to assumed liabilities with respect to contractual insurance provisions.
- (e) Contingent Employer's Liability: To protect the Contractor for liabilities arising in the management and administration of statutory and contractual entitlements of its employees.
- (f) Employees and (where applicable) Volunteers as Additional Insured: All employees and (where applicable) volunteers, on behalf of the Contractor, shall be included as additional insured.
- (g) Voluntary Medical Payments, \$5,000 per person, \$25,000 per accident: To provide for expenses incurred in instances of minor accidental bodily injuries without determination of liability.
- (h) Non-owned Automobile: To protect the Contractor for liabilities arising by its use of vehicles owned by other parties.

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**G2001D (14/05/04) Commercial General Liability Insurance**

Effective 10/06/05, this clause is superseded by G2001D.

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**Remarks:** Use the following clause when the contract services are of professional or prescribed nature.

Professional or prescribed services may be defined as, but not limited to, consulting, design, training, educational, management, architectural, health, engineering, research & development or related to government policy.

If either the contracting officer or the client believe that the suggested MINIMUM LIMIT of liability of \$1,000,000 per loss is not sufficient, alternate limits may be established in consultation with the client and Public Works and Government Services Canada's Risk Management and Insurance Advisory Services at [NCR\\_RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

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The contracting officer should also refer to G2015D for important additional endorsements that may apply to specific contracting areas and that are to be individually selected and included in the endorsements found in this clause.

### **G2002D (10/06/05) Errors and Omissions Liability Insurance**

1. Errors and Omissions Liability insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract in an amount usual for a contract of this nature, but, in any case, for a limit of liability NOT LESS THAN \$1,000,000 per loss and in the annual aggregate, inclusive of defence costs.
2. If this is a claims made policy and the duration of the Contract exceeds the policy term; in the event of cancellation or non-renewal of the policy, an Extended Claims Reporting Endorsement, minimum twelve (12) months, must be secured by the Contractor.
3. The following endorsement must be included:  
  
Notice of Cancellation or Amendment: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of cancellation.

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### **G2002D (14/05/04) Errors and Omissions Liability Insurance**

Effective 10/06/05, this clause is superseded by G2002D.

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**Remarks:** Products Liability insurance protects the Contractor against claims for damages (principally property damage and bodily injury) caused by the products manufactured by the Contractor. This coverage may be secured as a stand alone policy where the contract may warrant.

Alternatively, this insurance may be included in G2001D by invoking the endorsement (h), Products and Completed Operations Broad Form (24 months), of clause G2015D. DO NOT USE BOTH.

If either the contracting officer or the client believes that the suggested MINIMUM LIMIT of liability of \$1,000,000 per loss is not sufficient, alternate limits may be established in consultation with the client and Public Works and Government Services Canada's Risk Management and Insurance Advisory Services, at [NCR\\_RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

The contracting officer should also refer to G2015D for important additional endorsements that may apply to specific contracting areas and that are to be individually selected and included in the endorsements found in this clause.

### **G2003D (10/06/05) Product Liability Insurance**

1. Products Liability insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but, in any case, for a limit of liability NOT LESS THAN \$1,000,000 per loss, inclusive of defence cost.
2. If this is a claims made policy and the duration of the Contract exceeds the policy term; in the event of cancellation or non-renewal of the policy, an Extended Claims Reporting Endorsement, minimum twelve (12) months, must be secured by the Contractor.
3. The following endorsements must be included:



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- (a) Notice of Cancellation or Amendment: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of cancellation.
- (b) Contractual Liability: The policy shall, on a blanket basis or by specific reference to this Contract, extend to assumed liabilities with respect to contractual insurance provisions.

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**G2003D (14/05/04) Product Liability Insurance**

Effective 10/06/05, this clause is superseded by G2003D.

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**G2010D (12/12/03) Commercial General Liability Insurance**

Effective 14/05/04, this clause is superseded by G2015D.

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**G2011D (12/12/03) Errors and Omissions/Product Liability**

Effective 14/05/04, this clause is superseded by G2002D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Each contract may have individual requirements. The following clause highlights some common important endorsements for particular application to individual contracts. Careful consideration must be given by the contracting officer and its client for inclusion of one or more of the endorsements listed.

