

Insurance Requirements

INSURANCE. The Subcontractor and its subcontractors shall each, at their own expense, purchase and maintain insurance of the following types of coverage and limits of liability with insurers rated “A- VII” or better by A.M. Best Co.:

1. Commercial General Liability (CGL): with limits of Insurance not less than:

- \$1,000,000 Each Occurrence Limit
- \$1,000,000 Personal & Advertising Injury Limit
- \$2,000,000 Annual Aggregate Limit
- \$2,000,000 Products-Completed Operations Limit.

- a. The General Aggregate Limit shall apply separately to each project.
- b. CGL coverage shall be written on ISO Occurrence form CG00011093 or a substitute form providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal and advertising injury. Use of any CGL form covering defense costs within the limits of insurance requires the prior written consent of the contractor.
- c. General Contractor, Owner and all other parties required of the General Contractor, shall be included as insureds on the CGL, using ISO Additional Insured Endorsement CG20101185 or an endorsement providing equivalent coverage to the additional insureds. This contract requires that coverage afforded the additional insured(s) under any form other than CG20101185 must be as broad as coverage that would be provided under CG20101185. This insurance for the additional insureds shall be as broad as the coverage provided for the named insured subcontractor. Subcontractor must also cause its policy to be amended to provide that the coverage afforded to the additional insured is primary to and noncontributing with any other insurance, self-insurance or deductible amount maintained by or provided to the additional insured. Attached to each certificate of insurance shall be a copy of the Additional Insured Endorsement that is part of the Subcontractor’s Commercial General Liability Policy, as well as a copy of the policy’s endorsement providing coverage to the additional insured on a primary and non-contributing basis.
- d. Claims Made/Self-Insurance Provisions. Subcontractor shall not provide general liability insurance under any Claims-Made General Liability form without express prior written consent of Contractor. Any self-insurance program providing coverage in excess of \$25,000 per occurrence requires the prior written consent of the contractor.
- e. If Subcontractor’s Scope of Work includes work within 50 feet of any railroad, Subcontractor’s Commercial General Liability policy shall be endorsed to delete the Contractual Liability exclusion for work performed within 50 feet of a railroad. A copy of such endorsement shall be provided to Contractor prior to commencement of such work.
- f. Subcontractor shall maintain CGL coverage for itself and all additional insureds for the duration of the project and maintain Completed Operations coverage for itself and each additional insured for at least 3 years after completion of the Work. Completed Operations coverage shall be maintained for at least ten (10) years if the project is residential or habitational.

2. Automobile Liability:

- a. Business Auto Liability with limits of at least \$1,000,000 each accident.
- b. Business Auto coverage must include coverage for liability arising out of all owned, leased, hired and non-owned automobiles.
- c. General Contractor, Owner and all other parties required of the General Contractor, shall be included as insureds on the auto policy.

3. Commercial Umbrella:

- a. Umbrella limits must be at least \$5,000,000.

- b. Umbrella coverage must include as insureds all entities that are additional insureds on the CGL.
- c. Umbrella coverage for such additional insureds shall apply as primary before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insured other than the CGL, Auto Liability and Employers Liability coverages maintained by the Subcontractor.

4. Workers Compensation and Employers Liability:

- a. Employers Liability Insurance limits of at least:
 - \$1,000,000 each accident for bodily injury by accident, \$1,000,000 each employee for injury by disease, with a policy limit of \$1,000,000 for injury by disease.
- b. Where applicable, U.S. Longshore and Harborworkers Compensation Act Endorsement shall be attached to the policy.
- c. Where applicable, the Maritime Coverage Endorsement shall be attached to the policy

5. Waiver of Subrogation:

Subcontractor waives all rights against Contractor, Owner and Architect and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by Commercial General Liability, Commercial Umbrella Liability, Business Auto Liability or Workers' Compensation and Employers Liability insurance maintained per requirements stated above.

6. Hazardous Materials:

If Subcontractor and/or its subcontractors or suppliers, regardless of tier, perform remediation of hazardous material, or if their operations create an exposure to hazardous materials as those terms are defined in federal, state, or local law, Subcontractor and its subcontractors and suppliers must obtain a "Contractor's Pollution Liability" policy with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for Bodily Injury, Personal Injury, and Property Damage, naming Contractor and Owner as additional insured. If Subcontractor or its subcontractors or suppliers haul hazardous material (including, without limitation, waste), they must carry Auto Liability insurance with a \$1,000,000 Combined Single Limit for Bodily Injury and Property damage applicable to all hazardous waste hauling vehicles, and include MCS 90 and CA9948.

7. Professional Liability:

Any subcontractor performing work that includes and design/build work or services shall obtain a Professional Liability Insurance Policy. Design/build work includes, without limitation, design/build work with respect to mechanical, structural, plumbing, and fire sprinkler systems. Coverage must allow for a minimum of two years following the completion of the project. If Owner or Contractor elects to purchase a project design policy, Subcontractor's policy shall be endorsed to provide excess coverage only.

