

Review of Third-Party Liability Insurance Requirements for Patios in Public Rights-of-Way

| Municipality | Third-Party Liability Insurance Requirement (specified or min.) | Patio-specific Permit |
|---------------------|---|-----------------------|
| City of Vancouver | <ul style="list-style-type: none"> - \$2 million for sidewalk café style - \$5 million for larger patios & any liquor-licensed patios | - Yes |
| City of Coquitlam | <ul style="list-style-type: none"> - \$5 million for any patio or outdoor business space | - Yes |
| City of Kelowna | <ul style="list-style-type: none"> - \$2 million for any patio | - Yes |
| City of Abbotsford | <ul style="list-style-type: none"> - No mention of insurance requirements in their policy or FAQ document | - Yes |
| City of Edmonton | <ul style="list-style-type: none"> - \$2 million for any patio | - No |
| City of Maple Ridge | <ul style="list-style-type: none"> - \$5 million for any patio | - No |

Business Third-Party Liability Insurance Landscape

- Industry-standard insurance policies for retail and food service businesses typically provide \$2 million or \$5 million of third-party liability (TPL) insurance
 - o Many construction-related businesses start at \$5 million but are now carrying \$10 million of primary commercial general liability (CGL) insurance
- In most situations, \$2 million TPL coverage is sufficient for a business's needs.
 - o Bodily injury claims (as covered by the CGL) can exceed \$2 million if there is catastrophic injury involved
- The City's request for \$5 million TPL may be a barrier to smaller businesses participating in the Seasonal Curbside Patio Program, especially those looking to use a Type A (Sidewalk Café) patio.
 - o A business looking to increase their \$2 million TPL to \$5 million could expect to see an average 25% increase in their TPL insurance premium
- Municipalities in British Columbia most often require or request \$2 million TPL coverage from businesses, but \$5 million of coverage is being seen more
- The Municipal Insurance Association of British Columbia (MIABC) rates patios in public rights-of-way as a 'medium/high' risk due to the activity requiring a permit, but their guidelines recommend only \$2 million TPL coverage