These endorsements may be selected in groupings or one at a time as needed and they can be added to the endorsement section of the following liability clauses: G2001D, G2002D; G2003D, G2040D and G2050D.

For further assistance, contact Public Works and Government Services Canada's Risk Management and Insurance Advisory Services, at [NCR\\_RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

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**G2015D (10/06/05) Liability Insurance Endorsements**

- (a) Additional Named Insured: Canada is included as an Additional Named Insured, but only with respect to liabilities that may arise from the Contractor's own negligence in the performance of the Contract.

The interest of Canada as additional named insured should read as follows: Canada, represented by \_\_\_\_\_ (**insert client department's name**) and/or Public Works and Government Services Canada.

- (b) Independent Contractors Liability (if any): Unless otherwise insured elsewhere, and evidence thereof is secured by the Contractor, all subcontractors are included as insured by the policy.

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- (c) Sudden and Accidental Pollution Liability (minimum 72 hours): To protect the Contractor for liabilities arising from damages caused by accidental pollution incidents.
- (d) Elevator Collision Liability: To protect the Contractor for liabilities arising from premises with operational elevators.
- (e) Tenants' Legal Liability Broad Form: To protect the Contractor for liabilities arising by its occupancy of leased premises.
- (f) Extended Claims Reporting Period (12 months): If this is a claims made policy concurrent with the term of the Contract and its renewal is not intended by the Contractor, this endorsement must be secured by the Contractor by provision of an Insurer's Letter of Intent, to be submitted with the policy upon the execution of the Contract.
- (g) Personal Injury Broad Form: While not limited to, the endorsement should include coverage for Violation of Privacy, Libel and Slander, False Arrest, Detention or Imprisonment and Defamation of Character.
- (h) Products and Completed Operations Broad Form (24 months): While not limited to, the endorsement should include service, assembly and repair activities as well as material, parts or equipment furnished in connection with the work performed by the Contractor or on its behalf.
- (i) Contractual Liability: The policy shall, on a blanket basis or by specific reference to this Contract, extend to assumed liabilities with respect to contractual insurance provisions.
- (j) Litigation Rights: Consistent with subsection 5(d) of the *Department of Justice Act*, R.S.C. 1993, c. J-2, s.1, it is understood and agreed that where any suit is instituted for or against Canada which the Insurer or Insurers would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Insured under this insurance policy, the Insurer shall promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgement of receipt.

For the province of Quebec, send to:

Director  
Business Law Directorate  
Quebec Regional Office (Ottawa)  
Department of Justice  
284 Wellington Street, Room SAT-6042  
Ottawa, Ontario K1A 0H8

and

For all other provinces and territories, send to:

Senior General Counsel  
Civil Litigation Section  
Department of Justice  
234 Wellington Street, East Tower  
Ottawa, Ontario K1A 0H8

The notification must be followed, within a reasonable period, by an information copy to the Contracting Authority.

The Insurer also agrees that Canada reserves the right to co-defend any action brought against Canada. However, all expenses incurred by Canada to co-defend such actions would be at Canada's expense. Notwithstanding the foregoing, if Canada decides to co-defend any action brought against it, and Canada will not agree to a proposed settlement documented and agreed to by the Contractor's insurer and the plaintiff(s) that would result in the settlement or dismissal of the action as against Canada, then Canada will be responsible to the Contractor's insurer for any difference between the proposed amount for which the action as against Canada would have been settled and the amount finally awarded or paid to the plaintiffs (inclusive of costs and interest) on behalf of Canada.

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### **G2015D (10/12/04) Liability Insurance Endorsements**

Effective 10/06/05, this clause is superseded by G2015D.

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**Remarks:** Automobile Liability Insurance, at varying limits, is statutory in all Canadian jurisdictions; nonetheless, use the following clause whenever the Contractor is called by the contract to make use of its own vehicle or where a government vehicle is being furnished for fulfilment of the contract requirements.

If either the contracting officer or the client believe that the suggested MINIMUM LIMIT of liability of \$2,000,000 per loss is not sufficient, alternate limits may be established in consultation with the client and the Risk Management and Insurance Advisor, Public Works and Government Services Canada ([NCR RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca)).

Refer to G2025D for important additional endorsements that may apply to specific contracting areas.

