

Agrichemical Warehousing Standard Association

WAREHOUSING STANDARDS BULLETIN

Updated: January 2013

NUMBER: 16

Protocol II Insurance Confirmation of Coverage Form Appendix II - Insurance Package

For compliance with protocol I-1, documentation that confirms that a current environmental insurance policy is in effect which provides a minimum of \$2 million of coverage limits, and a maximum deductible of \$25,000 per occurrence, with the policy being applicable to both off-site and on-site pollution events on a limited pollution form (sudden and accidental) with no sub-limits is required.

For compliance, the auditor will require a Confirmation of Coverage form. No changes to the wording of the form are permitted. A copy of this form is attached.

The following summarizes the minimum insurance coverage that is required:

- (a) The policy must cover third party bodily injury, third party property damage and clean up costs arising from an on-site pollution event, and/or arising from the insured's liability for off-site bodily injury, property damage and clean up costs.
- (b) With respect to each loss, the minimum policy limit must be a combined \$2 million, covering both on-site and off-site pollution events inclusively.
- (c) The policy will be subject to an aggregate limit that stipulates the maximum that the policy will pay with respect to more than one loss occurrence during the policy year. The minimum aggregate limits are to be in accordance with the following table:

One site	\$2 million per occurrence, and \$2 million in the aggregate
Two sites	\$2 million per occurrence, and \$4 million in the aggregate
Three sites (or more)	\$ 2million per occurrence, and \$5 million in the aggregate

- (d) The policy must provide a "discovery period" of not less than 120 hours, (240 hours is preferred).
- (e) There are nuanced, editorial differences between the coverage wording of one environmental insurance policy and another, and the promulgation of a mandatory, invariable AWSA insurance wording is not practical at the present time. In general terms, the member's insurance policy should be representative of the prevailing underwriting wordings used by the

principal environmental insurance underwriters in Canada and conform with AWSA minimum standards as described herein. AWSA reserves the right to audit any member's policy wording from time to time to ensure that it meets both our specific and generalized standards, and to require reasonable coverage amendments of the member if AWSA feels, at its sole discretion, that they are needed.

- (f) Members may apply to AWSA if they wish to self insure against environmental risk exposures. In order to be eligible to self insure, the applicant must be able to demonstrate that the corporation retains a minimum of \$5 million of retained earnings on its Balance Sheet, with the funds being represented by unstressed cash or cash equivalents. Either the latest audited Financial Report, or a letter certifying the existence of the retained earnings assets signed by a chartered accountant, must be forwarded to AWSA with the letter of application.

If permission to self insure is granted, the applicant will be required to re-file and re-certify this financial information annually.

While self insurance requests will not be unreasonably denied, AWSA nonetheless reserves the right to accept or reject such applications at its sole discretion and without further appeal.

For sites with Multiple locations, you will need to complete one insurance form for each location. A copy should be available for the auditor at time of the audit.

AGRICHEMICAL WAREHOUSING STANDARDS ASSOCIATION

CONFIRMATION OF COVERAGE FORM - WAREHOUSING STANDARD PROTOCOL II

Appendix II.

To be provided to AWSA Authorized Auditor as part of compliance documentation and a copy forwarded with the audit to AWSA.

1. Name of Insurer: _____ **2. Name of Agent/Broker:** _____
Address of Insurer: _____ Address of Agent/Broker: _____

Policy or Certificate #: _____ Policy Period: _____

3. Company:

Name of Insured: _____ AWSA Compliance #: _____
Covered Location: _____

4. Policy Limits

EITHER

(a) Pollution Legal Liability Limit (Off premises pollution) _____
(minimum \$2 million limit)

(b) Deductible per loss occurrence _____
(maximum \$25,000 per occurrence)

(c) On Site Clean-up Limit _____
(minimum \$2 million limit)

(d) Deductible per loss occurrence _____
(maximum \$25,000 per occurrence)

OR

(e) A *combined* limit covering both off premises and on premises pollution *inclusively* _____
(minimum \$2 million limit)

(f) Deductible per occurrence _____
(maximum \$25,000 per loss occurrence)

5. The policy limits specified in 4 (above) may be shared by other locations and subject to an aggregate, (refer to the notes on the reverse of this form). If so, complete the following:

Aggregate policy limit with respect to all covered locations and occurrences reported during the term of the policy.

of location: _____
(minimum per schedule on reverse of this form)

The undersigned warrants that he/she is fully conversant with the AWSA Warehousing Standard, Insurance, Section I, and that the coverage represented above is (a) fully concurrent with the minimum requirements set out therein and (b) that the limits of coverage described hereon are separate from, and not affected by any other risk exposure of the Company on whose behalf this representation of coverage is being made. The undersigned further acknowledges that he/she is aware that AWSA and its auditors appointed for the purpose place absolute reliance on this representation as evidence of compliance with the compulsory AWSA insurance provisions incorporated in AWSA Warehousing Standards, Insurance, Section I.

It is further understood and agreed that the undersigned will give 15 days written notice to the AWSA Insurance Committee if the policy should be cancelled or otherwise terminated prior to the specified expiration date of the policy; or if the policy should fail to be renewed on a basis that ensures continued compliance with AWSA's insurance requirements; or if any other circumstance should occur which prejudices or invalidates a representation of compliance previously given.

NAME OF AUTHORIZED REPRESENTATIVE OF INSURER: _____
SIGNATURE OF AUTHORIZED REPRESENTATIVE OF INSURER: _____
DATE: _____

The Standard Confirmation of Coverage form is designed for use by facilities that have insurance meeting the required levels of coverage, limits and deductibles. Warehouse facilities require environmental coverage for a minimum of either (a) \$2 million for on site coverage and a separate \$2 million for off-site coverage, or (b) \$2 million for on site and off site coverage inclusively and combined.

This form must be completed fully and signed by an authorized insurance representative.

A separate form must be completed for each location for which insurance is required. In instances where the AWSA member operates two or more locations that are insured under the same insurance policy, the minimum limit of \$2 million must be certified with respect to each location, but an annual policy aggregate applicable to all locations is permissible. The aggregate limits must be in compliance with the following schedule:

1. One location	Minimum limits:	\$2 million per occurrence, \$2 million in the policy aggregate
2. Two locations	Minimum limits:	\$2 million per occurrence \$4 million in the policy aggregate
3. Three locations (or more)	Minimum limits	\$2 million per occurrence \$5 million in the policy aggregate