Water Federation Insurance Program Overview

- This program gives member rural water co-operatives and associations access to insurance at municipal rates. It is structured as a group policy, with the Water Federation as the main policyholder and all participating members included as Additional Named Insureds (ANIs). The Water Federation makes this possible in partnership with the Rural Municipalities of Alberta (RMA) and operates the program on a cost-recovery basis for participating members.

- The program meets the insurance requirements of the *Rural Utilities Act* and *Regulation* by providing general liability and bond and crime coverage for all participating members. Additional coverage options are available but not required. The Regulation requires:
  - **General Liability:** Minimum $2,000,000 per occurrence, covering bodily injury, personal injury and property damage (including loss of use) – Section 19(3).
  - **Theft/Fidelity Insurance:** Coverage against loss or damage caused by officers, employees and directors carrying out employee-type functions – Section 19(2).

For Reference:

- *Rural Utilities Act*: https://open.alberta.ca/publications/r21
- *Rural Utilities Regulation*: https://open.alberta.ca/publications/2000_151

Additional Information

- This guide helps all ANIs understand and navigate the coverage available to them under the Water Federation's insurance policy. It provides an overview of key coverages, including explanations, examples, coverage limits and applicable deductibles.

- The guide focuses on the four most common coverages: **General Liability**, **Automobile**, **Property** and **Bond and Crime**. Some ANIs also carry additional coverages, such as Heavy Equipment, Cyber or other specialized insurance. These coverages are not addressed in detail in this guide.
- ANIs are encouraged to direct all insurance-related questions to the Water Federation. The Water Federation will review inquiries and, where necessary, forward them to the MSR or risk advisor for further clarification or guidance. While this guide addresses many common questions, members should not hesitate to seek assistance when additional information or support is required.

Main Coverages

Please note that these coverages are packages. Individual coverages cannot be added to or removed from the lists below.

- General Liability
- Automobile Liability
- Bond and Crime
- Property

General Liability Coverage

- **Third-Party Bodily Injury and/or Property Damage** – Covers legal liability for bodily injury or property damage suffered by third parties due to your organization's negligence.
  Example: A visitor slips on an icy walkway and suffers a broken ankle.

    - **Limit:** $5,000,000
    - **Deductible:** $10,000

- **Products and Completed Operations** – Protects against claims arising out of bodily injury and property damage caused by a finished product or completed work.
    - *Example: A contractor is injured while attending a meeting at your facility.*
    - **Limit:** $5,000,000
    - **Deductible:** $10,000

- **Non-Owned Automobile Liability** – Provides liability protection when employees use personal or rented vehicles for company business.
  Example: An employee causes an accident while driving their own vehicle to a work-related meeting.
    - **Limit:** $5,000,000
    - **Deductible:** NIL

- **Tenants Legal Liability** – Covers damage caused by your organization to premises leased or rented from others.
  Example: A fire started by a staff member damages leased office space.
    - **Limit:** $5,000,000
    - **Deductible:** $10,000

- **Sudden and Accidental Pollution** – Covers liability arising from sudden and accidental pollution incidents discovered and reported within specified time limits.
  Example: A fuel tank unexpectedly ruptures and releases diesel into a nearby drainage ditch.
    - **Limit:** 120 hrs. Discovery/Reporting
    - **Deductible:** $10,000

- **Legal Liability for Damage to Automobiles** – Covers damage to employees' or third parties' vehicles while in your organization's care, custody or control.
  Example: An employee's vehicle is damaged while parked in an area controlled by the organization.

- **Limit:** $200,000
- **Deductible:** $500 any one accident

- **Employee Benefits Liability** – Protects against claims resulting from errors or omissions in the administration of employee benefit programs.
  Example: An employee misses health coverage because their enrolment form was processed incorrectly.

  - **Limit:** $5,000,000
  - **Deductible:** $10,000

- **Personal & Advertising Injury Liability** – Covers claims such as libel, slander, defamation, copyright infringement or invasion of privacy.
  Example: The organization is accused of using copyrighted material in a campaign.

  - **Limit:** $5,000,000
  - **Deductible:** $10,000

- **Administrative Errors & Omissions** – Provides protection against financial loss claims resulting from administrative mistakes or oversights.
  Example: An administrative error results in a service not being provided as intended.