### **G2020D (14/05/04) Automobile Liability Insurance**

1. Automobile Liability [Sections A & B] insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract in an amount usual for a contract of this nature, but, in any case, for a limit of liability NOT LESS THAN \$2,000,000 per accident or occurrence. The policy must include Accident Benefits in accordance with basic regional statutory requirements.
  2. The policy must include the following endorsement:  
  
Notice of Cancellation: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of cancellation.
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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Each contract may have individual requirements. The following clause highlights some common important endorsements for particular application to individual contracts. Careful consideration must be given by the contracting officer and its client for inclusion of one or more of the endorsements listed.

These endorsements may be selected in groupings or one at a time as needed and they can be added to the endorsement section of G2020D.

For further assistance, contact Public Works and Government Services Canada's Risk Management and Insurance Advisory Services, at [NCR RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

### **G2025D (10/06/05) Automobile Liability Endorsements**

- (a) Additional Insured: Canada is included as an additional insured, but only with respect to liabilities that may arise from the Contractor's own negligence in the performance of the Contract.  
  
The interest of Canada as additional insured should read as follows: Canada, represented by \_\_\_\_\_ (**insert client department's name**) and/or Public Works and Government Services Canada.
  - (b) Sudden and Accidental Pollution Liability (minimum 72 hours): To protect the Contractor for liabilities arising from damages caused by accidental pollution incidents.
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- (c) Non-owned Automobile Liability: To protect the Contractor for liabilities arising by its use of vehicles owned by other parties.
- (d) Permission to Transport Hazardous Goods: If relevant, the Insured must obtain the applicable provincial or federal permission to transport hazardous material in conjunction with this endorsement.
- (e) Permission to Carry Passengers for Compensation or Hire: The endorsement allows the Contractor to carry passengers for compensation or hire, provides specific coverage and separate limits for passenger hazard. The minimum limit of liability per passenger is \$250,000 and \$2,000,000 in the aggregate.
- (f) Government-owned Automobiles: The endorsement extends the Contractor's automobile policy to provide coverage against third party liability imposed by law or assumed under contract or agreement for loss or damage of government-owned vehicles.
- (g) Liability for Physical Damage to Non-owned Automobiles: The endorsement provides the Contractor with liability protection for physical damage to non-owned vehicles.

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**G2025D (14/05/04) Automobile Liability Endorsements**

Effective 10/06/05, this clause is superseded by G2025D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause whenever the risk exposures include operation of an aircraft, operation of airport premises, products or services that are provided and/or intended for flight related activities.

The contracting officer should refer to G2035D for important additional endorsements that may apply to specific contracting areas.

If either the contracting officer or the client believes that the suggested MINIMUM LIMIT of liability of \$5,000,000 per accident or occurrence is not sufficient, alternate limits may be established in consultation with the client and Public Works and Government Services Canada's Risk Management and Insurance Advisory Services at [NCR\\_RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

**G2030D (10/06/05) Aviation Liability Insurance**

1. Aviation Liability insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but, in any case, for a limit of liability NOT LESS THAN \$5,000,000 per accident or occurrence and in the annual aggregate.
2. The following endorsements must be included:
  - (a) Additional Insured: Canada is included as an additional insured, but only with respect to liabilities that may arise from the Contractor's own negligence in the performance of the Contract.  
  
The interest of Canada as additional insured should read as follows: Canada, represented by \_\_\_\_\_ (**insert client department's name**) and/or Public Works and Government Services Canada.
  - (b) Notice of Cancellation or Amendment: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of policy cancellation.

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- (c) Cross Liability: Without increasing the limit of liability, the policy shall protect all insured parties to the full extent of coverage provided. Further, the policy shall apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
- (d) Contractual Liability: The policy shall, on a blanket basis or by specific reference to this Contract, extend to assumed liabilities with respect to contractual insurance provisions.
- (e) Employees and (where applicable) Volunteers as Additional Insured: All employees and (where applicable) volunteers, on behalf of the Contractor, shall be included as additional insured.

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**G2030D (14/05/04) Aviation Liability Insurance**

Effective 10/06/05, this clause is superseded by G2030D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Each contract may have individual requirements. The following clause highlights some common important endorsements for particular application to individual contracts. Careful consideration must be given by the contracting officer and its client for inclusion of one or more of the endorsements listed.

These endorsements may be selected in groupings or one at a time as needed and they can be added to the endorsement section of G2030D.

