

**Ministry of Finance
BRIEFING DOCUMENT**

To:	Honourable Colin Hansen Minister of Finance	Date Requested:	April 1, 2010
		Date Required:	
		Date Prepared:	August 20, 2010
Initiated by:	Graham Whitmarsh Deputy Minister Ministry of Finance	Phone Number:	250 387-3184
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		CLIFF #:	229367

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2010

PURPOSE:

(X) ACTION REQUIRED

COMMENTS:

- The *Financial Administration Act* requires the Minister of Finance to lay a report respecting the guarantees and indemnities approved during the preceding fiscal year before the Legislative Assembly as soon as possible after the end of the fiscal year. Appended to this briefing note is the report for tabling in the Legislature.
 - The information in this briefing note is background for the Minister of Finance respecting the contents of the report. It is not to be tabled in the House with the report. It only covers guarantees and indemnities that are considered to require further explanation.
-

DATE PREPARED: August 20, 2010

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2010.

BACKGROUND:

- In order to deliver programs, the government is often required to provide guarantees and indemnities to third parties.
- The Province has provided payment guarantees for various infrastructure projects. These guarantees would become payable in the event the responsible entities default on payments required by the respective agreements.
- The Province indemnifies against loss, damage or injury arising out of activities carried out by or on behalf of the Province. Indemnities are normally for an unlimited amount and represent a liability only if the circumstance that gives rise to an indemnity payment occurs. Each is vetted carefully on its own merit before approval. Indemnities are a standard part of many government contracts.

DISCUSSION:

- The two approved guarantees for fiscal 2009/10 fall into one category:
 - **Public-Private Partnerships (2 approvals)** – These guarantees were for payment guarantees of health projects. These two guarantees were for Ministry of Health projects: the British Columbia Cancer Agency Centre for the North, and the Fort St. John Hospital.
- The 871 approved ministry indemnities for fiscal 2009/10 generally fall into one of nine categories:
 - **Special (3 approvals)** – These indemnities cover a wide range of applications, but generally involve unique situations that are outside the control of the Province and therefore, expose the Province to risk that it would not have in the absence of the indemnity. Where such an indemnity is necessary to conclude a contract, all measures are taken to reduce the risk to government before approval is granted.
 - **Legal Representation (8 approvals)** – These indemnities cover legal costs of individuals (usually employees or former employees) who are named, or could be named, in litigation or appear as witnesses in litigation. No further information can be provided as details are subject to the *Freedom of Information and Protection of Privacy Act* and confidentiality agreements.

- **Land Deals (8 approvals)** – These indemnities cover various land purchase or sale arrangements, including several related to transportation projects. Risks are assessed based on the individual circumstances. Where the Province indemnifies for pre-existing environmental matters, all measures are taken to assure that the contamination risk is low to ensure these indemnities are not likely to be called on.
- **Gateway Program (15 approvals)** – These indemnities relate to land acquisition, land access, and other agreements pertaining to the Gateway road and bridge improvement projects in the Lower Mainland.
- **Services Provided to the Province (21 approvals)** – These indemnities are included in agreements with contractors who provide services directly to government, or on behalf of government, where the services themselves expose the contractor to risk above their normal operations. Often specialists in their field, the only contractors available or qualified to deliver the required services, are unable to obtain insurance to protect themselves or the Province from losses arising out of those activities. In these circumstances, the Province has little choice but to indemnify the contractors for losses arising out of the activities undertaken to deliver the contracted services or risk having no service provider.
- **Olympics (24 approvals)** – These indemnities relate to various aspects of the 2010 Olympic and Paralympic Winter Games.
- **Leases, Rights of Way, Occupancy Permits (44 approvals)** – These indemnities cover a wide range of document types related to the Province's occupation or access to private lands or property including, office leases, access required for communications' installations, and land access required for various transportation projects.
- **General (55 approvals)** – These indemnities are related to risks that are generally within the control of the Province, primarily arising from the acts or omissions of the Province. Normally, the other party to the contract would agree to a similar indemnity regarding their own responsibilities.
- **Activities for Children in Care (693 approvals)** – These indemnities are included in various forms of releases, waivers and agreements for children in care participating in various recreational, educational and sports activities. Because the Province is the legal guardian for children in care, liability for the actions of these children rests with the Province and these approvals are considered low risk.

Comparison of Fiscal Year Totals of Indemnities by Category											
Fiscal Year	Children in Care	General	Leases, Rights of Way, and Permits	Services Provided to the Province	Olympics	Special	Land Deals	P3s and ASDs	Legal Representation	Other	Total
2009/10	693	55	44	21	24	3	8	N/A	8	15	871
2008/09	589	52	67	19	8	6	8	N/A	4	15	768
2007/08	449	23	32	25	4	15	4	4	6	N/A	562
2006/07	340	35	54	8	2	10	8	3	4	27	491
2005/06	230	37	42	9	4	17	N/A	12	11	24	386

PLEASE NOTE: Details on many of the indemnities are subject to *FOIPPA* and confidentiality agreements and therefore, should not be made public without first contacting the Risk Management Branch.

