AUTHORIZED DEALER
INSURANCE REQUIREMENTS

CCIA
canadaid.ca
CANADIAN CATTLE IDENTIFICATION AGENCY

This document should not be construed as legal or insurance advice and should not be relied on for those purposes — contact your licensed insurance broker and/or get independent legal advice before making insurance coverage decisions.

Under section 11 of the Canadian Cattle Identification Agency (CCIA) Authorized Dealer Agreement there is a requirement that all Authorized Dealers have the following insurance coverage:

11. INSURANCE The Dealer shall at all times carry and maintain Commercial General Liability Insurance and Product Liability Insurance in an amount not less than $2,000,000 per occurrence. The Dealer shall provide CCIA a copy of the certificate prior to activation of the Authorized Dealer Account and shall provide copies to CCIA confirming such coverage annually; such copies to be forwarded to CCIA on or before expiry.

Failure to obtain and provide proof of the required insurance can result in termination of the Authorized Dealer Agreement under section 15(b):

15. EFFECTIVE DATE AND TERMINATION ...the rights granted hereunder will terminate immediately...:
(b) the failure of the Dealer to provide the required proof of insurance within the time required by this Agreement;

This required insurance coverage addresses two issues:

1. Consequences of "being in the tag business" — when something goes wrong based on your day to day business selling approved indicators and reporting the information to the Canadian Food Inspection Agency (CFIA) via the Canadian Livestock Tracking System (CLTS) database.

2. Product liability — when something is wrong with the indicator/products and it causes loss or injury to a third party.

GENERAL LIABILITY refers to your being held legally and financially responsible for damages to a third party. Liability risks could include injuring a third party, damaging a third party's property, or causing a third-party financial loss. All of these instances can lead to a customer filing a liability claim against your business. Under your Dealer Agreement you are required to have:

COMMERCIAL GENERAL LIABILITY INSURANCE which is a standard insurance policy issued to businesses & organizations to protect them against liability claims such as those listed above.

PRODUCT LIABILITY refers to situations where a customer purchases a product, and an issue with the product causes a bodily injury or property damage to a third party. Business owners can be found responsible for the damages if the source of the issue can be traced back to the business. Under your Dealer Agreement you are required to have:

PRODUCT LIABILITY INSURANCE which protects against claims of personal injury or property damage caused by products sold or supplied through your business.

As a business owner, you are responsible for every product you sell. Having proper and adequate insurance coverage for your business and its products can help mitigate the losses you experience from liability claims.