For further assistance, contact Public Works and Government Services Canada's Risk Management and Insurance Advisory Services, at [NCR\\_RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

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**G2035D (10/06/05) Aviation Liability Endorsements**

- (a) Additional Named Insured: Canada is included as an Additional Named Insured, but only with respect to liabilities that may arise from the Contractor's own negligence in the performance of the Contract.  
  
The interest of Canada as additional named insured should read as follows: Canada, represented by \_\_\_\_\_ (**insert client department's name**) and/or Public Works and Government Services Canada.
- (b) Hangarkeeper's Liability: Covering damages arising where storage of aircraft for or on behalf of the Insured in airport premises, owned or leased by the Contractor; is a contract requirement.
- (c) Products and Completed Operations (24 months): While not limited to, the Broad Form endorsement should include service, assembly and repair activities as well as material, parts or equipment furnished in connection with the work performed by the Contractor or on its behalf.
- (d) Airport Tenants' Legal Liability Broad Form: To protect the Contractor for liabilities arising by its occupancy of leased airport premises.
- (e) Aviation Passenger Liability and inclusive Medical Payments: If sub-limits are applicable to Contractor's policy conforming to international carriage agreements or otherwise, such sub-limits shall in any event be, not less than, \$50,000 per person, \$500,000 per accident.
- (f) Non-owned Aircraft Liability: To protect the Contractor for liabilities arising by its use of aircrafts owned by other parties including Canada.

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- (g) Control Tower Liability: To provide coverage for all liabilities arising from the ownership and/or operations of air traffic control towers.
- (h) Sudden and Accidental Pollution Liability (minimum 72 hours): To protect the Contractor for liabilities arising from damages caused by accidental pollution incidents.
- (i) Permission to Transport Hazardous Goods: If relevant, the Insured must obtain the applicable provincial or federal permission to transport hazardous material in conjunction with this endorsement.
- (j) Litigation Rights: Consistent with subsection 5(d) of the *Department of Justice Act*, R.S.C. 1993, c. J-2, s.1, it is understood and agreed that where any suit is instituted for or against Canada which the Insurer or Insurers would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Insured under this insurance policy, the Insurer shall promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgement of receipt.

For the province of Quebec, send to:

Director  
Business Law Directorate  
Quebec Regional Office (Ottawa)  
Department of Justice  
284 Wellington Street, Room SAT-6042  
Ottawa, Ontario K1A 0H8

and

For all other provinces and territories, send to:

Senior General Counsel  
Civil Litigation Section  
Department of Justice  
234 Wellington Street, East Tower  
Ottawa, Ontario K1A 0H8

The notification must be followed, within a reasonable period, by an information copy to the Contracting Authority.

The Insurer also agrees that Canada reserves the right to co-defend any action brought against Canada. However, all expenses incurred by Canada to co-defend such actions would be at Canada's expense. Notwithstanding the foregoing, if Canada decides to co-defend any action brought against it, and Canada will not agree to a proposed settlement documented and agreed to by the Contractor's insurer and the plaintiff(s) that would result in the settlement or dismissal of the action as against Canada, then Canada will be responsible to the Contractor's insurer for any difference between the proposed amount for which the action as against Canada would have been settled and the amount finally awarded or paid to the plaintiffs (inclusive of costs and interest) on behalf of Canada.

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**G2035D (14/05/04) Aviation Liability Endorsements**

Effective 10/06/05, this clause is superseded by G2035D.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Environmental Impairment Liability insurance protects the Contractor against claims caused by chronic pollution damage to the environment

It is important to note for the purposes of insurance, that the term *pollution* will normally include most waste products. Accordingly, coverage under simple liability policies will thus be excluded. In order to gain this coverage, this clause is used in all cases where the Contractor owns or operates a waste disposal facility.

At times, it is equally effective to simply add endorsement (c) of G2015D to the basic clause G2001D requirement where the Contractor may generate the risk exposure by virtue of the contract but not necessarily be owner or operator of the facilities itself.

The term Contractor's Pollution Liability is also common in the insurance industry for certain regions and equally acceptable.

If either the contracting officer or the client believes that the suggested MINIMUM LIMIT of liability of \$1,000,000 per loss is not sufficient, alternate limits may be established in consultation with the client and Public Works and Government Services Canada's Risk Management and Insurance Advisory Services, at [NCR RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

The contracting officer should also refer to G2015D for important additional endorsements that may apply to specific contracting areas and that are to be individually selected and included in the endorsements found in this clause.