Specific indemnities worth noting are:

Agriculture and Lands

Indemnity 100075 to individual members appointed to the Private Managed Forest Land Council – This indemnity pertains to the council members of a non-government corporation who are carrying out government objectives pursuant to Cabinet regulations. This indemnity is retroactive to June 2004 to follow the term of the appointments of the members to the council.

Attorney General

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Indemnities 101374 and 101375 to various tobacco companies, and 101376 to Canada and all other provinces and territories of Canada – These agreements related to the settlement and release of certain tobacco-related claims by the tobacco companies, and the distribution of settlement funds among the provinces and territories.

Children and Family Development

Indemnity 101207 to the Nisga'a Nation – This indemnity is part of the agreement delegating authority to deliver certain child and family services under the *Child, Family and Community Services Act*.

Citizens' Services

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Education

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Finance

Indemnity to Her Majesty the Queen in Right of Canada – This indemnifies the Government of Canada from loss with respect to the Province's receipt of funding for the Harmonized Sales Tax Agreement.

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Health Services

Indemnities 100379 and 100407 to various agencies – The Province issued these indemnities as part of contingency planning respecting the Paramedics Union of British Columbia labour dispute in order to retain the services of various agencies who had capacity to provide emergency medical services if required.

Indemnity 100811 to various members of the Clinical Care Advisory Group – This indemnity is ensured the participation of various medical professionals in the ministry's Pandemic Influenza Operational Planning Project.

Indemnity 100904 to Public Health Agency of Canada – This indemnity is included in the agreement to temporarily borrow ventilators, if necessary, as part of contingency planning for the health sector's H1N1 response.

Public Safety and Solicitor General

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Transportation and Infrastructure

Indemnity 101168 to BCTFA and Transportation Investment Corporation – This indemnity is included in the Concession Agreement granting rights and obligations related to the Port Mann Highway 1 Bridge Project to Transportation Investment Corporation.

Olympics

Indemnity 100130 to Canada's Department of Western Economic Diversification – This indemnity was issued with respect to the renovation of Robson Square for a walk-through multi-media experience.

Indemnities 100152 to Vancouver Extended Stay Ltd. and 100496 to Alpha Sigma Management Inc. – These indemnities were issued with respect to rental and occupation of suites in Vancouver for the Province's use during the 2010 Olympic Games.

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Indemnity 100490 to VANOC – This indemnity relates to the Emergency and Health Services Commission providing emergency medical resources and services to the 2010 Olympic Games.

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Indemnity 100830 to ESPN Inc. – This indemnity relates to the obligations of the Province's use of space in the British Columbia International Media Centre at the 2010 Olympic Games.

Indemnity 100859 to Canada, City of Vancouver, Four Host First Nations Society, and VANOC – This indemnity is part of the agreement between the parties to coordinate hosting activities for visiting dignitaries during the 2010 Olympic and Paralympic Winter Games.

Indemnity 100886 to BC Pavilion Corporation – This indemnity relates to the Province's use of space at the Vancouver Convention Centre for the 100 Day Countdown to the 2010 Olympic Games.

Indemnity 100941 to VANOC – This indemnity relates to sponsorship of the Olympic Torch Relay and Paralympic Torch Relay.

Indemnities 101025 to the City of Vancouver and 101102 to the Resort Municipality of Whistler – These indemnities are for extraordinary costs related to snow and ice removal during the 2010 Olympic and Paralympic Winter Games.

Indemnity 101070 to British Columbia Ferry Services Inc. – This indemnity forms part of the agreement for dock fit testing to assess the feasibility of a temporary ferry service in the event of impassable roads to Whistler during the 2010 Olympic Games.

Indemnity 101085 to VANOC and others – This indemnity is included as part of the terms of the Province's use of a dedicated suite for events produced by VANOC as part of the 2010 Olympic or Paralympic Winter Games.

Indemnity 101094 to the City of Vancouver – This indemnity is part of the licence for the use of Robson Square for the purpose of the Zip-Line attraction during the 2010 Olympic Games.

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Indemnity 101131 to VANOC and the IOC – This indemnity is part of the license for use of video imagery in the opening ceremonies of the 2010 Olympic Games.

Indemnity 101142 to the Resort Municipality of Whistler – This indemnity relates to the access and use of the Whistler Canada Olympic House during the 2010 Olympic and Paralympic Winter Games.

Indemnity 101201 to the City of Vancouver – This indemnity relates to the license of space at the Vancouver Art Gallery for the operation of BC Canada Pavilion as part of the 2010 Olympic Games.

Indemnity 101218 to Coca-Cola Ltd. – This indemnity forms part of the sponsorship agreement providing certain rights and benefits in exchange for Coca-Cola's support at certain Robson Square locations related to the 2010 Olympic Games.

