

1    Q.    **Reference: 7.**

2            Please provide any documentation (in addition to Schedule, Page 1 of 1 filed with  
3            the Application) pertaining to the decision by Hydro's insurers not to provide Failure  
4            to Supply coverage due to the absence of a limitation of liability in the power supply  
5            agreement between North Atlantic and Hydro, including any correspondence  
6            between Hydro and their insurers and/or broker, and any internal Hydro  
7            correspondence.

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10    A.    Please refer to the attached Casualty Renewal report for 2013. The insurer initially  
11            wanted to exclude all Failure to Supply liability coverage however, Hydro was able  
12            to isolate the loss of coverage to that applicable to NARL only by providing details  
13            regarding the limitation of liability in effect for other customers.

## Commercial General Liability

<i>Insured</i>	<b>Nalcor Energy</b> Newfoundland and Labrador Hydro; Churchill Falls (Labrador) Corporation Limited; Nalcor Energy – Oil and Gas Inc.; Nalcor Energy – Bull Arm Fabrication Inc.; Twin Falls Power Corporation Limited; Lower Churchill Development Corporation Limited; Gull Island Power Company Limited		
<i>Insurer</i>	Northbridge Indemnity Insurance Corporation		
<i>Policy Period</i>	1 July, 2013 – 1 July, 2014		
		<b>Expiring</b>	<b>Renewal</b>
<b>Policy Form</b>			
	Occurrence	Yes	Yes
<b>Limits of Liability</b>			
	Each Occurrence	3,000,000	3,000,000
	Annual aggregate – Products and Completed Operations	3,000,000	3,000,000
	General Aggregate	No	15,000,000
	Employee Benefits Liability and Aggregate	3,000,000	3,000,000
	Tenants' Legal Liability – All Risks	3,000,000	3,000,000
	Employers Liability (Canada only)	Included	Included
	Non-owned Automobile	3,000,000	3,000,000
	SEF 94 – Damage to Hired Automobiles	50,000	75,000
	Personal Injury & Advertising Liability	3,000,000	3,000,000
	Forest and Prairie Protection Acts Expenses (Canada only) Aggregate	3,000,000	3,000,000
	Medical Payments – any one person	10,000	10,000
	Medical Payments – any one accident	50,000	50,000
	Limited Pollution Aggregate (120 hrs reporting/120 hrs detection)	3,000,000	3,000,000
	Defense Expenses In Addition to the Limits	Yes	Yes
<b>Deductibles</b>			
	Bodily Injury & Property Damage – Per Occurrence	25,000	25,000
	With respect to Social Clubs	NIL	NIL
	Employee Benefits Liability	2,500	2,500
	Tenants' Legal Liability	1,000	1,000
	SEF 94 – Damage to Hired Automobiles	1,000	1,000
	Forest and Prairie Protection Acts Expenses	2,500	2,500
	Limited Pollution Liability	25,000	25,000
	Employers Liability (Canada only)	10,000	10,000
	Expenses included in Deductible?	Yes	Yes
<b>Self-Insured Retention</b>			
	Advertisers Liability	5,000	5,000
<b>Policy Form Includes</b>			
	Products and Completed Operations	Yes	Yes

Employers Liability (Canada only)	Yes	Yes
Contingent Employers Liability	Yes	Yes
SEF 6 Non-owned Auto – includes contractual liability	Yes	Yes
Owned Watercraft up to 500 GRT	Yes	No
Owned Watercraft up to 42 Feet	No	Yes
Non-Owned Watercraft	Yes	Yes
Additional Insureds include Employees and Volunteers	Yes	Yes
Broad Form Property Damage	Yes	Yes
Incidental Medical Malpractice	Yes	Yes
Severability of Interest	Yes	Yes
Blanket Contractual Liability	Yes	Yes
Worldwide Territory	Yes	Yes
Canadian Currency Clause	Yes	Yes
Cancellation No. Days	90 days	90 days
<b>Special Extensions or Endorsements</b>		
Limited Pollution Liability –120 hr detection, 120 hr reporting	Yes	Yes
Limited Failure to Supply	Yes	Yes – excluding N. Atlantic
Additional Insureds – JM&J Enterprises Ltd. and Paul Turnbull	Yes	Yes
Operation of Attached Machinery	Yes	Yes
<b>Special Exclusions or Restrictions (but not limited to)</b>		
Employment Practices Liability	Yes	Yes
Aircraft Products and Grounding	Yes	Yes
Aircraft	Yes	Yes
Asbestos	Yes	Yes
Nuclear Energy Liability	Yes	Yes
Data	Yes	Yes
Terrorism	Yes	Yes
Mould/Fungi	Yes	No
Fungi Exclusion - \$250,000 sublimit applicable to Personal Injury or PD resulting from Products and Completed Operations	No	Yes
Marine and Marine Related Operations	Yes	Yes
Health Care/Medical Services – absolute exclusion with respect to Grenfell Hospital only	Yes	Yes
Abuse/Harassment – Twiddle Bug Nursery School Cooperative Society Ltd.	Yes	No (Twiddle Bug is no longer an Insured)
Abuse Exclusion	No	Yes
Municipalities Endorsement – applicable to Churchill Falls	Yes	Yes
Nalcor Energy – Oil and Gas Inc. – Operation Restrictions	Yes	Yes
Radioactive material	Yes	Yes
EMF Exclusion	Silent	Silent
Lead Exclusion	Silent	Silent