### **G2040D (10/06/05) Environmental Impairment Liability Insurance**

1. Environmental Impairment Liability insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but, in any case, for a limit of liability NOT LESS THAN \$1,000,000 per accident or occurrence and in the aggregate.
2. If this is a claims made policy and the duration of the Contract exceeds the policy term; in the event of cancellation or non-renewal of the policy, an Extended Claims Reporting Endorsement, minimum twelve (12) months, must be secured by the Contractor.
3. The following endorsements must be included:
  - (a) Additional Insured: Canada is included as an additional insured, but only with respect to liabilities that may arise from the Contractor's own negligence in the performance of the Contract.  
  
The interest of Canada as additional insured should read as follows: Canada, represented by \_\_\_\_\_ (**insert client department's name**) and/or Public Works and Government Services Canada.
  - (b) Notice of Cancellation or Amendment: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
  - (c) Cross Liability: Without increasing the limit of liability, the policy shall protect all insured parties to the full extent of coverage provided. Further, the policy shall apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
  - (d) Contractual Liability: The policy shall, on a blanket basis or by specific reference to this Contract, extend to assumed liabilities with respect to contractual insurance provisions.
  - (e) Employees and (where applicable) Volunteers as Additional Insured: All employees and (where applicable) volunteers, on behalf of the Contractor, shall be included as additional insured.
  - (f) Voluntary Medical Payments, \$5,000 per person, \$25,000 per accident: To provide for expenses incurred in instances of minor accidental bodily injuries without determination of liability.

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- (g) Incidental Transit Extension: To provide coverage for incidents arising in the transport of waste material.
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**G2040D (14/05/04) Environmental Impairment Liability Insurance**

Effective 10/06/05, this clause is superseded by G2040D.

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**Remarks:** The Director's and Officer's Liability insurance provides important financial protection to the Contractor, and is applicable in long-term contracting for management and similar services, with organizations whose governance comprises both profit or non-profit Board of Directors. Qualifying criteria include review of indemnity provisions provided by the organization to its Board's members.

If either the contracting officer or the client believes that the suggested MINIMUM LIMIT of liability of \$1,000,000 per loss is not sufficient, alternate limits may be established in consultation with the client and Public Works and Government Services Canada's Risk Management and Insurance Advisory Services, at [NCR RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

The contracting officer should also refer to G2015D for important additional endorsements that may apply to specific contracting areas and that are to be individually selected and included in the endorsements found in this clause.

**G2045D (10/06/05) Director's and Officer's Liability Insurance**

1. Director's and Officer's Liability insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but, in any case, for a limit of liability NOT LESS THAN \$1,000,000 per loss and \$1,000,000 in the aggregate.
  2. If this is a claims made policy and the duration of the Contract exceeds the policy term; in the event of cancellation or non-renewal of the policy, an Extended Claims Reporting Endorsement, minimum twelve (12) months, must be secured by the Contractor.
  3. The following endorsement must be included:  
  
Notice of Cancellation or Amendment: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of cancellation.
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**G2045D (14/05/04) Director's and Officer's Liability Insurance**

Effective 10/06/05, this clause is superseded by G2045D.

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## G - Insurance

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Bailee's Liability insurance protects the Contractor against claims for damages cause by its negligence (in effect not accidental direct damage) to goods in its care, custody and control which are excluded under a Commercial General Liability. In some instances, it may be possible to request deletion of the exclusion (care, custody and control) under G2001D; however, more appropriately, a separate policy is recommended for contracts where services are exclusively of a bailee nature.

If either the contracting officer or the client believes that the suggested MINIMUM LIMIT of liability of \$2,000,000 per loss is not sufficient, alternate limits may be established in consultation with the client and Public Works and Government Services Canada's Risk Management and Insurance Advisory Services, at [NCR RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

The contracting officer should also refer to G2015D for important additional endorsements that may apply to specific contracting areas and that are to be individually selected and included in the endorsements found in this clause.