  - **Limit:** Coverage 1(a/b): $5,000,000; Coverage 1(c/d/e): $250,000
  - **Deductibles:** Coverage 1(a/b/c): $10,000; Coverage 1(d/e): 10% of claim or $10,000, whichever is greater

- **Wrongful Dismissal** – Covers legal costs and damages arising from allegations of improper termination of employment.
  Example: A former employee alleges they were terminated without just cause.

  - **Limit:** $5,000,000
  - **Deductible:** $25,000

- **Sexual Abuse Liability** – Covers legal liability arising from allegations of sexual abuse or molestation by employees, volunteers or other covered individuals.

Example: A claim is filed alleging misconduct by a volunteer working with vulnerable persons.

- **Limit:** $1,000,000
- **Deductible:** $10,000

Automobile Coverage

- **Third-Party Liability** – Covers legal liability for bodily injury or property damage caused to others by an insured vehicle.
  Example: A vehicle rear-ends another vehicle and causes injuries to its occupants.
  - **Limit:** $5,000,000
- **Accident Benefits** – Provides medical, rehabilitation, disability and death benefits regardless of fault following an automobile accident.
  Example: A driver receives physiotherapy benefits after being injured in a collision.
  - **Limit:** As per provincial requirements
- **Loss or Damage to Insured Automobile** – Covers physical damage to the insured vehicle from collision, theft, vandalism, fire and other covered perils.
  Example: An insured vehicle is damaged in a hailstorm and requires repairs.
  - **Limit:** All Perils
  - **Deductibles:** Hail ($2,500) All Vehicle, all other losses ($1,000)

Property

- **Property Damage (Building) –** Covers damage to business property located inside the building.
  - *Example: A fire damages the roof and walls of a warehouse.*
  - **Limit:** As specified under policy
  - **Deductible:** $5,000
  - Flood $250,000, Earthquake 3% of value of property, Wildfire $100,000

- **Property Damage (Contents) –** Covers loss or damage to business property located within the insured premises.
    - *Example: A burst pipe damages office furniture and computers.*
    - **Limit:** As specified under policy
    - **Deductible:** $5,000
- **Accounts Receivable –** Covers financial losses when customer account records are damaged or destroyed.
    - *Example: A fire destroys billing records, making some outstanding invoices uncollectible.*
    - **Limit:** $1,000,000
    - **Deductible:** $5,000
- **Automatic Coverage –** Provides temporary coverage for newly acquired property until it is reported to the insurer.
  Example: A building purchased during the current policy term is covered until it is added to the policy.
    - **Limit:** $25,000,000
    - **Deductible:** $5,000
- **Course of Construction –** Covers buildings and structures while they are being built or renovated. RMA must be advised.
  Example: A windstorm damages a building that is under construction.
    - **Limit:** $250,000
    - **Deductible:** $5,000
- **Debris Removal –** Covers the cost of cleaning up debris after a covered loss.
  Example: Debris from a fire-damaged building must be removed before rebuilding.
    - **Limit:** Combined $5,000,000 or 25% of loss, whichever is less
    - **Deductible:** $5,000
- **Electronic Data Processing Equipment –** Covers computers, servers and related equipment against physical damage.
  Example: A power surge damages a business's server system.

- **Limit:** $500,000
- **Deductible:** $5,000

- **Extra Expense –** Covers additional costs incurred to keep the business operating after a covered loss.
  Example: A company rents temporary office space after a fire.
  - **Limit:** $5,000,000
  - **Deductible:** $5,000

- **Fire Department Charges –** Covers charges from emergency fire services responding to a covered loss.
  Example: A rural fire department bills a business for responding to a fire.
  - **Limit:** $500,000
  - **Deductible:** $5,000

- **Personal Property –** Covers business-owned equipment, tools, furniture and inventory.
  - *Example: Thieves steal tools and equipment from a storage facility.*
  - **Limit:** $2,500 any one individual, $100,000 any one occurrence
  - **Deductible:** $5,000