Indemnity 101260 to 0827805 BC Ltd. doing business as Richmond Olympic Oval Corporation – This indemnity relates to ActNow BC promotional activities at the O Zone as part of official celebrations of the 2010 Olympic Games.

Indemnity 101305 to VANOC – this indemnity relates to the Province's purchase and disposal of specified VANOC assets following the completion of the 2010 Olympic Games.

All indemnities specific to the Ministry of Finance:

100130	Her Majesty the Queen in Right of Canada, as represented by the Minister of Western Economic Diversification	Agreement between Her Majesty the Queen in Right of Canada, as represented by the Minister of Western Economic Diversification and the Province of BC, as represented by the Minister of Finance, with respect to the renovation of Robson Square for a walk-through multi-media experience
100161	The City of Victoria	Parks Permit Contract #12539 between Her Majesty the Queen in Right of British Columbia as represented by the Minister of Finance and The City of Victoria, for use of premises for a Slo Pitch Tournament at Topaz Park, Glasgow SE Ball Diamond on June 6, 2009
100504	CDS Clearing and Depository Services Inc.	Book Entry Only Securities - Services Agreement between CDS Clearing and Depository Services Inc., (CDS) and Her Majesty the Queen in Right of the Province of British Columbia, represented by the Minister of Finance, (Issuer) whereby the Issuer can deposit eligible securities for book entry only services of CDS

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100830	ESPN Inc.	Space and Services Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance, BC 2010 Olympic and Paralympic Winter Games Secretariat and ESPN Inc., with respect to the Secretariat's obligations under the Space and Services Agreement at the British Columbia International Media Centre
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100913	The Corporation of the City of Victoria and RG Facilities Ltd.	License Agreement between The Corporation of the City of Victoria and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance, for the use of Save-on-Foods Memorial Centre for a skating party on December 7, 2009
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100829	Her Majesty the Queen in Right of Canada	Canada - British Columbia Co-Operation Agreement on Official Languages between the Office of the Premier and Her Majesty the Queen in Right of Canada, with respect to activities described in the Agreement on French-Language Services
100859	Various parties to the contract (HMTQ in Right of Canada, Four Host First Nations Society, City of Vancouver and VANOC)	Agreement between Her Majesty the Queen in Right of British Columbia, as represented by the Intergovernmental Relations Secretariat Office of Protocol, Her Majesty the Queen in Right of Canada, as represented by the 2010 Olympic and Paralympic Winter Games Federal Secretariat and the Department of Foreign Affairs and International Trade, Four Host First Nations Society, City of Vancouver and Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games, with respect to the operations at the Protocol Operations Centre during the 2010 Olympic and Paralympic Winter Games located at the Coal Harbour Community Centre
N/A	Her Majesty the Queen in Right of Canada	Agreement between Her Majesty the Queen in Right of Canada and Her Majesty the Queen in Right of British Columbia, with respect to the funding for the Harmonized Sales Tax agreement with the province.

**Ministry of Finance
BRIEFING DOCUMENT**

To:	Honourable Kevin Falcon Minister of Finance	Date Requested:	April 1, 2011
		Date Required:	
		Date Prepared:	August 20, 2011
Initiated by:	Peter Milburn Deputy Minister Ministry of Finance	Phone Number:	250 387-3184
		Email:	peter.milburn@gov.bc.ca
Ministry Contacts:	Phil Grewar Executive Director Risk Management Branch	Phone Number:	250 387-0521
		Email:	phil.grewar@gov.bc.ca
	Carl Fischer Executive Director Financial Reporting and Advisory Services	Phone Number:	250 356-9272
		Email:	carl.fischer@gov.bc.ca
		CLIFF #:	250845

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2011

PURPOSE:

(X) ACTION REQUIRED

COMMENTS:

- The *Financial Administration Act* requires the Minister of Finance to lay a report respecting the guarantees and indemnities approved during the preceding fiscal year before the Legislative Assembly as soon as possible after the end of the fiscal year. Appended to this briefing note is the report for tabling in the Legislature.
- The information in this briefing note is background for the Minister of Finance respecting the contents of the report. It is not to be tabled in the House with the report. It only covers guarantees and indemnities that are considered to require further explanation.

DATE PREPARED: August 20, 2011

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2011.

BACKGROUND:

- In order to deliver programs, the government is often required to provide guarantees and indemnities to third parties.
- The Province has provided payment guarantees for various infrastructure projects. These guarantees would become payable in the event the responsible entities default on payments required by the respective agreements.
- The Province indemnifies against loss, damage or injury arising out of activities carried out by or on behalf of the Province. Indemnities are normally for an unlimited amount and represent a liability only if the circumstance that gives rise to an indemnity payment occurs. Each is vetted carefully on its own merit before approval. Indemnities are a standard part of many government contracts.

