



## SURETY

### Carillion PLC collapses under billion dollar debt



Photo credit: Aaron Chown / Associated Press  
Source: The Canadian Press - Published January 16th, 2018.

It has been highly publicized that Carillion PLC, one of Britain's largest contractors, was put into liquidation under a massive debt load which has been reported to be \$1.5 Billion (CAD), plus a huge pension deficit of almost \$1 billion (CAD). The British government refused to provide Carillion with a bailout and the company's lenders refused to provide additional financial support without the British government's involvement.

Carillion employs 43,000 people worldwide and 6,000 in Canada. The Canadian operations include facilities management, energy services, hospital construction and road maintenance on approximately 40,000 kilometers of highway including eight highway maintenance contracts in Ontario and three in Alberta. On January 25th, 2018, Carillion Canada issued a press release indicating certain entities in the Canadian operation have obtained a court order for a stay of proceedings. Carillion Canada indicated they expect business to remain as usual as they will continue to operate under the court order.

**DID YOU KNOW:** A surety bond is a three party relationship where the Surety agrees to fulfil the obligations of the Principal (the 'insured' or bonded party) to the Obligee (the beneficiary of the bond), in the event the Principal is unable to do so. The Surety stands behind the Principal as a guarantor or 'co-signer'. The Surety typically does not become involved unless the Principal is in legitimate default of their obligations to the Obligee, at which point a claim is made under the bond and the Surety steps in to remedy the failure to perform.

## EMPLOYMENT PRACTICES LIABILITY

### Supreme Court rules workplace harassment allegations can be made across different companies



Photo credit: Albert Couillard/CBCSource: Michelle Ghossoub - Published December 15th, 2017. Cbc.ca.

An employee for Omega and Associates Engineering Ltd., filed a human rights complaint in 2013 when contractors working for another company targeted her with derogatory comments and emails regarding race, religion and sexual orientation. Mohammadreza Sheikhzadeh-Mashgoul was working as a supervising engineer for Omega and Associates on a road project in Delta, British Columbia when the incidents took place. The Supreme Court of Canada recently ruled that the complaint is valid, indicating that employees from different companies can file human rights complaints.

Josh Paterson, Executive director at the British Columbia Civil Liberties Association, says the ruling is crucial in the continued evolution of what constitutes the modern workplace, "because in more and more workplaces these days, we see all kinds of different working arrangements. It makes clear that discrimination in the workplace will be covered, whether it's a boss discriminating against an employee, whether it's employees against other employees or whether it's contractors who are an integral part of the workplace who are there almost every day.."

## PRIVACY BREACH

### Directors and officers at higher risk for cyber crime in 2018



Source: Lucy Hook, Insurance Business UK -Published, January 16th 2018.

Cyber risk is already in the top three triggers for directors and officers derivative actions, but a recent report by global cybersecurity firm Stroz Friedberg says claims will increase in 2018. The report cites the recent customer security fiasco at United States retailer Target, after which executives and shareholders were sued. Approximately 110 million customers' security was compromised. Future incidents involving large public groups will place Directors and Officers at higher risk since those who are affected will certainly be seeking culpability.

Only 27 percent of risk management professionals said their companies have cyber insurance, despite 87 percent seeing it as a top risk.