

# Insurance Requirements

**1. ALL OPERATIONS COVERAGE**

SUBCONTRACTOR shall at all times carry on all operations hereunder Workers' Compensation and Employers Liability insurance covering all of its employees, General Liability, Commercial Automobile Liability, Excess Liability, and Property Damage insurance, including liability coverage for all operations, subcontract work, contractual obligations, product or completed operations, all owned vehicles, non-owned vehicles, and Umbrella or Excess Liability in forms, amounts and underwritten by insurance companies satisfactory to CONTRACTOR.

**2. PROJECT SPECIFIC COVERAGE**

Before SUBCONTRACTOR performs any work on-site or prepares or delivers materials to the site of construction, SUBCONTRACTOR shall furnish certificates of insurance evidencing the foregoing insurance. SUBCONTRACTOR shall maintain all of the foregoing insurance coverage's in force until the work under this Agreement is fully completed. This requirement shall not derogate from the provisions for indemnification of CONTRACTOR by SUBCONTRACTOR under Indemnity provisions of this Agreement.

**2.1. Coverage Limits.** SUBCONTRACTOR's Insurance shall be written with limits of liability not less than the following:

<b>Commercial General Liability</b>	
Each Occurrence (combined single limit for bodily injury and property damage)	\$1,000,000
General Aggregate (per project)	\$2,000,000
Medical Expenses	\$5,000
Personal Injury	\$1,000,000
Products/Completed Operations Aggregate	\$2,000,000
<b>Automobile Liability including owned, hired and non-owned autos.</b>	
Combined Single Limit (per occurrence)	\$1,000,000
<b>Excess Liability or Umbrella Liability including General, Auto, and Employers Liability</b>	
Each Occurrence	\$1,000,000
Aggregate	\$1,000,000
<b>Workers Compensation and Employers Liability</b>	
Each Accident (bodily injury by accident)	\$1,000,000
Disease – Policy Limit (bodily injury by disease)	\$1,000,000
Disease – Each Employee (bodily injury by disease)	\$1,000,000

**2.2. General Liability and Auto Liability.** SUBCONTRACTOR shall procure and maintain, during the life of this Contract, Commercial General Liability Insurance and Automobile Liability Insurance that shall protect CONTRACTOR, Construction Manager(s), Project Inspector or IOR(s), and Design Professional(s) from all claims for bodily injury, property damage, personal injury, death, advertising injury, and medical payments arising from operations under this Contract. All policies must be written on an occurrence basis, "claims made" forms are not acceptable. Coverage shall be provided in a form at least as broad as Insurance Services (ISO) Form CG 0001 11188. Contractor shall ensure that Products Liability and Completed Operations coverage, Fire Damage Liability, and Any Auto including owned, non-owned, and hired, are included within the above policies and at the required limits, or SUBCONTRACTOR shall procure and maintain these coverages separately.

**2.3. Excess Liability.** SUBCONTRACTOR may procure and maintain, during the life of this Contract, an Excess Liability Insurance Policy to meet the policy limit requirements of the required policies if SUBCONTRACTOR's underlying policy limits are less than required. There shall be no gap between the per occurrence amount of any underlying policy and the start of the coverage under the Excess Liability Insurance Policy. Any Excess Liability Insurance Policy shall be written on a following form and shall protect CONTRACTOR, Construction Manager(s), Project Manager(s), and Design Professional(s) in amounts and including the provisions as set forth in this Agreement and the subsequent Work Order, and that complies with all requirements for Commercial General

Liability and Automobile Liability and Employers' Liability Insurance. CONTRACTOR at its sole discretion, may accept the Excess liability Insurance Policy that brings SUBCONTRACTOR's primary limits to the minimum requirements herein.

**2.4. Primary Wording.** All insurance carried by Subcontractor shall be **PRIMARY** to, and **NON-CONTRIBUTORY** with any other insurance. CONTRACTOR insurance shall be excess or secondary, and not contributing with insurance obtained by said SUBCONTRACTOR to fulfill the insurance requirements herein, regardless of any language contained in any or all policies.