8. Rigger's Liability and Aircraft Liability:

Should Subcontractor's work involve the moving, lifting, lowering, rigging or hoisting of property or equipment, Subcontractor shall carry Rigger's Liability Insurance to insure against physical loss or damage to the property or equipment. If Subcontractor (or its subcontractors or suppliers, regardless of tier) use any owned, leased, borrowed, chartered or hired aircraft of any type in the performance of this subcontract, they shall maintain aircraft liability insurance in an amount of not less than \$10,000,000 per occurrence, including Passenger Liability. Evidence of coverage in the form of a certificate of insurance shall be provided prior to the start of the project.

9. Property Insurance:

Contractor and Subcontractor waive all rights against each other and against all other subcontractors and Owner for loss or damage to the extent reimbursed by Builder's Risk or any other property or

equipment insurance applicable to the work, except such rights as they may have to the proceeds of such insurance. If the policies of insurance referred to in this Section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed or obtain such consent.

Upon written request of the Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance or any other property or equipment coverage in force for the project and procured by Contractor. Subcontractor shall satisfy himself as to the existence and extent of such coverage prior to commencement of Subcontractor's work.

If Builder's Risk insurance purchased by Owner or Contractor provides coverage for Subcontractor for loss or damage to Subcontractor's work, Subcontractor shall be responsible for the insurance policy deductible amount applicable to damage to the Subcontractor's work and/or damage to other work caused by Subcontractor.

If not covered under the Builder's Risk policy of insurance or any other property or equipment insurance required by the Contract Documents, Subcontractor shall procure and maintain at his own expense property and equipment insurance for portions of Subcontractor's work stored off the site or in transit.

If Owner or Contractor has not purchased Builder's Risk or equivalent insurance including the full insurable value of Subcontractor's work, then Subcontractor may procure such insurance at his own expense as will protect the interests of Subcontractor, and his subcontractors in the work. Such insurance shall also apply to any of the Owner's or Contractor's property in the care, custody or control of Subcontractor.

10. Evidence of Coverage, Certificates, and Insurers.

Certificates of insurance shall set forth deductible amounts applicable to each policy and all exclusions or limitations not set forth in ISO Commercial General Liability Form CG 0001. CONTRACTOR may allow deductible provisions if SUBCONTRACTOR is willing to increase retentions accordingly. Standard ISO Form CG 0001 exclusions will also be allowed. Allowance of any additional exclusions or coverage limiting endorsements is at the discretion of CONTRACTOR, and SUBCONTRACTOR's bid shall be subject to adjustment to compensate for the existence of such exclusions.

Regardless of the allowance of exclusions, coverage limitations or deductibles by CONTRACTOR, SUBCONTRACTOR shall be responsible for any deductible amount or any loss arising out of coverage denials by its insurance carrier(s). The certificates of insurance shall provide that there will be no cancellation or reduction of coverage without thirty (30) day's prior written notice to CONTRACTOR.

Any acceptance of insurance certificates by CONTRACTOR shall in no way limit or relieve SUBCONTRACTOR of its duties and responsibilities under this AGREEMENT including the duty to indemnify and hold harmless CONTRACTOR under other provisions hereof. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve SUBCONTRACTOR for liability in excess of such coverage nor shall it preclude CONTRACTOR from taking such other actions as is available to it under any other provision of this AGREEMENT or law. If higher limits or other forms of insurance are required in the PRIME CONTRACT, SUBCONTRACTOR will comply with such requirements.

SUBCONTRACTOR shall provide, as evidence of coverage, actual additional insured endorsements. SUBCONTRACTOR shall take such steps as are necessary to assure SUBCONTRACTOR's

compliance with its obligations. Should any insurance policy lapse or be canceled during the contract period, SUBCONTRACTOR shall, prior to the effective expiration or cancellation date, furnish CONTRACTOR with evidence of renewal or replacement of the policy. Failure to continuously satisfy insurance requirements as herein provided is a material breach of contract. In the event SUBCONTRACTOR fails to maintain any insurance coverage required, CONTRACTOR may, but is not required to, maintain such coverage and charge the expense to SUBCONTRACTOR or terminate this contract.

All insurance (including, but not limited to general liability, automobile liability, and workers' compensation and employer's liability insurance) shall be provided by a California admitted carrier with an A.M. Best's Rating of A- or better, financial capacity VII or greater (except for State Fund of California for workers' compensation coverage); however, in CONTRACTOR's sole subjective discretion, CONTRACTOR may consider accepting coverage from a non-California admitted carrier with an A.M. Best rating of A or better, financial capacity of XII or better. Additional insured endorsements shall be maintained and furnished to contractor for three years following completion of the Project.

SUBCONTRACTOR shall not provide any liability coverage under a "wasting" policy or other form of policy that reduces the amount of coverage, in whole or in part, by amounts expended on defense of claims.

11. Requirements of the Prime Contract:

If the prime contract requires limits of insurance higher than the minimum limits outlined above, or broader coverage than outlined above, the requirements of the prime contract shall apply to the extent that they exceed the minimum requirements above.