CURIE

Defibrillation Programs
Improve Public Safety

**by Ontario Lottery and Gaming Corporation, Corporate Communications*

What's inside

Reprinted with permission from the PULSE, Mar/April 2004 issue

Each and every day, thousands of visitors pass through the doors of Ontario's gaming establishments. Aware of the success of defibrillation programs at other public buildings, including the commercial casinos, the Ontario Lottery and Gaming Corporation (OLGC) decided to place Automated External Defibrillators in each of its 21 gaming sites across the province. Gambling and heart attacks would not normally be considered synonymous, but the large number of customers that visit casinos makes it a reality.

The OLGC is a provincial operational enterprise created to provide gaming entertainment for the people of Ontario in an efficient and socially responsible way. The corporation recently came out on top in an international competition to receive the Achieving Excellence in Defibrillation Award for having the best on-site Automated External Defibrillator (AED) Program. The University of Pittsburgh National Centre for Early Defibrillation presented the award to the OLGC in recognition of its exemplary emergency response for the treatment of sudden cardiac arrest.

OLGC's defibrillation program includes nearly 30 gaming sites and administrative offices, and was one of only four programs recognized. The success of OLGC's program was highlighted by its impressive survival rate of up to 72% for ventricular fibrillation and 44% overall from all identified causes of sudden cardiac arrest at OLGC sites. The normal resuscitation rate for outside of a hospital is 5%.

OLGC credits the Award to the unique contributions of its 400 security staff trained in Emergency Medical Response (EMR), which includes advanced first aid, oxygen administration and the use of an AED. "Our 400 EMR-trained security personnel and their readiness to serve are the backbone of this program," said Robin Souchuk, OLGC's Emergency Medical Response Program Manager. "Millions of people visit our gaming sites each year, and these programs are needed wherever large numbers of people gather."

Medical Director Dr. Edward Wasser, CEO of Medevaq, is also commended for his role in the development and ongoing operation of the OLGC's early defibrillation program. "Of the many organizations I have worked with, OLGC made a unique commitment to this program. They moved very quickly to conduct the training and purchase the equipment necessary for this vital service."

The decision to place Automated External Defibrillators in each of its Slots Casinos, Charity Casinos and Corporate Sites, made the OLGC Emergency Response Program the first multi-site Public Access Defibrillation program with locations across the province. There are now two Automatic External Defibrillators at each of the 21 gaming sites and one at each of the eight Corporate sites.

Since 90% of OLGC facilities are located in rural areas, regional hospitals can take up to 20 minutes to respond to an emergency. A patient's chances of surviving cardiac arrest drop 10 percent with each passing minute. The average response time of OLGC's Emergency Medical Responders is 2 minutes. Last year, four employees of Great Blue Heron Casino were honored by St. John Ambulance of Oshawa for their heroic efforts in resuscitating two seniors within a 24 hour span at the gaming facility.

Fortunately, the number of incidents of patrons suffering cardiac arrest is small compared to the total number of visitors to OLGC gaming sites. Since the program was introduced in August 2000, OLGC has recorded 28 events requiring the use of an AED.

In a continued effort to provide the best possible care for patrons, Mike Aube, OLGC Director of Security joined Robin Souchuk and Dr. Wasser in a proposal to introduce two system relief medications for all OLGC sites. Training is currently underway for OLGC's Emergency Medical Responders in the use of Oral Glucose for diabetic emergencies and Epinephrine via EpiPen for anaphylactic patients. Plans are also underway to provide EMR's with the training required to bring them up to a nationally recognized level. There will also be a move to encourage more non-security OLGC staff to attend and obtain certification at the Standard Level of First Aid and CPR.

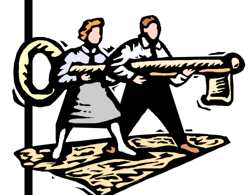
While everyone involved in the development and deployment of the AED Program can be commended, I'm sure they will tell you that saving a life has its own reward.■

Premises Risk Management

…..Features of…..