- **Valuable Papers –** Covers the cost to restore or replace damaged business documents and records.
  Example: Water damage destroys important client files.
  - **Limit:** $1,000,000
  - **Deductible:** $5,000

- **Emergency Evacuation Expenses –** Covers certain costs incurred during a mandatory evacuation caused by a covered event.
  Example: A wildfire forces a business to temporarily relocate staff.
  - **Limit:** $250,000
  - **Deductible:** $5,000

- **Underground Infrastructure –** Underground infrastructure, such as pipes, are not exposed to the same insured perils as above-ground property. The main insured peril for underground pipes is earth movement, though a few others may apply. Wear and tear and maintenance are not covered. Whether to keep coverage on underground pipes is up to each ANI and depends on its risk tolerance, as the likelihood of a claim is low.

Bond and Crime Coverage

- **Employee Theft Coverage** – Covers financial losses resulting from dishonest or fraudulent acts committed by employees.
  Example: An employee steals company funds and deposits them into a personal account.
    - **Limit:** $50,000/$5,000
    - **Deductible:** $5,000/$2,500
    - Some ANIs have an increased limit and deductible. Please check with the Water Federation to confirm which of the two options your organization is insured for.
- **Premises Coverage** – Protects against theft, disappearance or destruction of money and securities on the insured premises.
  Example: Cash is stolen during a break-in at the office.
    - **Limit:** $5,000
    - **Deductible:** $2,500
- **In Transit Coverage** – Covers loss of money or securities while being transported by authorized persons.
  Example: A bank deposit is stolen while being transported to the financial institution.
    - **Limit:** $5,000
    - **Deductible:** $2,500
- **Forgery Coverage** – Provides protection against losses resulting from forged or altered cheques, drafts or similar financial instruments.
  Example: A fraudster alters the amount on an issued cheque.

- **Limit:** $5,000
- **Deductible:** $2,500

- **Computer Fraud Coverage** – Covers losses caused by fraudulent electronic entry into or manipulation of computer systems.
  Example: A hacker gains access to the accounting system and redirects payments.
  - **Limit:** $5,000
  - **Deductible:** $2,500

- **Funds Transfer Fraud Coverage** – Protects against losses arising from fraudulent instructions directing the transfer of funds.
  Example: An employee receives a fake banking request and wires funds to a fraudster.
  - **Limit:** $5,000
  - **Deductible:** $2,500

- **Money Order and Counterfeit Currency Fraud** – Covers losses resulting from accepting counterfeit money or fraudulent money orders.
  Example: The organization unknowingly accepts counterfeit bills as payment.
  - **Limit:** $5,000
  - **Deductible:** $2,500

- **Credit Card Fraud Coverage** – Protects against losses caused by unauthorized or fraudulent use of credit cards.
  Example: A company credit card is stolen and used to make unauthorized purchases.
  - **Limit:** $5,000
  - **Deductible:** $2,500

- **Client Coverage** – Covers loss of clients' property or funds resulting from employee dishonesty or other covered criminal acts.
  Example: An employee steals funds belonging to a client under the organization's care.
  - **Limit:** $5,000
  - **Deductible:** $2,500

- **Expense Coverage** – Reimburses certain costs incurred in investigating, documenting or mitigating covered crime losses.
  Example: The organization hires forensic accountants to investigate theft.
    - **Limit:** $5,000
    - **Deductible:** $2,500

Other Coverage Considerations

- Increased Liability Limits
- Legal Expense Coverage
- Cyber Coverage
- Heavy Equipment
- Environmental Impairment (Pollution) Liability
- Drone/Aviation Coverage
- Builders Risk/Course of Construction
- Critical Illness
- Accident and Sickness (Volunteers)
- Accident and Sickness (Councillors)
- VFIS Coverage

Information on Legal Expense Coverage

- Provides access to legal assistance and coverage for eligible legal expenses arising from covered business-related legal matters. Services include a 24-hour Legal Helpline, Legal Document Review, Simple Legal Letter Drafting, Legal Document Centre access and HR Assistance. Coverage may also apply to legal matters such as employment disputes, legal defence, contract disputes and debt recovery, property protection, bodily injury, tax protection and statutory licence appeals. Coverage limits, deductibles and eligibility vary by insured event.