



Building Owners and Managers
Association of British Columbia



BFL
CANADA

BOMA RISK MANAGEMENT SEMINAR – INSURANCE

September 18th 2018

INTRO – BFL CANADA INSURANCE SERVICES INC.

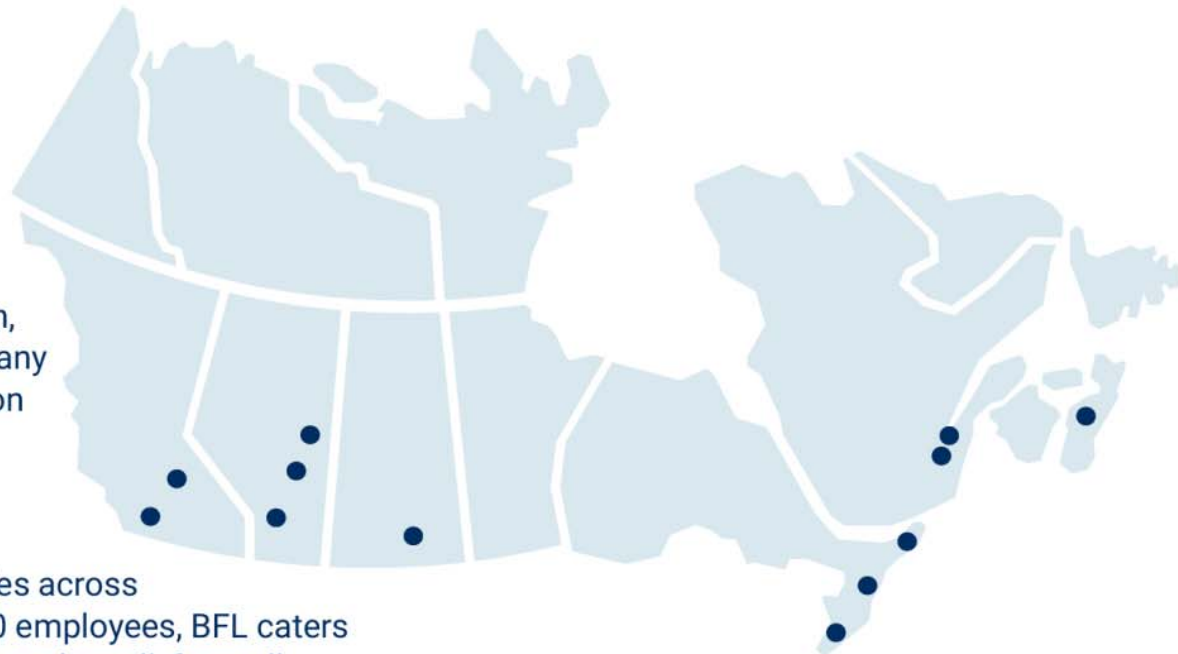
BFL's Offices Across Canada

Vancouver / Kelowna / Red Deer / Calgary / Edmonton
Winnipeg / Waterloo / Toronto / Ottawa
Montreal / Quebec / Halifax

BFL was founded in Montreal in 1987 by Barry F. Lorenzetti.

He was quickly joined by others who shared his vision, and from then on, the company grew by the constant addition of professionals who were recognized as leaders in their niches.

Today, with offices in 12 cities across the country and close to 600 employees, BFL caters to the needs of clients, large and small, from all industry segments.



AGENDA – INSURANCE

SECTION 1: BUILDING OWNER / LANDLORD INSURANCE

- **Lines and Perils of Coverage**
- **Earthquake Coverage and Deductibles**
- **Co-insurance**

SECTION 2: TENANT INSURANCE

- **Lease Requirements**
- **Protecting the Owners / Landlords Interests**

SECTION 3: CONTRACTOR AND TRADES INSURANCE

- **Insurance Requirements**
- **Protecting the Owners / Landlords Interests**

The background features a dark blue color scheme with a stylized illustration of a multi-story building with a grid of windows. In the foreground, there are three stylized trees of varying sizes, each with a circular canopy and a vertical trunk. A white rectangular box with a thin border is positioned on the left side of the image, containing the text.

Section I
Building Owner /
Landlord Insurance

Coverage

Property

- ✓ All Risks
- ✓ Replacement Cost Coverage
- ✓ Blanket By-laws
- ✓ Debris Removal



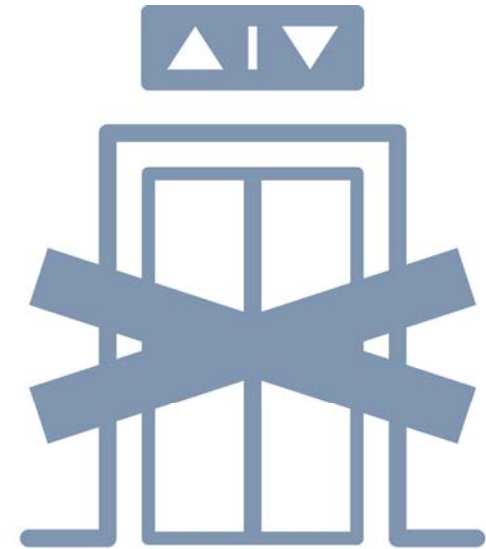
Coverage

Equipment Breakdown

✓ Sudden and Accidental loss

- Electrical
- Mechanical
- Pressure
- Electronic

✓ Every building is exposed



Coverage

Business Interruption

✓ 18 Months Indemnity

24-36 Months Recommended



Coverage

Commercial General Liability

✓ Min \$5M

\$10-\$20M Recommended



Coverage

Other Considerations



**Cyber
Employment
Practices Liability**



Directors & Officers



Liability

Earthquake

- ✓ Covers Shake Damage
- ✓ Fire Following EQ
 - All Risk Deductible
- ✓ Flood / Tsunami
 - Flood Deductible