A Good Key Control Program

**by David Beal*



Although it has been said that locks only protect you from honest people, the truth is, your building locks may be the last line of defense that determines whether your property is stolen, vandalized or destroyed. And whether or not your locks are protecting you from honest people only will depend largely on the type of key management program that is in place.

The following elements are considered essential to a good key risk management program for all of your facilities:

1. Keep the number of keys issued to an absolute minimum - not every employee needs a key.
2. Maintain a list of keys and persons to whom keys are issued.
3. All key holders leaving employment must return their keys.
4. Keys should be "zoned" to only access certain areas, and color coded to identify which area(s) the key will access.
5. Master keys should be strictly limited and controlled. Master key systems should only use high security cylinders to reduce the risks of locks being picked.
6. It is recommended that all locks be high security locks with key duplication controlled by the manufacturer. If high security locks are not feasible, then a strictly enforced "no key duplication" policy must be in place.
7. **Never issue keys to permit holders**.

A $2.50 key gives a stranger access to a (multi) million dollar facility - make sure your staff are controlling who gets in and whether the building is secured after everyone has left.■

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*David Beal is Risk Manger for Ontario School Boards' Insurance Exchange.

Managing Construction Insurance In Health Care Projects

Insurance For Construction Projects

by David Brisley

Over the last 10 years we have recommended owner-controlled insurance for construction projects. In this article, we examine some issues in Owner-control of construction insurance.

1. The standard form for construction projects most frequently used across Canada is prepared by the Canadian Construction Documents Committee (CCDC), a consultative body that includes the trade associations that represent architects, engineers, Contractors and specification writers. Their standard documents and special reports explaining how to use them are available from the offices and websites of certain CCDC members.

2. The usual approach to insurance coverage in the Standard Documents recommended by CCDC is not the only way to provide coverage that will be appropriate for the risks of a construction project. We compare the standard methodology and alternatives below.

Reprinted with permission from THE HIROC Connection issue July 2004.
*David Brisley of The HIROC Group.

ARRANGEMENT OF CONSTRUCTION INSURANCE

In most cases, health care organizations use the Canadian Construction Documents Committee (CCDC) Forms known as the CCDC 2/94, *STIPULATED PRICE CONTRACT*. Here are some details of the provision of insurance in that contract.

The Contractor is to provide all policies and compensation and will include:

- The Contractor,
- The Owner,
- Consultants.

Note that there is no requirement for coverage of sub trades, lenders, and others as may be required in a particular project. The document assumes that the Contractor will manage the project and obtain necessary evidence of coverage from others associated with the work, e.g., sub trades. The contract allows for providing policies that are dedicated to the project, but the more common methodology is adding coverage for the new project to a blanket policy that is held by the Contractor.

CCDC 2:
General Conditions: Insurance Clauses

Insurance and project-related surety bonds are defined in Part 11 of the Stipulated Price Contract. For the insurance coverage of the project, the following policies are specified:

- A *Commercial General Liability* policy of specified IBC form.
- *Automobile* coverage (for vehicles to be used in the course of construction).
- *Aircraft & Watercraft* coverage, if required for the project.
- *Property* (the project structure, equipment, and materials to be used).
- *Boiler & Machinery* (for HVAC equipment that is to be part of the project).

- *Tools & Equipment* property coverage (for the equipment used by the Contractor and trades).

This approach is reasonable where the Contractor is to manage the project on behalf of the Owner, however, in many instances for today's larger projects, the Owner health organization is responsible for the management. This can be through a hired consultant, or directly by planning or building services, or finance staff. There can be many complexities and special arrangements required in large multi-year projects that are not allowed for in the basic CCDC document. Projects are becoming more complex, with many additional third parties that require coverage and innovative financing methods that require special coverage. Given these circumstances, we have been recommending a different approach.