### **G2050D (10/06/05) Bailee's Customer's Goods Liability Insurance**

1. Bailee's Liability insurance shall be effected by the Contractor and maintained in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but, in any case, for a limit of liability NOT LESS THAN \$2,000,000 per accident or occurrence and \$2,000,000 in the aggregate.
2. The following endorsements must be included:
  - (a) Additional Insured: Canada is named as an additional insured under any liability insurance policies for Canada's respective rights and interests under the Contract.  
  
The interest of Canada as additional insured should read as follows: Canada, represented by \_\_\_\_\_ (**insert client department's name**) and/or Public Works and Government Services Canada.
  - (b) Notice of Cancellation or Amendment: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of cancellation.
  - (c) Cross Liability: Without increasing the limit of liability, the policy shall protect all insured parties to the full extent of coverage provided. Further, the policy shall apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
  - (d) Contractual Liability: The policy shall, on a blanket basis or by specific reference to this Contract, extend to assumed liabilities with respect to contractual insurance provisions.
  - (e) Incidental Transit Extension: To provide coverage for incidents arising in due course of transit of goods.

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### **G2050D (14/05/04) Bailee's Customer's Goods Liability Insurance**

Effective 10/06/05, this clause is superseded by G2050D.

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## G - Insurance

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** While the government property is under the care, custody or control of the Contractor, All Risks Property insurance is required to cover any loss or damage to government property. The nature of the property involved would determine the type of property insurance policy (e.g. "All Risks" premises/plant, equipment floater, or construction/installation insurance) that should be purchased by the Contractor.

The value and basis of valuation of government property must be filled in the clause. The basis of valuation of this property should be established with the client and mentioned in the Contractor's insurance policy.

Insert in the second blank of paragraph 1 one of the following: "Replacement Cost (new)"; "Actual Cash Value (depreciated cost)", or "Agreed Value (appraisal)".

For further assistance, contact Public Works and Government Services Canada's Risk Management and Insurance Advisory Services at [NCR RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

### G3001D (10/06/05) All Risk Property Insurance

1. Insurance Coverage: Property insurance coverage shall be effected by the Contractor and maintained in force on government property while under the care, custody or control of the Contractor in an amount of NOT LESS THAN \$\_\_\_\_\_. Government property shall be insured on \_\_\_\_\_ value basis.
2. Administration of Claims: The Contractor agrees to monitor, investigate and document losses of or damage to government property to ensure that claims are properly made and paid to Canada.
3. The following endorsements must be included:
  - (a) Notice of Cancellation or Amendment: The Insurer agrees to give the Contracting Authority at least thirty (30) days written notice of any policy cancellation or any changes in the policy coverage.
  - (b) Settlement of Claims: The insurance proceeds regarding any loss of or damage to government property shall be payable to the appropriate party as directed by the Contracting Authority.
  - (c) Loss Payee: Canada as its interest may appear or it may direct.

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### G3001D (14/05/04) All Risk Property Insurance

Effective 10/06/05, this clause is superseded by G3001D.

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**Remarks:** Employee Dishonesty insurance can be regarded as a formal bonding for the Contractor's employees where the contract calls for:

- (a) administering cash or instruments of securities;
- (b) where property of value is in the trust of the Contractor;
- (c) where the Contractor is directly involved in the procurement activity; and
- (d) other similar activities.

If either the contracting officer or the client believes that the suggested MINIMUM LIMIT is too high or not sufficient, alternate limits may be established in consultation with the client and Public Works and Government Services Canada's Risk Management and Insurance Advisory Services, at [NCR RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

## G - Insurance

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**G3005D (10/06/05) Employee Dishonesty Insurance**

1. Employee Dishonesty insurance shall be effected by the Contractor and maintained in force on a Blanket Position basis throughout the duration of the Contract, in an amount usual for a contract of this nature, but, in any case, for a limit of liability not less than for:
  - (a) Agreement I: Employee Dishonesty - \$100,000;
  - (b) Agreement II/III: Money & Securities Loss Inside Premises/Outside Premises - \$50,000;
  - (c) Agreement V: Depository Forgery - \$1,000,000.
2. The following endorsements must be included:
  - (a) Loss Payee: Canada as its interest may appear or as it may direct.
  - (b) Notice of Cancellation or Amendment: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of policy cancellation.

