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# The Canadian Boiler and Machinery Underwriter's Association

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## L'Association Canadienne des Assureurs Bris des Machines

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### Engineering Sub-Committee 2017 Annual Report to the Executive Committee

#### Engineering Sub-Committee Members

Allianz Global & Specialty, Americas  
Aviva Canada Inc. (Vice-Chair)  
Boiler Inspection & Insurance Company of Canada  
Chubb Insurance Canada (Chair)  
FM Global  
Intact Assurance/Insurance  
RSA Canada  
The Sovereign General Insurance Company  
XL Catlin Canada  
Zurich Insurance Company

#### Representatives

Ron Irani  
Ishtiaq Tarar  
Andrew Rerak  
Jacques O'Brien  
Allan Zack  
Lawrence Graham  
Frank Zhang  
Robert Sylvester  
Steve Tillie  
Constantin Tigleanu

#### Alternates

None  
None  
Kavita Ramcharan  
Derek Janke  
Cyril Budbram  
Kevin Hawes  
Gilbert Santos  
Joseph Alcaraz  
Roy Whynot  
Rajiv Wadhwa

#### Summary of Sub-Committee Meetings:

Meetings were held on March 23rd, 2017, July 6th, 2017, September 14th, 2017 and December 8th, 2017.

\* Note on July 6<sup>th</sup> the main Engineering Sub-Committee meeting adjourned for a few hours, as to accommodate an open industry meeting at Chubb's office and was hosted by Mike Adams, Director, Boilers Pressure Vessels, and Operating Engineers at the TSSA, for an update on their proposed Boiler and Pressure Vessel Act changes.

- Immediately after Mike Adams's meeting the Engineering Sub-Committee reconvened to draft a formal response to the proposed Act and request for public consultation regarding the proposed changes within the Act.
- The proposed response was further discussed via two telephone conferences July 6<sup>th</sup> and 10<sup>th</sup>, and a response letter was developed and issued to the Executive Committee for review and to be forwarded to The Ontario Ministry of Government and Consumer Services, on July 11th, 2017, by the Chairperson of the Executive Committee.

#### 1. Membership

There are currently ten (10) members sitting on the Engineering Sub-Committee. There were no changes over the course of the year 2017.

#### 2. Antitrust Statement

The Anti-Trust Statement drafted and subsequently approved by the Executive Committee in 2016 continues to be acknowledged and signed at the opening of all our Engineering Sub-Committee meetings, to discourage any collusion amongst its members.

#### 3. Topics Summary - 2017

This past year discussions continued nearly throughout the year regarding changes with the Ontario Boiler and Pressure Vessels Act.

Other topics were tabled until the proposed/initiated changes to the Act, by the TSSA, has been fully implemented. One of them was to produce a potential external publication through the Executive Committee. This was still in progress at the time of this annual report.

Key Points with the new Act and directions from the TSSA are detailed below, along with some annotations in red, which we were advised during the various meetings held throughout the year.

- New Act to be law effective July 1, 2018;
- TSSA will directly issue a Certificate of Inspection (COI) to owners of all BPV equipment. The COI will be issued as an authorization to legally operate a pressure object after a passed periodic inspection and the submission of a Record of Inspection (ROI) to the TSSA. (ROI to act in interim COI for 30 days to provide time to pressure object owners to obtain COI);
- Owners of boilers and pressure vessels will pay a COI fee to TSSA. (Amount to be determined – est'd between \$18 to \$75.00)
- TSSA will maintain a database of device-specific periodic inspection information from both Insurers and the TSSA inspectors. (TSSA to work with Insurers to determine best method to populate the TSSA electronic database);
- TSSA will implement an audit and attestation program to provide oversight of periodic inspections conducted by Insurers. (Audit to be phased in over 3 years with the first ones potentially starting fall 2018 – Cost est \$3,000 to \$5,000/audit cycle. Audit cycle means every company will be audited once every three years);
  - TSSA audit will be to determine how we are managing our back log of inspection objects (new and existing business), with the goal of moving towards 100% compliance (No overdue objects within our respective databases).
  - While there were no significant changes within the Act regarding pressure object inspection responsibilities, Mike Adams indicated he believes, maintaining jurisdictional inspections up to date is the insurance companies responsibly for all objects we insure.

Jacques O'Brien  
Chairperson of the Engineering Sub-Committee

c.c. Michel Rivard, Chairperson of the Executive Committee  
c.c. Jean-Guy Turmel, Executive Secretary of the CB&MUA