DISCUSSION:

- The one approved guarantee for fiscal 2010/11 fall into one category:
 - **Public-Private Partnerships (1 approval)** – This guarantee was for a payment guarantee of health projects. The guarantee was for a Ministry of Health project: the Critical Care Tower Project for Surrey Memorial Hospital.
- The 982 approved ministry indemnities for fiscal 2010/11 generally fall into one of ten categories:
 - **Special (6 approvals)** – These indemnities cover a wide range of applications, but generally involve unique situations that are outside the control of the Province and therefore, expose the Province to risk that it would not have in the absence of the indemnity. Where such an indemnity is necessary to conclude a contract, all measures are taken to reduce the risk to government before approval is granted.
 - **Legal Representation (2 approvals)** – These indemnities cover legal costs of individuals (usually employees or former employees) who are named, or could be named, in litigation or appear as witnesses in litigation. No further information can be provided as details are subject to the *Freedom of Information and Protection of Privacy Act* and confidentiality agreements.

- **Land Deals (7 approvals)** – These indemnities cover various land purchase or sale arrangements, including several related to transportation projects. Risks are assessed based on the individual circumstances. Where the Province indemnifies for pre-existing environmental matters, all measures are taken to assure that the contamination risk is low to ensure these indemnities are not likely to be called on.
- **Gateway Program (37 approvals)** – These indemnities relate to land acquisition, land access, and other agreements pertaining to the Gateway road and bridge improvement projects in the Lower Mainland.
- **Services Provided to the Province (14 approvals)** – These indemnities are included in agreements with contractors who provide services directly to government, or on behalf of government, where the services themselves expose the contractor to risk above their normal operations. Often specialists in their field, the only contractors available or qualified to deliver the required services, are unable to obtain insurance to protect themselves or the Province from losses arising out of those activities. In these circumstances, the Province has little choice but to indemnify the contractors for losses arising out of the activities undertaken to deliver the contracted services or risk having no service provider.
- **Olympics (3 approvals)** – These indemnities relate to broadcast footage and disposal of assets from the 2010 Olympic and Paralympic Winter Games.
- **Leases, Rights of Way, Occupancy Permits (57 approvals)** – These indemnities cover a wide range of document types related to the Province's occupation or access to private lands or property including, office leases, access required for communications' installations, and land access required for various transportation projects.
- **General (44 approvals)** – These indemnities are related to risks that are generally within the control of the Province, primarily arising from the acts or omissions of the Province. Normally, the other party to the contract would agree to a similar indemnity regarding their own responsibilities.
- **Activities for Children in Care (811 approvals)** – These indemnities are included in various forms of releases, waivers and agreements for children in care participating in various recreational, educational and sports activities. Because the Province is the legal guardian for children in care, liability for the actions of these children rests with the Province and these approvals are considered low risk.
- **Public Private Partnerships and Alternative Service Delivery (1 approval)** – This indemnity relates to a change order to a previously executed Public Private Partnership arrangement.

Comparison of Fiscal Year Totals of Indemnities by Category											
Fiscal Year	Children in Care	General	Leases, Rights of Way, and Permits	Services Provided to the Province	Olympics	Special	Land Deals	P3s and ASDs	Legal Representation	Other	Total
2010/11	811	44	57	14	3	6	7	1	2	37	982
2009/10	693	55	44	21	24	3	8	N/A	8	15	871
2008/09	589	52	67	19	8	6	8	N/A	4	15	768
2007/08	449	23	32	25	4	15	4	4	6	N/A	562
2006/07	340	35	54	8	2	10	8	3	4	27	491
2005/06	230	37	42	9	4	17	N/A	12	11	24	386

PLEASE NOTE: Details on many of the indemnities are subject to *FOIPPA* and confidentiality agreements and therefore, should not be made public without first contacting the Risk Management Branch.

Specific indemnities worth noting are:

Agriculture and Lands

Indemnity 110652 and 111579 to College of Veterinarians of British Columbia – The British Columbia Veterinary Medical Association (BCVMA) risked collapse when its regulators threatened to walk away if they couldn't renew their insurance. With the multiple law suits filed against it by its members in recent years, their insurer had sharply increased premiums and reduced coverage. Seeking to temporarily sustain the self-regulating body for the greater public good, the Province indemnified the BCVMA for their deductible and amounts over their limits to keep their regulators in place. The 2010 approvals are the fourth and fifth indemnities granted to the BCVMA in this regard, and extend the indemnity to June 30, 2011.

Attorney General

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Health Services

Indemnity 110034 to College of Speech and Hearing Health Professionals of British Columbia – The Province has agreed to indemnify the College of Speech and Hearing Professionals of British Columbia for costs that the College would reasonably incur after it assumes conduct (April 1, 2010) for any unresolved complaints, investigations, mediations or disciplinary or other proceedings that were initiated but not completed by the former ministry-controlled Board.

Indemnity 110456 to various pharmacy assistants – The Province issued these indemnities as part of various undercover investigations of certain pharmacies in the Lower Mainland of British Columbia, where a Pharmacy Assistant is required to assist in the investigation under the direction of the Pharmacist.

