

## 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"> <li>- \$2 million for sidewalk café style</li> <li>- \$5 million for larger patios &amp; any liquor-licensed patios</li> </ul>	- Yes
City of Coquitlam	<ul style="list-style-type: none"> <li>- \$5 million for any patio or outdoor business space</li> </ul>	- Yes
City of Kelowna	<ul style="list-style-type: none"> <li>- \$2 million for any patio</li> </ul>	- Yes
City of Abbotsford	<ul style="list-style-type: none"> <li>- No mention of insurance requirements in their policy or FAQ document</li> </ul>	- Yes
City of Edmonton	<ul style="list-style-type: none"> <li>- \$2 million for any patio</li> </ul>	- No
City of Maple Ridge	<ul style="list-style-type: none"> <li>- \$5 million for any patio</li> </ul>	- 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