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Recent Changes to CCDC-2 and CCDC-41

In December of 2020, CCDC released new documents relating to a revised CCDC-2 contract form as well as an updated CCDC-41 which outlines standard insurance requirements.

With the changes seen in the CCDC-2-2020 update, it is clear that the committee is continuing with its preference to continually enhance the contract form with the goal to remove the need for owners and contractors to have numerous supplementary conditions modifying the contract form.

Changes from CCDC-2-2008 to CCDC-2-2020 include new language around 'Ready-For-Take-Over' and also, to update terms related to payment and release of holdbacks. Other areas include changes to safety, document review, reallocation of certain clauses to Division 01, cash allowances as well as change directives and consequential damages. A clause related to adjudication was added; which clarified that nothing in the contract affects the parties' ability/rights to resolve a dispute via adjudication under the applicable legislative changes in Ontario or that may arise in other provincial jurisdictions.

The construction community will continue to familiarize itself with the new contract changes, and while it is early going, it is more than likely that supplementary conditions will remain an area for careful review and understanding for owners, general contractors and also subtrades. Particularly for those subtrades who may be bound contractually to similar provisions of the prime contract via their subcontract with the general contractor.

Fresh on the heels of the revisions to the CCDC-2, the standard insurance requirements outlined in CCDC-41 received a significant overhaul. Most notably a number of key coverages were increased from \$5MM to \$10MM and the requirement of mandatory pollution coverage was introduced. These changes reflect trends relating to increased value of claims for bodily injury, property damage and the general litigious nature of the construction environment.

Notably, contractors will need to review their current insurance portfolios to assess which changes are necessary to meet the requirements for \$10MM in general liability and automobile coverage and also to procure a pollution liability policy with limits of \$5MM. Contractors utilizing drones in their scope of work will also need to familiarize themselves with the insurance requirements for this operation under the CCDC-41 changes.

It is important that contractors familiarize themselves with the changes made in these CCDC documents. One should be aware that although older versions of CCDC-2 contracts may be entered into while the larger construction community works toward adopting CCDC-2-2020 forms, that the new CCDC-41 provisions apply going forward; regardless if you utilize a CCDC-2-2008 or CCDC-2-2020. The CCDC-41 provisions in place at the time of tender are the ones to be utilized when the contract is signed.

As always, contractors are encourage to review their contracts and engage their professional advisors, including legal and insurance representatives to ensure they are fully briefed on the changes and the implications to their organization, risk profile and contract negotiations.