Earthquake Deductible

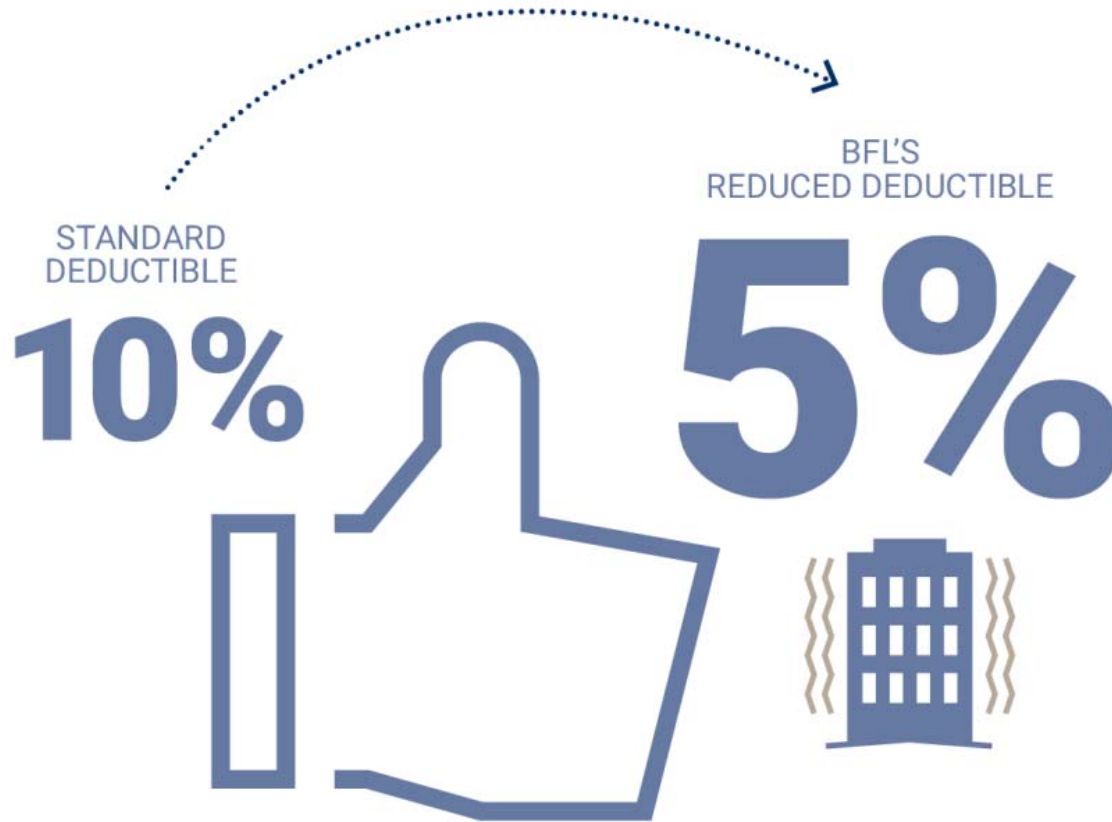
✓ % Of Insured Value

\$60M Building
10% Ded

\$6,000,000!



Earthquake Buydown



The only guarantee in an earthquake is you will have to pay the deductible.

But now you have options.

Insure to Value

- ✓ Don't get caught out by coinsurance
- ✓ Insure your building to value

Co-insurance Formula:

- $\text{Did} / \text{Should} * \text{Loss Amount} = \text{Amount paid by Insurer(s)}$

Claims Example:

- Building Replacement Cost Value: \$60M
- Co-insurance Percentage: 90%
- Value client must insure too, in order to avoid penalties: \$54M ($\$60M * 90\%$)
- Client decides to insure to a value of \$45M.
- Client has a small fire, loss amount: \$4M.

Co-insurance calculation:

- $\$45M / \$54M * \$4M = \$3,333,333$.
- Client co-insurance penalty of \$666,667.



The background features a stylized illustration of a multi-story building with a grid of windows, and several trees of varying sizes. The entire scene is rendered in shades of blue against a dark blue background. A white rectangular box is overlaid on the left side of the image, containing the text.

Section II

Tenants Insurance

Protect the building owner

✓ All Risk Property Coverage

- Tenants Improvements (T.I.'s)

✓ Include

- Sewer Back-up
- Earthquake and Flood

✓ Reasonable Deductibles

✓ Owner Listed as a Loss Payee for the T.I.'s

✓ Owner Additional Insured for Liability

✓ Include 60 days notice of Cancellation





Section III

Contractor and Trade insurance

Protect the building owner

Annual Review and Proof of Insurance

✓ Commercial General Liability (CGL)

- Minimum \$2M Limit

✓ Landlord Additional Insured on CGL policy

✓ Workers Compensation

Larger Project - Project Specific Policies

- Course of Construction (COC)
- Wrap-up Liability (WUP)

A photograph of three business professionals in a meeting. A man in a dark suit and tie is shaking hands with another man on the left. A woman with red hair in a dark suit is on the right, holding a tablet. The scene is lit with a cool blue light. A teal rectangular frame is overlaid on the center, containing the text 'THANK YOU' in white, bold, sans-serif capital letters.

THANK YOU