Indemnity 111091 to Emergency and Health Services Commission – The Province has agreed to indemnify and save harmless the Emergency and Health Services Commission, its Board, and each Board member (collectively the "Commission") for the delivery of HealthLinkBC Services by the Province on and after the Province assumed responsibility for those services.

All indemnities specific to the Ministry of Finance:

No.	Indemnatee	Subject
110757	Canada Post Corporation	Student Loan Documents Verification Services Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Canada Post Corporation, for the provision of authentication of identification service and dispatch of student loan documents
110987	HSBC Bank Canada, International Swaps and Derivatives Association Inc.	Master Agreement and Schedule to the Master Agreement between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Minister of Finance and HSBC Bank Canada with respect to management of swap and derivative investment transactions for the Province
111012	Canadian Standards Association	Subscription Term License Agreement between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Canadian Standards Association, operating as CSA Standards (CSA) for the sale and use of certain CSA publications, as it relates to the CSA-ISO 31000
111076	The Corporation of the City of Victoria and RG Facilities Ltd.	License Agreement between Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Finance and The Corporation of the City of Victoria for use of the Save-On-Foods Memorial Centre for a skating party on December 7, 2010
111109	Partnerships British Columbia Inc.	Government Services Contract between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Partnerships British Columbia Inc., (PBC) whereby PBC will provide services described in Schedule B
111397	The Bank of Nova Scotia (Scotia Bank)	Bond of Indemnity between Ministry of Finance and The Bank of Nova Scotia with respect to an uncashed cheque for \$58.98 dated March 24, 2005
111541	Simon Fraser University	Rental Facility Agreement between Simon Fraser University (SFU) and Her Majesty the Queen in right of the Province of British Columbia, as represented by the Minister of Finance with respect to hosting a FICOM meeting on April 6, 2011 at the SFU Surrey Campus

**Ministry of Finance
BRIEFING DOCUMENT**

To:	Honourable Michael de Jong Minister of Finance	Date Requested:	April 1, 2012
		Date Required:	
		Date Prepared:	August 13, 2012
Initiated by:	Peter Milburn Deputy Minister Ministry of Finance	Phone Number:	250 387-3184
		Email:	peter.milburn@gov.bc.ca
Ministry Contacts:	Phil Grewar Executive Director Risk Management Branch	Phone Number:	250 387-0521
		Email:	phil.grewar@gov.bc.ca
	Carl Fischer Executive Director Financial Reporting and Advisory Services	Phone Number:	250 356-9272
		Email:	carl.fischer@gov.bc.ca
		CLIFF #:	265598

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2012

PURPOSE:

(X) ACTION REQUIRED

COMMENTS:

- The *Financial Administration Act* requires the Minister of Finance to lay a report respecting the guarantees and indemnities approved during the preceding fiscal year before the Legislative Assembly as soon as possible after the end of the fiscal year. Appended to this briefing note is the report for tabling in the Legislature.
- The information in this briefing note is background for the Minister of Finance respecting the contents of the report. It is not to be tabled in the House with the report. It only covers guarantees and indemnities that are considered to require further explanation.

DATE PREPARED: August 13, 2012

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2012.

BACKGROUND:

- In order to deliver programs, the government is often required to provide guarantees and indemnities to third parties.
- The Province has provided payment guarantees for various infrastructure projects. These guarantees would become payable in the event the responsible entities default on payments required by the respective agreements.
- The Province indemnifies against loss, damage or injury arising out of activities carried out by or on behalf of the Province. Indemnities are normally for an unlimited amount and represent a liability only if the circumstance that gives rise to an indemnity payment occurs. Each is vetted carefully on its own merit before approval. Indemnities are a standard part of many government contracts.

DISCUSSION:

- There were no guarantees issued during the year.
- The 896 approved ministry indemnities for fiscal 2011/12 generally fall into one of ten categories:
 - **Special (8 approvals)** – These indemnities cover a wide range of applications, but generally involve unique situations that are outside the control of the Province and therefore, expose the Province to risk that it would not have in the absence of the indemnity. Where such an indemnity is necessary to conclude a contract, all measures are taken to reduce the risk to government before approval is granted.
 - **Legal Representation (7 approvals)** – These indemnities cover legal costs of individuals (usually employees or former employees) who are named, or could be named, in litigation or appear as witnesses in litigation. No further information can be provided as details are subject to the *Freedom of Information and Protection of Privacy Act* and confidentiality agreements.

