



WHARVES

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COWAN NEWS*

Examine before you acquire!

As part of the ongoing downloading taking place among various levels of government, the Federal Government has recently declared a number of wharves on the East Coast as surplus property. In many cases the affected Province is **not** interested in acquiring the property, thus making it available to the municipality.

The acquisition of these wharves may at first seem very appealing, especially if the Federal Government agrees to the conveyance at no cost. We recommend the municipality exercise some precautionary measures prior to finalizing any formal purchase/sale agreement to avoid some potentially high hidden costs or potential liabilities. Before assuming ownership of these wharves, or any property acquisition, the municipality should:

- ◆ inspect the premises to determine if it poses any obvious hazards;
- ◆ examine each existing structure, with a view to its future use to determine all necessary costs to either repair, replace or remove the structure;
- ◆ have the dock closely examined, preferably by an engineer to evaluate structural soundness and overall safety;

NOTE:
Wharves and docks are excluded in our Municipal Property Insurance Policy. However they may be included, depending on its condition, and submission of full underwriting details.

- ◆ consider the possibility of carrying out an environmental audit to identify contamination that may exist on this property due to prior industrial use of the harbour.

Upon acquisition, the municipality becomes an

occupier of the premises and owes a duty to take all reasonable care to see that anyone entering the property is reasonably safe.

The risk management measures suggested that a municipality take following the acquisition of such a wharf include:

- ◆ Inspect the premises and proceed with immediate repairs as needed and determined from prior investigation and analysis.
- ◆ Post signs warning the public of any hazards that cannot be immediately remedied or removed.
- ◆ Identify and post the permitted uses of the wharf and determine load restriction. Once load restrictions have been established, access to the wharves by vehicles or equipment exceeding the limit should be physically prevented from entering, if possible by the use of barriers.

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- ◆ Devise a system of inspection to be adhered to by staff and design appropriate checklists to be completed.
- ◆ Keep detailed records of all inspections and maintenance performed.

- ◆ Hire the services of an engineer at appropriate intervals to identify structural repairs necessary to maintain the wharf in safe repair.

Remember, the costs you incur to investigate the wharf prior to acquisition

will permit you either to make an informed decision to purchase, *or* to avoid accepting a potentially dangerous hazard which may jeopardize the municipality's liability position in the event of a third party claim. ↻

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