**Clause Description:**

The *Bailee’s Liability* insurance clause is used to provide coverage for the contractor where a claim for loss or damage(s) arising from the contractor’s negligence in the handling or storing of goods owned by others while those goods are in its care, custody, or control and which are typically excluded under a Commercial General Liability policy.

**The Recommended Clause – Bailee’s Liability**

In addition to the Purchaser’s requirement for Commercial General Liability Insurance, the Contractor shall provide Bailee's Liability insurance, which shall be in force throughout the duration of the Contract, in an amount of not less than ($2,000,000) (CAD) per accident or occurrence and in the amount of ($2,000,000) (CAD) in the aggregate.

The Purchaser shall be added to the Policy as an Additional Insured with respect to the liability arising out of the Contractor’s work / performance of the Contract.

The Policy shall contain a Cross Liability clause, also known as a Separation of Insureds clause, such that the Policy will provide protection to each Insured in the same manner and to the same extent as if there were a separate policy that had been issued to each Insured.

Where available, the Contractor shall provide the Purchaser with not less than 30 days’ written notice in advance of cancellation, material change or amendment restricting coverage.

*(The entities (i.e. Purchaser, Contractor), and the number (i.e. $2,000,000), in red font are descriptors that you can substitute for the entities and numbers required for your own specific contract.)*