- **Land Deals (2 approvals)** – These indemnities cover various land purchase or sale arrangements, including several related to transportation projects. Risks are assessed based on the individual circumstances. Where the Province indemnifies for pre-existing environmental matters, all measures are taken to assure that the contamination risk is low to ensure these indemnities are not likely to be called on.
- **Gateway Program (47 approvals)** – These indemnities relate to land acquisition, land access, and other agreements pertaining to the Gateway road and bridge improvement projects in the Lower Mainland.
- **Services Provided to the Province (27 approvals)** – These indemnities are included in agreements with contractors who provide services directly to government, or on behalf of government, where the services themselves expose the contractor to risk above their normal operations. Often specialists in their field, the only contractors available or qualified to deliver the required services are unable to obtain insurance to protect themselves or the Province from losses arising out of those activities. In these circumstances, the Province has little choice but to indemnify the contractors for losses arising out of the activities undertaken to deliver the contracted services or risk having no service provider.
- **Leases, Rights of Way, Occupancy Permits (52 approvals)** – These indemnities cover a wide range of agreements related to the Province's occupation or access to private lands or property including office leases, access required for communications installations, and land access required for various transportation projects.
- **General (67 approvals)** – These indemnities are related to risks that are generally within the control of the Province, primarily arising from the acts or omissions of the Province. Normally, the other party to the contract would agree to a similar indemnity regarding their own responsibilities.
- **Activities for Children in Care (685 approvals)** – These indemnities are included in various forms of releases, waivers and agreements for children in care participating in various recreational, educational and sports activities. Because the Province is the legal guardian for children in care, liability for the actions of these children rests with the Province and these approvals are considered low risk. For certain common forms, where several children participated, blanket approval was granted.
- **Public Private Partnerships and Alternative Service Delivery (1 approval)** – This indemnity relates to the Public Private Partnership for the Surrey Pretrial Services Centre Expansion and Redevelopment Project.

Comparison of Fiscal Year Totals of Indemnities by Category											
Fiscal Year	Children in Care	General	Leases, Rights of Way, and Permits	Services Provided to the Province	Olympics	Special	Land Deals	P3s and ASDs	Legal Representation	Other	Total
2011/12	685	67	52	27	N/A	8	2	1	7	47	896
2010/11	811	44	57	14	3	6	7	1	2	37	982
2009/10	693	55	44	21	24	3	8	N/A	8	15	871
2008/09	589	52	67	19	8	6	8	N/A	4	15	768
2007/08	449	23	32	25	4	15	4	4	6	N/A	562
2006/07	340	35	54	8	2	10	8	3	4	27	491
2005/06	230	37	42	9	4	17	N/A	12	11	24	386

PLEASE NOTE: Details on many of the indemnities are subject to *FOIPPA* and confidentiality agreements and therefore, should not be made public without first contacting the Risk Management Branch.

Specific indemnities worth noting are:

Agriculture

Indemnity 120421 to BC Veterinary Captive Insurance Co. Ltd. – This indemnity is with respect for the provision of alternate capital for a finite period of time (terminating June 30, 2014) in connection with Directors' and Officers' Liability and Commercial General Liability insurance coverage provided by the captive to the College of Veterinarians of British Columbia.

Attorney General

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Indemnity 120990 various former Crown Counsel – This is a Legal Representation Agreement for legal advice for former Crown Counsel of the Criminal Justice Branch and who were counsel on appeals and post-conviction applications brought by claimant.

Indemnity 121175 to various employees – This is a Legal Representation Agreement for legal expenses for employees who have not agreed to give up their privilege over certain documents and information sought by the Auditor General.

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Indemnity 120717 and 120718 and 120719 and 120720 – These four indemnities were issued to various municipal police detachments and Her Majesty the Queen in Right of Canada respecting the Province's assumption of defence and settlement costs related to the class action lawsuit for the use of roadside screening devices by police departments.

BC Public Service Agency

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Children and Family Development

Indemnity 120019 to various Persons listed in Schedule A. – This is a Legal Representation Agreement as it relates to a security interest being registered against a judicial justice of the peace by a "Freeman of the Land".

Environment

Indemnity 120494 – The Province has agreed to indemnify Cariboo Regional District with respect to the performance of any statutory duty in relation to the Province's involvement in the property acquisition and dismantling in the Cottonwood Subdivision.

Indemnity 120710 – The Province has agreed to indemnify the Town of Smithers with respect to the performance of any statutory duty in relation to the Province's involvement in the acquisition or dismantling of property at 4264 Rosenthal Road.

Justice

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Public Safety and Solicitor General

Indemnity 120515 and 120516 and 120589 - The Province has agreed to indemnify various individuals for their role in the independent review of the June 15, 2011 riot in Vancouver, and for the review and creation of planning frameworks related to major civic celebrations.