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** While the government property is under the care, custody or control of the Contractor including during transit, All Risks Property in Transit insurance is required to cover any loss or damage to government property. The nature of the property involved would determine the type of property insurance policy (e.g. "All Risks" premises/plant, in transit, equipment floater, or construction/installation insurance) that should be purchased by the Contractor.

If either the contracting officer or the client believes that the suggested MINIMUM LIMIT of \$250,000 per shipment is too high or not sufficient, alternate limits may be established in consultation with the client and Public Works and Government Services Canada's Risk Management and Insurance Advisory Services, at [NCR RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

The value and basis of valuation of government property must be filled in the clause. The basis of valuation of this property should be established with the client and mentioned in the Contractor's insurance policy.

Insert in the blank of paragraph 1 one of the following: "Replacement Cost (new)"; "Actual Cash Value (depreciated cost)", or "Agreed Value (appraisal)".

**G3010D (10/06/05) All Risk in Transit Insurance**

1. All Risk Property in Transit insurance coverage for all applicable conveyances shall be effected by the Contractor and maintained in force on government property while under the care, custody or control of the Contractor, in an amount of NOT LESS THAN \$ 250,000 per shipment. Government property shall be insured on \_\_\_\_ value basis.
2. Administration of Claims: The Contractor is responsible to monitor, investigate and document losses of or damage to government property to ensure that claims are properly made and paid to Canada as its interests appear.
3. The following endorsements must be included:
  - (a) Notice of Cancellation or Amendment: The Insurer agrees to give the Contracting Authority at least thirty (30) days written notice of any policy cancellation.
  - (b) Loss Payee: Canada as its interest appears or as it may direct.

## G - Insurance

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**Remarks: THIS CLAUSE IS TO APPEAR IN FULL TEXT IN PROCUREMENT DOCUMENTS.** Use the following clause in conjunction with clause G2030D and refer to clause G2035D for important additional endorsements in contracts related to aviation activities.

For further assistance, contact Public Works and Government Services Canada's Risk Management and Insurance Advisory Services at [NCR RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca).

### **G4001D (10/06/05) Aircraft Charter**

1. The Contractor shall not provide a domestic aircraft charter service or an international aircraft charter service to Canada unless, for every incident related to the Contractor's operation of that service, it has:
  - (a) liability insurance covering risks of injury to or death of passengers in an amount that is not less than the amount determined by multiplying \$300,000 by the number of passenger seats on board the aircraft engaged in the service, or in accordance with regulatory agreements and acts, whichever is greater;
  - (b) insurance covering risks of public liability in an amount that is not less than:
    - (i) \$1,000,000, where the Maximum Certified Take-off Weight (MCTOW) of the aircraft engaged in the service is not greater than 3.17 kg;
    - (ii) \$2,000,000, where the MCTOW of the aircraft engaged in the service is greater than 3.17 kg but not greater than 8.16 kg; and,
    - (iii) where the MCTOW of the aircraft engaged in the service is greater than 8.16 kg, \$2,000,000 plus an amount determined by multiplying \$150 by the number of pounds by which the MCTOW of the aircraft exceeds 8.15 kg.
2. The insurance coverage required by subsection 1.(a) need not extend to any passenger who is an employee of the Contractor if workers' compensation legislation governing a claim for damages against that Contractor by the employee is applicable.
3. The following endorsements must be included:
  - (a) Additional Insured: Canada is named as an additional insured under any liability insurance policies for Canada's respective rights and interests under the Contract.  
  
The interest of Canada as additional insured should read as follows: Canada, represented by \_\_\_\_\_ (**insert client department's name**) and/or Public Works and Government Services Canada.
  - (b) Notice of Cancellation or Amendment: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of cancellation.
  - (c) Cross Liability: Without increasing the limit of liability, the policy shall protect all insured parties to the full extent of coverage provided. Further, the policy shall apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.
  - (d) Contractual Liability: The policy shall, on a blanket basis or by specific reference to this contract, extend to assumed liabilities with respect to contractual insurance provisions.

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### **G4001D (14/05/04) Aircraft Charter**

Effective 10/06/05, this clause is superseded by G4001D.

## G - Insurance

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**Remarks:** This clause should be used when Canada enters into a dry lease contract of aircraft. A dry lease contract involve the lease of an aircraft without the supply of any crew or fuel by the contractor.