Owner Controlled Insurance Program

In the case of such large, complex projects, we recommend a set of certain policies that are to be provided by the Owner while the balance remains the responsibility of the Contractor. The Owner would thus carry project specific policies beginning at the start up of the work and carried on to the end or ***Substantial Completion***.

Policies that are the responsibility of the Owner can be any or all of these three:
For coverage of physical damage to the work – ***Builder's Risk***
For injury to third parties or damage to their property – ***Wrap-Up Liability***
For large, long or complex projects, where higher limits are required for architects and engineers – ***Professional Liability***

Common Elements and unique features of Project – Specific Policies

Each of these policies have common characteristics, they are dedicated to the one project and are structured to cover all parties involved. Among the parties that can be included in this policy: the *Owner,* the *Project Manager, Lender, Contractors, Sub-Contractors, Architects & Engineers*. Being specific to the one project, they begin at project inception (or even beforehand for the professional liability policy) and end at termination, with the potential to cover specific periods after completion of the project.

The Policy rate/premium is established prior to the construction so that costs are known in advance and for the Term of the policy.

The Policy rate/premium is established *prior to the construction* so that costs are known in advance and for the Term of the policy. The costs must be paid in advance but the rate is established for a firm period of time (the policy term). In addition, the premium is adjustable and is based on *final Construction Value.*

Policy Coverage Characteristics

Builder's Risk Policy

The Coverage

As with a health care institutions' standard property coverage the form is *All Risk*, unless the type of property or the nature of the loss is specifically excluded, it is to be covered by the policy. It is not limited to defined terms such as fire or lightning strikes. In addition, the policy usually includes Flood/Earthquake (subject to higher deductibles).

Limits

Most Owners use a policy Limit of Liability equivalent to *project value*, but premiums can be reduced by restricting the coverage by means of a *limit of loss*, a maximum that represents the anticipated maximum value for any one part of the project. This approach is common where the work is to be done in distinct phases – all of which are somewhat independent and of lesser value than the cumulative cost of the project. The insurer's exposure at any one time is limited and the savings are passed on to the policyholder.

Deductibles

Although the CCDC form specifies a deductible of $2,500, the industry-provided policies have higher minimum deductibles of at least $5,000 and more commonly $10,000 and $25,000, depending on the type of project or specific exposures that are included in the coverage (flood and earthquake). Insurers may require higher deductibles for different types of work, for example, foundation work, renovations, or where blasting or other perceived more hazardous activity is planned.

Optional Coverage

Certain coverage options are available at additional cost as a sub-limit to the defined limit of the main policy. The need for any or all will depend on the nature of the project and the work being done.

A delay in opening the building may impair income-producing programs or activities, or affect other parties that may plan to occupy the completed building.

SOFT COSTS

Large projects may have complicated financing arrangements with external lenders that require specific minimal coverage. In addition, in the event of a major loss, a health care Owner may be forced to re-incur some or all of the financing costs to get the project back on track. For these reasons, Builders Risk policies include an optional sub limit for ***Soft Costs***, usually defined as financing costs, legal/accounting expenses (but not consultants' fees).

The need will vary with the nature of the project. Determining an appropriate value for soft costs will require an assessment of the likelihood of loss and the need to refinance in the event of loss.

COST OF DELAYED OPENING

If the project takes longer than expected because of an insured type of loss, for example, fire or water damage, coverage is available for Delayed Opening. The term of such coverage is usually measured in months. To determine if such coverage is required a client must assess the likely consequences of a delay in start up of the activities that would be affected by the delay. A delay in opening the building may impair income-producing programs or activities, or affect other parties that may plan to occupy the completed building.

ALLOWANCE FOR LOSS DURING TESTING

The Builders Risk policy can include coverage for testing of equipment to be used in the building after it is completed. This option is important when the project requires new boilers, related pressure vessels and equipment, air conditioning systems (HVAC equipment).

Although the CCDC form requires a Boiler and Machinery Policy (as indicated above) most boiler policies will exclude equipment that is not "in use connected ready for use". In addition, boiler policies exclude testing of the equipment insured. If a boiler policy is purchased for a project or an existing policy is extended to the project, it may prove difficult to have these exclusions waived.