All indemnities specific to the Ministry of Finance:

Number	Indemnatee	Subject
120006	Liberty International Underwriters a division of the Liberty Mutual Insurance Company	Indemnity and Hold Harmless Agreement between Liberty International Underwriters a division of the Liberty Mutual Insurance Company and Her Majesty the Queen in Right of the Province of British Columbia, acting through and represented by the Risk Management Branch of the Ministry of Finance, Master Insurance Program fronting arrangement.
120283	Simon Fraser University	Rental Facility Agreement between Simon Fraser University (SFU) and Her Majesty the Queen in right of the Province of British Columbia, as represented by the Minister of Finance with respect to the use of facilities for a Financial Institution Commission meeting on June 2, 2011 at the SFU Surrey Campus.
120294	IHS Global Insight (USA) Inc.	IHS Subscription Agreement between IHS Global Insight (USA) Inc. and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance, with respect to software licenses for three products used by provincial staff to conduct economic analysis.
120309	Simon Fraser University	Rental Facility Agreement between Simon Fraser University and Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Finance (FICOM), for FICOM's use of space on June 10, 2011 for a staff appreciation event.
120346	Public Works and Government Services Canada	indemnities between Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Finance, and Public Works and Government Services Canada in the Undertaking and Indemnity agreement, concerning the two outstanding cheques for \$1,017,780.00 and \$249,978 payable to the BC Medical Services Plan, both of which remain un-cashed and are in the process of a re-issue request.
120390	CanDeal.ca Inc.	User Agreement whereby Her Majesty the Queen in right of the Province of British Columbia represented by the Minister of Finance agrees to indemnify CanDeal.ca Inc. with respect to breach and noted responsibilities under the user agreement.

120460	Bank of Montreal	letter of indemnity between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Bank of Montreal in support of the request to cancel a Letter of Credit that was lost in the mail.
120789	Royal Roads University	Facility Rental and Event Service Agreement, Agreement # 180156, between Royal Roads University and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance for use of space to host a training event on October 13, 2011.
121073	Royal Bank of Canada	Third Party Cheque Indemnity Agreement whereby Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and Insurance Corporation of British Columbia have agreed to indemnify Royal Bank of Canada for losses arising directly or indirectly as a result of third party cheque agreements for the payment of motor vehicle fines.
121128	Canadian Imperial Bank of Commerce	Agreement Re Deposit of Cheques between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Finance and the Canadian Imperial Bank of Commerce in regards to cheques and payments made under the name of Province of British Columbia, made payable to Schedule A "Clients".
121388	CIBC Mellon Trust Company (Custodian), Canadian Imperial Bank of Commerce (CIBC) The Bank of New York Mellon (BNY)	Custodial Services Agreement between Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Finance, and CIBC Mellon Trust Company, and Canadian Imperial Bank of Commerce, and The Bank of New York Mellon for Custodial Services and Collateral Services.

**Ministry of Finance
BRIEFING DOCUMENT**

To:	Honourable Michael de Jong Minister of Finance	Date Requested:	April 1, 2013
		Date Required:	July 23, 2013
		Date Prepared:	July 18, 2013
Initiated by:	Peter Milburn Deputy Minister Ministry of Finance	Phone Number:	250 387-3184
		Email:	peter.milburn@gov.bc.ca
Ministry Contacts:	Phil Grewar Executive Director Risk Management Branch	Phone Number:	250 387-0521
		Email:	phil.grewar@gov.bc.ca
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		CLIFF #:	331035

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2013

PURPOSE:

(X) FOR INFORMATION

COMMENTS:

- The *Financial Administration Act* requires the Minister of Finance to lay a report respecting the guarantees and indemnities approved during the preceding fiscal year before the Legislative Assembly as soon as possible after the end of the fiscal year. Appended to this briefing note is the report for tabling in the Legislature.
- The information in this briefing note is background for the Minister of Finance respecting the contents of the report. It is not to be tabled in the House with the report. It only covers guarantees and indemnities that are considered to require further explanation.

DATE PREPARED: July 18, 2013

TITLE: Report of Guarantees and Indemnities authorized and issued by the Province for the fiscal year ended March 31, 2013.

BACKGROUND:

- To support program delivery, the government is often required to provide guarantees and indemnities to third parties.
- The Province indemnifies against loss, damage or injury arising out of activities carried out by or on behalf of the Province. Indemnities are normally for an unlimited amount and represent a liability only if the circumstance that gives rise to an indemnity payment occurs. Each is vetted carefully on its own merit before approval. Indemnities are a standard part of many government contracts.
- The Province may also provide payment guarantees for various infrastructure projects. These guarantees would become payable in the event the responsible entities default on payments required by the respective agreements.
- The Minister of Finance may provide blanket approval to a government corporation to allow it to give indemnities in the course of carrying out its programs. The Minister of Finance determines the time period for which the approval applies. The following government entities have received blanket approval for indemnities:

BC Hydro and Power Authority, BC Railway Co, BC Transit, BC Housing Management Commission, Insurance Corporation of BC, Knowledge Network, North Island College, Provincial Rental Housing Corporation, Rapid Transit Project 2000 Ltd., Simon Fraser University, University of British Columbia, and University of Victoria.

- The Risk Management Branch (RMB) reviews and maintains a central repository of all approved indemnities. The director or a delegate of RMB can approve an indemnity provided that RMB also has reviewed and accepted the indemnity proposal. The director is responsible for any payments requests related to indemnities issued.
- Ministries are responsible for their own process in managing requests for guarantees and indemnities, which includes risk assessments and annual reporting of the information. Ministries must report to the Office of the Comptroller General all approved guarantees issued for the fiscal year.

