
The Canadian Boiler and Machinery Underwriters' Association
L'Association Canadienne des Assureurs Bris des Machines

To all the Reference Committee Members

MINUTES OF THE REFERENCE COMMITTEE MEMBERS' MEETING

A Reference Committee Members Meeting of the Canadian Boiler & Machinery Underwriters' Association was held on Tuesday, July 19th, 2016, at the office of Chubb Insurance Canada, 199 Bay Street, Suite 2500, Toronto, Ontario, M5L 1E2, to consider the following agenda:

Present:

Allianz (Abdur Malik)	RSA (Adil Asif)
AVIVA (Marcel Loose)	Sovereign (Andrea Powell)
Chubb (Julie Grenier, Chairperson)	Travelers (Rob West)
Intact (Harvey Kenworthy, Vice-Chair)	

Absent: BI&I, Gen Re, Northbridge, Swiss Re, XL Catlin and Zurich..

- ITEM 1. Welcome and Meeting Call to Order:**
The Chairperson welcomed all the attendees in the meeting room along with those joining in over the phone. The Reference Committee Meeting of the CB&MUA was called to order at 1:10 pm.
- ITEM 2. Attendance and Confirmation of Quorum:**
With eight (7) attendees, as shown above, out of thirteen (13) Members, we had a quorum to proceed with this meeting.
- ITEM 3. Reading a/o Acknowledgement of the new Antitrust Statement:**
All the participants were made aware of our new Antitrust Statement. It wasn't read, but it was acknowledged and accepted by all.
- ITEM 4. Approval of the Notice of Meeting/Agenda:**
Item 9. Future Meeting Dates, September 8th, 2016, wherever shown, should have read September 15th, 2016. The Notice of Meeting/Agenda will be amended accordingly (see attached). A motion was made by Rob West and seconded by Adil Asif to approve the revised Notice of Meeting/Agenda. All in favour. The motion carried unanimously.
- ITEM 5. Approval of the Minutes of the Reference Committee Members Meeting, held on Tuesday, April 19th, 2016:**
A motion was made by Andrea Powell and seconded by Marcel Loose to approve the Minutes of Meeting, as presented. All in favour. The motion carried unanimously.

ITEM 6. Accomplishment of the Reference Committee's Wording Working Group prior to the Chairperson's meeting with the Executive Committee Members on May 18th, 2016:

- **Drafting of an Antitrust Statement;**
The Reference Committee put together a proposed "Antitrust Statement", to be submitted to the Executive Committee prior to their next meeting, which was to be held on May 18th, 2016. For this purpose, the Executive Committee provided the Reference Committee with a copy of both the IMIA and IBC Antitrust Statement to work with. See **ITEM 7.** under the heading "**Approval of the Antitrust Statement**".
- **Wording Working Group:**
A Wording Working Group was established, consisting of the following volunteers:
 - Julie Grenier, Chubb;
 - Mark Rolfe, Northbridge;
 - Andrea Powell, Sovereign; and
 - Harvey Kenworthy, Intact.It was agreed that the "Wording Working Group" (WWG) meetings would follow the Reference Committee meetings. It was also agreed that the Chair for these meetings will rotate among the aforementioned volunteers. Last but not least, if the frequency of the meetings needs to be increased, the Executive Secretary agreed to be part of them, from an audio and video connection. The Executive Secretary will keep track of all the changes put forward, on all the wordings worked upon, and this for sake of transparency.

ITEM 7. Update on Chairperson's Meeting with the Executive Committee Members' meeting, held on May 18th, 2016, on the following topics:

- **Approval of the Antitrust Statement:**
 - Following the Reference Committee Meeting held on April 19th, 2016, the attendees approved unanimously the revised draft version of the Antitrust Statement, by e-mail.
 - The final version was approved by the Executive Committee, as submitted, with no changes.
 - The Reference Committee received compliments from the Executive Committee on how the Antitrust Statement was submitted for approval (shout out to Mark Rolfe for his guidance).
- **Reference Committee's mandate:**
The Executive Committee stated that the Reference

Committee's sole focus in the foreseeable future will be working on the CB&MUA wordings. The CB&MUA is in need of a "bare bone" Boiler & Machinery (B&M) wording. There hasn't been a standard wording in the Canadian Boiler & Machinery industry since the 1970's, perhaps needed to assist Canadian courts in establishing the standard coverage offered under a B&M policy. The "bare bones" policy will act as a reference point and be of relevance if its first principles are called upon in court.