Because the Builders Risk policy can be modified to include "hot" testing – and this is commonly done – it usually proves simpler to provide the required coverage through this policy and avoids the costs of another (boiler) policy and the difficulties in having it appropriately modified.

The need for testing coverage will vary with the work being carried out and the requirements of installation of equipment. The coverage is limited to a dollar value representing testing costs and a specified number of days or weeks. This time period is not limited to a specific point, but can be spread out throughout the policy coverage period as required.

Wrap-up Liability

The wrap-up policy is so named because it "wraps up" the coverage for all parties involved in the project. As with the Builders Risk policy, the ***Named Insured*** includes Owner, Project Manager Contractors, sub-Contractors, architects and engineers. Other parties can be added as required.

The Coverage

As with a general liability policy, (as required by the CCDC form), the wrap-up liability policy is intended to cover claims brought by a ***Third Party*** for Property Damage or Bodily Injury that may result from the construction activity of the Project. Common examples might be injury to patients, staff or visitors who are close to the construction site (from objects being dropped or adjacent areas being damaged so that a hazardous situation is created for others).

An important feature of a Wrap-Up Liability Policy is the additional 24 Months coverage for ***Products/Completed Operations***. This allows coverage for occurrences resulting from the work, but not appearing until after the project is complete. Note that the CCDC 2 form requires a 6-year period for the completed operations coverage. In practice, insurers will not provide coverage for a period of this length. CCDC manuals recommend that Owners arrange with the Contractor's own policy. This is not always possible and depends on the relationship between the Contractor and its own insurers.

Policy Limits

The limit for an Owner-controlled project should be appropriate to the scope of the project. The minimum limits recommended by the CCDC 2 documents is $2 million. For the large project where Owner-control is recommended this limit will be too low. Large Contractors and Lenders are very comfortable with limits as high as $50 or $100 million. Hospitals doing major reconstruction work in large centres where there is no risk of damage to surrounding buildings or urban infrastructure will require higher limits. For large projects, consider a limit that is in the same range as your HIROC Liability policy limit, or even greater.

Summary of Common Policy Features of the Owner-Control Approach

Advantages

Having single Property and Liability policies, provided and controlled by the Owner has the following advantages:

- An appropriate limit of liability is available to all project participants;
- With a single policy covering all parties, there is reduced potential for delay of claims settlement and disputes over priority of policy among the parties.
- With policy rate and premium established prior to Construction, costs are known and budgeting is facilitated;
- In addition, the rate is established for the full term of the Project;
- If the project is delayed (as many times is the case) the premium is adjustable, based on ***final Construction Value*** at the rate established at inception of the policy.

Usual Exclusions (Common to Both Policies)

The exclusions of these policies are similar to what is found in other Property and Liability policies, but take into account the unique nature of construction activity.

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This list is illustrative of major exclusions but does not include all:

- Health Hazards (asbestosis and other health-related injury)
- Acts of War; Terrorism

- Pollution damage
- Mould & Contamination
- Loss of Data

Implications in the OCIP Approach

Responsibility

When the Owner takes on the responsibility for providing these policies, immediately implied is an approach to loss situations that requires greater co-operation between Owner and Contractor. Both are insured under the same policy, so there will be more incentive to co-operate. At the same time, there is a reduction in the incentive to bring legal action against other parties insured in the policy, as it is the Owner's policy that will be affected.

The Owner must be more involved in managing the policies and thus an experienced person must manage the insurance portfolio. Although this requires more tracking of insurance coverage on the Owner's part, with the greater possibility for control of project insurance, risk management potential is greatly enhanced.

