

## **SECTION 4: INSURANCE**

### **INSURANCE**

During the course of its Work, Subcontractor agrees to obtain, maintain, and pay for insurance policies with combined single limits as set forth in the attached Insurance Schedule. If the coverages and limits of liability are specified to be higher or greater in the Prime Contract, then the Subcontractor shall provide that higher or greater coverages and limits. The coverages provided must be endorsed as primary and non-contributory to any insurance of Contractor. Coverage shall be maintained without interruption from date of commencement of the Work until the applicable statute of limitations has been reached.

Subcontractor agrees before starting work, and as a condition precedent to payment, to provide contractor with a certificate of insurance in a form and issued by companies satisfactory to Contractor. Failure by the Contractor to obtain certificates of insurance from the Subcontractor prior to commencement of Work shall not be deemed a waiver of any insurance required herein.

The insurance policies required by this paragraph shall include an endorsement verifying the insurance carrier will provide Contractor with thirty (30) days advance written notice of any cancellation, nonrenewal, or material change in coverage. A copy of the endorsement for each policy shall be provided to Contractor.

If Subcontractor fails to obtain acceptable cancellation notice endorsements from its insurance carriers, Subcontractor shall assume the contractual responsibility to provide Contractor with the advance written notice required above. To the fullest extent permitted by law, Subcontractor shall indemnify Contractor for any claim, expenses, or liability which Contractor incurs as the result of the failure of the Subcontractor to provide Contractor with the required advance written notice.

All sub-subcontractors must comply with these requirements. The Subcontractor shall not allow any sub-subcontractors to commence work until insurance in the amounts specified have been obtained by the sub-subcontractor, including naming Contractor as an Additional Insured.

If Subcontractor fails to maintain insurance as required by the Subcontract, the Contractor may in its sole discretion purchase coverage and charge the premiums and costs to obtain such coverage to Subcontractor. If the Subcontractor fails to obtain and maintain the required coverage and if the Contractor decides not to obtain and maintain it, the Subcontractor will be self-insured.

If Builder's Risk insurance is provided by Contractor or Owner and Subcontractor suffers a covered loss, the deductible amount shall be the responsibility of the Subcontractor in the same proportion of its claim to the total loss. The Subcontractor waives all rights against the Contractor, its subcontractors or sub-subcontractors, Owner, Architect, Architect's consultants, its subcontractors and agents or employees of any of them, for loss or damages for which Builder's Risk or any other property or equipment insurance is applicable, except such rights as they may have to the proceeds for such insurance. The waiver shall not extend to the acts or omissions of the Architect or the Architect's consultants arising out of: (1) preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications or (2) the giving of, or the failure to give, directions or instructions by any one of them provided such giving, or failure to give, is the primary cause of the injury or damage.

### **BONDS**

If required by the Subcontract Documents, Subcontractor shall provide payment and performance bonds in a form acceptable to Contractor. The Subcontractor shall pay the bond premium.

## INSURANCE SCHEDULE

The Subcontractor's commercial general liability insurance, automobile insurance and workers compensation insurance shall be written to include:

A. Commercial General Liability Insurance, including Completed Operations with limits of liability not less than the following:

- General Aggregate: \$2,000,000
- Products/Completed Operations Aggregate: \$2,000,000
- Each Occurrence, Combined Single Limit \$1,000,000
- Personal and Advertising Injury \$1,000,000

The coverage shall name Contractor as an additional insured, including Completed Operations, through the statute of limitations.

The coverage must be endorsed as primary and non-contributory to any insurance of Contractor.

The coverage must include contractual liability.

The coverage form shall be occurrence only. Claims made coverage form is not acceptable.

ISO Form CG 2503 (or comparable coverage form provided by your carrier).

Per job aggregate must be evidenced on certificate. If a per job aggregate is not available, the limit above must be evidenced on certificate.

Defense costs are to be in addition to and not inclusive to the limits of liability stated above.

Policy must provide a waiver of subrogation in favor of Contractor.

EIFS and Mold and Fungus coverage required for EIFS subcontractors.

Jobsite pollution for bodily injury/property damage and clean-up cost with a separate limit of \$100,000 must be evidenced on the certificate for the following trades prior to commencement of work: building demolition, hazardous material abatement, radon mitigation, excavation, site utilities, asphalt paving, pre-cast concrete, tilt-up concrete, plumbing, and HVAC.

Subsidence coverage must be evidenced on the certificate for the following trades prior to commencement of work: grading, excavation, shoring and retention systems, helical piers, site utilities, asphalt paving, retaining walls, mechanical, plumbing and electrical subcontractors.

B. Automobile:

Limits of liability: \$1,000,000 per accident for bodily injury and property damage. Combined single limit coverage to extend to owned, hired, and non-owned automobiles licensed for public highway or road use.

Automobile pollution coverage may be required if quantities of fuel and/or lubricants are brought on to jobsite.

C. Workers Compensation:

Statutory limits of coverage.

Coverage must include all employees. Any sole proprietors, partners, employees, and all officers and members as defined in C.R.S. § 8-41-202 who have filed elections rejecting coverage must be identified to Contractor and must provide evidence confirming the filing of such elections.

Waiver of subrogation in favor of Contractor must be provided.

D. Errors and Omissions:

\$500,000 coverage must be provided for layout and surveying subcontractors.

E. Design Build Errors and Omissions (if Project is under a Design-Build contract format):

If company has on-staff design professionals: \$1,000,000 per occurrence/\$1,000,000 annual aggregate limits.

If company must retain outside design professionals: certificate of insurance from design firm naming Contractor as certificate holder and requiring 30-day notice of cancellation. Liability limit: \$1,000,000 per occurrence and \$1,000,000 annual aggregate. Policy will be project specific and have a two-year reporting of accident provisions after expiration of the project policy.

F. Stored Materials (if monthly draw request includes a billing for stored materials):

Builders Risk/Installation Floater insurance covering the value of the stored material.

Contractor named as a "loss payee".

G. Builders Risk:

The Owner or Contractor may provide completed value Builders Risk insurance for the Project. The policy will include as insureds all tiers of subcontractors as their interest may appear subject to policy terms and conditions and subject to a deductible. If any covered loss is attributed to "Acts of God," the Owner or Contractor will be responsible for payment of the deductible. If the loss is attributed to the actions or negligence of Subcontractor or anyone for whom Subcontractor is responsible, the deductible is to be paid by Subcontractor. Contractor can provide the dollar amount of the deductible if requested by the subcontractor. Subcontractor acknowledges by signing the subcontract that the subcontractor agrees to the amount of said deductible.

H. Rating:

Carriers must have an A.M. Best rating of A- VII or better.

Any deviation from these insurance requirements must be accepted by Contractor prior to the commencement of Work.