DISCUSSION:

- There were no guarantees reported by ministries during the year.
- The indemnities reported only include entities in the Consolidated Revenue Fund. The 892 approved ministry indemnities for fiscal 2012/13 generally fall into one of seven categories:
 - **Special (3 approvals)** – These indemnities cover a wide range of applications, but generally involve unique situations that are outside the control of the Province and therefore, expose the Province to risk that it would not have in the absence of the indemnity. Where such an indemnity is necessary to conclude a contract, all measures are taken to reduce the risk to government before approval is granted.
 - **Legal Representation (5 approvals)** – These indemnities cover legal costs of individuals (usually employees or former employees) who are named, or could be named, in litigation or appear as witnesses in litigation. No further information can be provided as details are subject to the *Freedom of Information and Protection of Privacy Act* and confidentiality agreements.
 - **Gateway Program (32 approvals)** – These indemnities relate to land acquisition, land access, and other agreements pertaining to the Gateway road and bridge improvement projects in the Lower Mainland.
 - **Services Provided to the Province (24 approvals)** – These indemnities are included in agreements with contractors who provide services directly to government, or on behalf of government, where the services themselves expose the contractor to risk above their normal operations. Often specialists in their field, the only contractors available or qualified to deliver the required services are unable to obtain insurance to protect themselves or the Province from losses arising out of those activities. In these circumstances, the Province has little choice but to indemnify the contractors for losses arising out of the activities undertaken to deliver the contracted services or risk having no service provider.
 - **Leases, Rights of Way, Occupancy Permits (145 approvals)** – These indemnities cover a wide range of agreements related to the Province's occupation or access to private lands or property including office leases, access required for communications installations, and land access required for various transportation projects. Note the high volume of approvals this fiscal year is attributable to short term facility rentals by Election BC in advance of the May, 2013 provincial election.
 - **General (59 approvals)** – These indemnities are related to risks that are generally within the control of the Province, primarily arising from the acts or omissions of the Province. Normally, the other party to the contract would agree to a similar indemnity regarding their own responsibilities.

- **Activities for Children in Care (624 approvals)** – These indemnities are included in various forms of releases, waivers and agreements for children in care participating in various recreational, educational and sports activities. Because the Province is the legal guardian for children in care, liability for the actions of these children rests with the Province and these approvals are considered low risk. For certain common forms, where several children participated, blanket approval was granted.

Comparison of Fiscal Year Totals of Indemnities by Category											
Fiscal Year	Children in Care	Leases, Rights of Way, and Permits	General	Services Provided to the Province	Legal Representation	Special	Olympics	Land Deals	P3s and ASDs	Other	Total
2012/13	624	145	59	24	5	3	N/A	N/A	N/A	32	892
2011/12	685	52	67	27	7	8	N/A	2	1	47	896
2010/11	811	57	44	14	2	6	3	7	1	37	982
2009/10	693	44	55	21	8	3	24	8	N/A	15	871
2008/09	589	67	52	19	4	6	8	8	N/A	15	768
2007/08	449	32	23	25	6	15	4	4	4	N/A	562
2006/07	340	54	35	8	4	10	2	8	3	27	491
2005/06	230	42	37	9	11	17	4	N/A	12	24	386

PLEASE NOTE: Details on many of the indemnities are subject to *FOIPPA* and confidentiality agreements and therefore, should not be made public without first contacting the Risk Management Branch.

Specific indemnities worth noting are:

Agriculture

Indemnity 131063 to BC Veterinary Captive Insurance Co. Ltd. – This indemnity is with respect to the modification of a previously approved indemnity providing alternate capital to the captive insurance company of the College of Veterinarians of British Columbia. This indemnity will right any losses to the Province.

Finance

Indemnity 130225 to Healthcare Benefits Trust – This indemnity is with respect to the recovery of exit levies imposed by Healthcare Benefits Trust to cover the long term liabilities of employers wishing to leave the benefits program. The indemnity will transfer the greater number of participants from the program and defines the obligations of the Province.

Justice

Indemnities, 131456, 131697, 131759, 131760, 131761 to individuals employed by the Province – These are Legal Representation Agreements for legal expenses.

The individuals included in the indemnities are:

Number	Indemnatee	Subject
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All indemnities specific to the Ministry of Finance:

Number	Indemnatee	Subject
130225	Health Benefits Trust	Indemnity issued to Health Benefits Trust (HBT) for a Healthcare Benefit Trust Withdrawing Employers' Indemnity Agreement for defining duties and obligations of HBT and the Province
130923	TD Securities Inc.	Indemnity issued to TD Securities Inc. for a Financial Advisory Services Agreement for the provision of financial management advice pertaining to the Land Title and Survey Authority of British Columbia