**2.5. Additional Pollution Coverage.** Required if SUBCONTRACTOR's scope of work includes any environmental exposures. SUBCONTRACTOR shall procure and maintain Pollution Liability Insurance that shall protect CONTRACTOR, Construction Manager(s), Project Inspector and Design Professional(s) from all claims for bodily injury, property damage, including natural resource damage, cleanup costs, removal, storage, disposal, and/or use of the pollutant arising from operations under this Contract, and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. Coverage shall apply to sudden and/or gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants, including asbestos. This coverage shall be provided in a form at least as broad as Insurance Services Offices, Inc. (ISO) Form CG 2415. If at any time SUBCONTRACTOR transports hazardous materials, SUBCONTRACTOR shall carry \$1,000,000 transporters pollution liability.

**2.6. Workers Compensation.** Workers Compensation must include Occupational Disease insurance coverage meeting all statutory requirements of the State in which the work is to be performed together with Broad Form All States Endorsement and containing Employers Liability insurance in the amount of at least \$1,000,000. If SUBCONTRACTOR or INDEPENDENT CONTRACTOR is exempt from Workers Compensation, then CONTRACTOR shall be notified immediately with a proof as such, (e.g. proof of exempt status from CA Contractor License Board).

**2.7. Waiver of Rights.** SUBCONTRACTOR shall furnish CONTRACTOR with a **WAIVER OF SUBROGATION** for General Liability, Auto Liability, and Workers Compensation.

**2.8. Certificate and Endorsements.**

**Certificate Holder: M Bar C Construction, Inc. 1770 La Costa Meadows, San Marcos, CA 92078**

All applicable endorsements must be attached to the certificate in favor of CONTRACTOR:

- (1) **Additional Insured** endorsements for the General Liability (ongoing and completed operations), Automobile, and Excess/Umbrella policies.
- (2) **Primary and Non-Contributory** endorsement applicable to the General Liability policy.
- (3) **Waiver of Subrogation** endorsement applicable to the General Liability, Additional Insured, and Workers Compensation policies.

The endorsements must be a **CG 2010 (11/85) ENDORSEMENT OR ITS EQUIVELANT**, naming CONTRACTOR, it's trustees, employees and agents, owner, construction manager, inspectors, design professionals as the additional insured listed on the **"Project Specific Insurance Coverage Information" sheet of each Work Order.**

Endorsements that limit or exclude coverage will need to be attached to the certificate.

**2.9. Deductibles.** Deductibles and self-insured retentions in excess of \$25,000 must be declared and approved by CONTRACTOR. At the option of CONTRACTOR: the insurer shall either reduce or eliminate such deductibles or self-insured retentions as they respect to CONTRACTOR.

**2.10. Tier-Subcontractors Coverage.** If SUBCONTRACTOR employs lower tier Subcontractors in the performance of its Work, SUBCONTRACTOR agrees to obtain equivalent insurance provisions from its Tiered-Subcontractors as required under this Agreement and to submit the certificates of insurance to CONTRACTOR prior to SUBCONTRACTOR's commencement of work.

**2.11. Cancellation, Renewal, Modification.** SUBCONTRACTOR shall not commence Work, nor shall it allow any tier-SUBCONTRACTOR(s) to commence Work under this Contract, until SUBCONTRACTOR and its tier-SUBCONTRACTOR(s) have procured all required Insurance and SUBCONTRACTOR has delivered in duplicate complete endorsements (or entire Insurance policies) and certificates indicating the required coverages have been obtained.

All insurance policies shall provide that the insurance is in force and will not be cancelled without thirty (30) days written notice to CONTRACTOR. SUBCONTRACTOR failure to send Certificate of Insurance or maintain the

insurance coverages required pursuant to this Agreement shall be deemed a SUBCONTRACTOR default. In such event, CONTRACTOR may terminate this Agreement and obtain damages from SUBCONTRACTOR resulting from said default. Alternatively, CONTRACTOR may purchase such required insurance coverage and without further notice to SUBCONTRACTOR, CONTRACTOR may deduct from sums due to SUBCONTRACTOR any premium costs advanced by CONTRACTOR for such insurance.

**2.12. Insurer Rating.** All insurers shall have a minimum A.M. Best's rating of A, VII and be admitted in California. General liability and excess carriers recognized on the California Department of Insurance "List of Approved Surplus Line Insurance" (LASLI) are acceptable.