Cost and Cost Savings

With the Owner providing the coverage, Contractors are expected to provide a credit for insurance costs that are not required. Note that there is not necessarily a one-to-one relationship between the cost of Owner-Controlled policies and the credit that a Contractor is willing to provide. The CCDC forms represent a basic level of coverage and as noted above, not necessarily appropriate for a large project. Unless specifications are modified to have Contractors bidding on insurance provision as part of the bidding process, the potential savings are likely to be less than the cost of the Owner-controlled policies.

The primary reasons for maintaining Owner-controlled policies are the security and appropriateness of the coverage and the continuity of the coverage for the entire project. Large projects require special and specific attention.

Losses under the Deductible
- Who Should Pay in Event of Loss?

We have noted above that the deductible under Builders Risk and Wrap-Up Liability policies is usually at least $5,000 or $10,000 and more. The CCDC 2 form calls for a $2,500 deductible. When contract documents are developed for a specific Project, the sections on responsibility for costs that are less than the deductible should be reviewed. Note that in the CCDC 2 form, Part 11 covers Insurance and section 11.1.2 outlines the Contractor and the Owner's responsibilities. If the project policies have higher deductibles and the Contractor anticipates being responsible for only the usual $2,500, as stipulated elsewhere in Part 11, disputes can arise. Reviewing these considerations in advance can reduce the potential for disagreement.

Unless specifications are modified to have Contractors bidding on insurance provision as part of the bidding process, the potential savings are likely to be less than the cost of the Owner-controlled policies.

Contractual Liability and Contract Dispute

Note that the liability coverage of the Wrap-Up Liability policy does not include contractual or professional liability coverage. Disputes that lead to claims resulting from interpretation of the Contract and claims for professional liability such as design error are not covered by this policy.

Other Considerations

We have considered only the primary property and liability coverage of the CCDC 2 in this report. A separate policy can be arranged for all professionals to cover all parties from first design to well after substantial completion of the project (up to eight years following). The issues of appropriate limits for professionals will be reviewed in a separate report.

We recommend that the following policies and coverage remain with the relevant contractors that have the direct control or expertise to provide the coverage.

- Property policies covering Tools and Equipment
- Automobile coverage for vehicles to be used in the project
- Specialty Liability coverage such as environment liability for asbestos abatement
- Crane and Hoist Liability coverage
- Aircraft and Watercraft coverage

As noted above, in most cases the Builders Risk coverage can cover the exposures of Boilers and Pressure Vessels during construction and a separate Boiler and Machinery policy is not necessary.■

DATES TO MARK ON YOUR CALENDAR

October 2 & 3, 2004 CURIE University & College Risk Management Conference (AGM)
The Fairmont Winnipeg, Winnipeg, MB

<u>**CURIE University & College Risk Management Conference**</u> ***(Sat. 9-4, Sun. 9-1)***

- **CURIE Board/Staff Update Presentation** *by Ian Nason (CURIE - Chair)*
- **CURIE's Mandatory Mediation** *by the CURIE Cast*
- **Hurricane Juan - How to Survive a Catastrophe** *by R. Cochrane (St. Mary's), I. Nason (Dalhousie) and S. Roberts (CURIE)*
- **FM Global Services** *by Greg Gribbon (FM Global)*
- **Failure to Educate** *by D. Orth(Lang Michener) & A. Rudakoff (Macleod Dixon)*
- **Library Study** *by R. Snucins & N. Wilson (American Appraisal)*
- **Member roundtable discussion (bring your questions &/or problems to discuss with your peers)**

REGISTRATION FORMS WERE SENT OUT IN LATE JULY TO OUR SUBSCRIBERS. IF YOU WOULD LIKE TO ATTEND BUT DID NOT RECEIVE YOUR FORM, PLEASE CALL TERRY PAGE (905-336-3366) OR E-MAIL (tpage@curie.org)

RIMS Canada Conference October 3-6, 2004 at Winnipeg, MB.

<u>**UPCOMING CURIE WORKSHOPS**</u>

Eastern Region
November 16, 2004
Halifax, NS

Western Region
To be announced

Ontario Region
November 25 & 26/04
Ottawa, ON

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