



The Reciprocal

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Insurance, Financial & Business Solutions

July 2015

Keeping Up with Your Exposures

How often do you review your insurance needs to ensure you are properly protected? Is it possible you've missed informing your insurer of a new operation or a decommissioned asset? A great way to save premium dollars is by keeping your insurer informed. It will ensure you're not paying extra premiums insuring assets no longer on the books and also ensure you're adequately protected.

Operations Covered under the Liability Policy

Your MEARIE Liability policy provides protection for your organization, including affiliates, for a wide variety of operations. However, we require our clients to tell us about their operations. It isn't a matter of being 'nosey;' this is important information that ensures your organization has the coverage needed. There is a clause in the liability policy that describes our need to understand your operations.

In short, if your company is engaged in a new activity and MEARIE has not been informed, coverage may not be in place. The MEARIE Liability policy is very broad and typically we are able to accommodate the majority of requests, however it is still a matter of your organization ensuring MEARIE is informed of the operations being performed.

Recently MEARIE distributed the "Liability Statistics Survey," which requested details on various Operations (ranging from distribution, generation, metering to streetlight maintenance, construction, etc.) and the related revenue streams. Providing a detailed indication of what each insured (company, affiliate, etc.) does is the best way to keep MEARIE informed.

If you diversify, start a new operation, form a new company, purchase an affiliate or re-organize your company, your insurer requires details to ensure any related exposure is added to your Liability policy and



coverage is in place. An email with a description of the new activity is typically adequate.

Keeping Up with Your Fleet

Your Fleet/Vehicle policy provides both liability and physical damage coverage for your licensed road vehicles. In order to ensure coverage is in place, a list of vehicle types (Light Truck, Heavy Truck, Private Passenger and Other) is required to establish the schedule ("Other" may include snow machines and ATVs if listed on the schedule). As vehicles are added or removed from your fleet, MEARIE needs to be notified - using the MEARIE Vehicle Change form is probably the easiest way to provide notice. On an annual basis, in the fall, we ask you to review your schedule and provide confirmation of its accuracy.

If you are purchasing a vehicle and require evidence of insurance or an insurance certificate to complete the purchase or lease, please complete the MEARIE Vehicle Change form with the new vehicle's information and provide it to us.

See over...

Equipment such as forklifts, backhoes and other non-licensed motorized units are not covered under the vehicle policy. This type of equipment can be included under your property policy as long as it is provided on your property insurance schedule.

Know Your Assets & Exposures

The MEARIE Property policy is an “all risk policy,” protecting physical assets at the individual locations scheduled on the policy. On a semi-annual basis, it’s a good idea to review your schedule of locations to ensure all assets intended to be insured are listed. Keep it accurate through the removal of any decommissioned and/or sold locations where insurance is no longer required and the addition of any newly acquired locations. If a new location is acquired, the policy provides coverage for 90 days; if the 90 days passes and you’ve not let MEARIE know you own it, coverage will not be in place.

Total Insured Values (TIV) should be reviewed every year to ensure the correct current full replacement cost is shown. To help control costs and ensure the best pricing when providing replacement costs, include a breakdown of each location showing values for buildings, contents, transformers, machinery & equipment. This breakdown is important as it becomes part of the calculation of premium. As stated above, non-licensed motorized units should be included on your schedule as well.

To help utilities establish accurate TIV, MEARIE created the MEARIE Asset Valuation Tool (AVT), an Excel-based tool that provides estimates of the replacement value of station locations/equipment. Recently, this tool was significantly updated and re-issued to property clients. By entering the size, type and number of individual components of machinery, equipment and transformers at each substation, a replacement value is calculated that can then be used to ensure your location schedule and insured values are current. Take advantage of the MEARIE AVT prior to renewal to ensure your insurance is up-to-date and locations are adequately valued.

When you replace equipment, retrofit facilities, or upgrade fire protection, notify your property insurer. The more detailed and up-to-date the information you

provide, the more accurately your exposure can be rated. Keeping your property insurer informed of changes and upgrades to assets can avoid paying for insurance on decommissioned or sold locations.

Loss control or risk engineering can help reduce your losses & protect your assets! Consider the following:

- As part of new construction or when renovating a building, consider upgrading or installing a sprinkler system.
- Consider installing a video surveillance system to reduce the threat of vandalism at your facility.
- Develop and implement a driver selection and training program.
- Review your policies and procedures related to cyber security.
- Review your policies and procedures on handling cash, cheques and other financial exposures to prevent potential theft or fraud.
- Review your snow removal, sanding and salting procedures.
- Review your hot water tank rental program to ensure a tank replacement policy rather than ‘run to failure.’
- Obtain contracts from all contractors performing work on your behalf. Include hold harmless agreements, being added as Additional Insured and

If you are not currently a MEARIE Property Subscriber, contact us prior to your renewal for a proposal that includes pricing, a detailed coverage comparison to your existing policy and further recommendations.

Keeping your insurer informed will result in better service, easier claims handling and potential savings in premium costs. MEARIE is your risk management and insurance partner, working to protect you. MEARIE continues to monitor the commercial insurance market for coverage developments. Customers loyal to the MEARIE insurance programs can be confident in the terms they receive, knowing coverage provided is specifically designed to meet the needs and operations of the energy sector.

This Reciprocal Newsletter is an electronic publication intended for Subscribers of The MEARIE Group’s Insurance programs. It is published on a periodic basis and intended for information purposes only. In the event of specific claims, incidents or legal actions against the Subscriber, coverage will be determined by MEARIE policy interpretation.



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