**G4002D (01/06/94) Aircraft Dry Lease**

The Contractor shall not insure the risks to Canada arising from the use or operation of an aircraft chartered by Canada on a long-term basis except where aircraft owners or operators insist that such insurance shall be obtained and maintained during the period of the Contract. In this situation, the insurance coverage to be obtained and maintained by Canada shall not be less than the minimum insurance coverage set forth in the Air Transportation Regulations sections 6, 7 and 8.

A copy or evidence of such insurance is to be provided to the Lessee.

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**G5000D (01/06/91) Insurance - Ship Repairers**

This clause is cancelled effective 01/06/94.

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**Remarks:** Use the following clause in all ship repair (including emergencies) and conversion contractual documents, except where: (1) a general contractor (e.g., welding specialist) is expected to perform casual and intermittent work on vessels owned by Canada, in addition to its more usual land-based type of work; or, (2) a standing offer.

If either the contracting officer or the client believes that the suggested MINIMUM LIMIT of liability of \$5,000,000 per accident or occurrence is not sufficient, the suggested limit should be established in consultation with the Risk Management and Insurance Advisor, Public Works and Government Services Canada ([NCR\\_RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR_RMIAS-SCGRA@pwgsc.gc.ca)).

**G5001D (14/05/04) Ship Repairers' Liability (A)**

1. Ship Repairers' Liability Insurance shall be effected by the Contractor and maintained in force in an amount usual for a contract of this nature, but, in any case, for not less than \$5,000,000 per accident or occurrence.
  2. The policy must include the following endorsements:
    - (a) Notice of Cancellation: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of cancellation.
    - (b) Contractual Liability: The policy shall, on a blanket basis or by specific reference to this Contract, extend to assumed liabilities with respect to contractual insurance provisions.
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**G5001D (23/11/98) Ship Repairers' Liability (A)**

Effective 14/05/04, this clause is superseded by G5001D.

## G - Insurance

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**Remarks:** Use the following clause in ship repair contractual documents where: (1) a general contractor (e.g., welding specialist) is expected to perform casual and intermittent work on vessels owned by Canada, in addition to its more usual land-based type of work; or, (2) a standing offer.

If either the contracting officer or the client believes that the suggested MINIMUM LIMIT of liability of \$5,000,000 per accident or occurrence is not sufficient, the suggested limit should be established in consultation with the Risk Management and Insurance Advisor, Public Works and Government Services Canada, at [NCR.RMIAS-SCGRA@pwgsc.gc.ca](mailto:NCR.RMIAS-SCGRA@pwgsc.gc.ca).

### **G5002D (14/05/04) Ship Repairers' Liability (B)**

1. Ship Repairers' Liability Insurance or Commercial General Liability Insurance shall be effected by the Contractor and maintained in force in an amount usual for a contract of this nature, but, in any case, for not less than \$5,000,000 per accident or occurrence.
2. Should the Contractor decide to obtain and maintain Commercial General Liability insurance, the policy shall be endorsed as follows:

"Notwithstanding anything to the contrary mentioned in the policy, it is agreed that:

  - (a) Watercraft exclusion is deleted;
  - (b) Broad Form Property Damage coverage is included; and,
  - (c) Broad Form Completed Operations coverage is also included."
3. The policy must include the following endorsements:
  - (a) Notice of Cancellation: The Insurer agrees to provide the Contracting Authority thirty (30) days written notice of cancellation.
  - (b) Contractual Liability: The policy shall, on a blanket basis or by specific reference to this contract, extend to assumed liabilities with respect to contractual insurance provisions.

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### **G5002D (23/11/98) Ship Repairers' Liability (B)**

Effective 14/05/04, this clause is superseded by G5002D.

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### **G6000D (01/12/92) Insurance Requirements**

This clause is cancelled effective 01/06/94.

## G - Insurance

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**Remarks:** The following clause is to be used when vehicles are **leased by Canada on a long-term basis**.

**G6001D (01/06/94) Vehicles - Long-term Lease**

The Contractor (i.e., the Lessor) shall not insure the risks to Canada arising from the use or operation of any vehicles leased by Canada on a **long-term** basis **except where** Provincial law makes it mandatory for the Contractor to insure any leased vehicles. Where Provincial law makes it mandatory as aforesaid, the Contractor shall hold a policy of insurance in respect of a vehicle supplied under the lease, and a copy or evidence of such insurance is to be provided to Canada.

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