- **Executive Committee's instructions to the Reference Committee's Wording Working Group:**
 - See above document "Reference Committee's Mandate in Drafting Wordings as set by the Executive Committee on May 18th, 2016".
- **Secretary for Reference Committee's Wording Working Group:**
 - We have permission to use the Executive Secretary for the quarterly meetings, as scheduled by the Reference Committee. Consequently, the Wording Working Group meetings will have to be carried out at the end of the scheduled Reference Committee meetings.
 - The Executive Committee assured the Reference Committee that there were no aggressive timeline to meet for the completion of the assignment, and they will dampen their expectations accordingly.

ITEM 8. Wording Working Group's First Assignment:

- **First task:**

Submission of a compilation of existing CB&MUA wordings to the Executive Committee Members. The deadline is prior to their May 18th, 2016 meeting. A list of eleven (11) wording was submitted at the Executive Committee meeting.
- **2nd Task:**

A list of option was presented to the Executive Committee to consider the drafting of wordings. The Reference Committee was told to focus on property damage coverage only. The following options were selected:

 1. Basic Wording (bare bones);
 2. Language: Simplified Legalese (per IBC wordings);
 3. Policy Platform: Monoline;

4. Coverage: Comprehensive, excluding production machines. Endorsements to include production machines a/o electronic coverage;
5. Policy Structure: Declarations Page, Insuring Agreement, Exclusions, Conditions, Definitions including but not limited to Object and Accident, Special Provisions and Common Extensions (Expediting Expenses, Water Damage, Ammonia Contamination, Professional Fees and Hazardous Substances);
6. Statutory Conditions postponed to a later date; and
7. Nomenclature: Name / Form No. / Draft Date.

NOTE: The Executive Committee created a Sub-Committee, formed with Mike Brown (Swiss Re), Suet Chan (Chubb) and Jean-Francois Downing (Northbridge), for a well needed review of the CB&MUA "Constitution & By-Laws".

ITEM 9. Future Meeting Dates:

- **Executive Committee Members:**
August 17th, October 7th and December 8th, 2016;
- **Reference Committee Members & Wording Working Group:**
September 15th and November 8th, 2016.

ITEM 10. Reminder on the need to Establish a Quorum:

At the request of the Chairperson of the Executive Committee, an email was sent on April 7th, 2016, by the Executive Secretary to all the Executive Committee Members and the Chairperson of the Engineering and Reference Committees. The main purpose was to get feedback on the accuracy of the information contained in the list of Representatives and Alternates on the various Committees. The other purpose was to remind the Member Companies that while they have a right to have representatives on the various committees, this right comes with the obligation of regular attendance and active participation from their elected representatives or alternates. Failure of a Representative/Alternate to attend a confirmed meeting can result in quorum not being met. If there is no quorum, no official discussions or decisions can be undertaken, resulting in a wasted meeting and frustrated Committee Members.

ITEM 11. Any New Business:

No new business. However, Rob West commented that to use the Insurance Institute C43-Boiler and Machinery Insurance setup is perhaps not the best format to follow by the Wording Working Group.

ITEM 12. Closing Remarks and Motion to Adjourn:

- Julie Grenier concluded by thanking everyone for attending. Rob West made a motion to adjourn, seconded by Andrea Powell. Motion carried.
- The next Reference Committee Meeting is scheduled for September 15th, 2016, starting at 1:00 pm sharp.
- This meeting adjourned at 2:10 pm.

Respectfully submitted by,

**Julie Grenier,
Chairperson of the Reference Committee
Canadian Boiler & Machinery Underwriters' Association**

**Jean-Guy Turmel
Executive Secretary
Canadian Boiler & Machinery Underwriters' Association**

September 15th, 2016

NOTE: Attached please find a corrected "Notice of Meeting/Agenda" for the July 19th, 2016 meeting.



CB&MUA Reference
Committee Notice of I