

## ***Insurance Requirements for Building Trades Contractors***

Notwithstanding this provision, Contractor shall indemnify the Housing Authority of the County of San Bernardino, a.k.a., HACSB for any claims resulting from the performance or non-performance of the Contractor's sub-contractors and/or their failure to be properly insured.

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of or failure to perform the work hereunder by the Contractor, its agents, representatives, employees, or sub-contractors.

### **MINIMUM SCOPE OF INSURANCE**

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage in the amount of **\$5,000,000** (*occurrence form CG 0 01 10 01*).
2. Insurance Services Office Additional Insured form (*CG 20 37 or CG 20 26*).
3. Insurance Services Office form number CA 00 01 06 92 covering Automobile Liability Code 1
4. Workers' Compensation insurance as required by state law and Employer's Liability Insurance.
5. **Pollution, Environmental Impairment, and/or Asbestos Pollution Liability coverage of \$1,000,000. (only applies to abatement contractor)**

### **MINIMUM LIMITS OF INSURANCE**

Contractor shall maintain limits no less than:

1. General Liability: **\$1,000,000 per occurrence** for Bodily Injury, Personal Injury, and Property Damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: **\$1,000,000 per accident** for Bodily Injury and Property Damage.
3. Workers' Compensation (*statutory*) and Employer's Liability: **\$1,000,000 per accident** for Bodily Injury or Disease.
4. Pollution, Environmental Impairment, and/or Asbestos Pollution Liability coverage of **\$1,000,000. (only applies to abatement contractor)**

### **DEDUCTIBLES AND SELF-INSURED RETENTIONS**

Any deductibles or self-insured retentions must be declared to and approved by HACSB. At the option of HACSB, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects HACSB, its officers, officials, employees, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to HACSB guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

### **OTHER INSURANCE PROVISIONS**

The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Owner, HACSB, and its officers, officials, employees, and volunteers are to be covered as additional insured with respect to liability on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and with respect to liability arising out of work or operations performed by the Contractor; or arising out of automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor. General Liability coverage can be provided in the form of an appropriate endorsement to the Contractor's insurance or as a separate Owner's policy.
2. For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance as respects the Owner, HACSB, their officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by HACSB, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance.
3. Each insurance policy required by these specifications shall be endorsed to state that coverage shall not be cancelled or materially changed, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to HACSB.

4. Maintenance of the proper insurance for the duration of the contract is a material element of the contract. Material changes in the required coverage or cancellation of the coverage shall constitute a material breach of the contract by the Contractor.

The Automobile Liability policy shall be endorsed to delete the Pollution and/or the Asbestos exclusion and add the Motor Carrier Act endorsement (MCS-90), TL 1005, TL 1007 and/or other endorsements required by federal or state authorities.

If General Liability, Pollution, Environmental Impairment, and/or Asbestos Pollution Liability, and/or Professional Errors and Omissions Liability coverages are written on a **Claims-Made** form:

1. The **Retro-active date** must be shown, and must precede the date of the contract or the beginning of contract work (*whichever is earlier*).
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract or work (*See Form HUD 5370, Section 36 [2]*).
3. If coverage is cancelled or non-renewed, or otherwise not continually replaced with **Claims-Made** policy forms with a **Retro-active date** prior to the contract effective date, the Contractor **must** purchase extended reporting coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the Authority for review before work begins under the contract.

**The aforementioned provisions are considered material provisions of this agreement.**

Course of construction policies shall contain the following provisions:

1. The Owner and HACSB shall be named as loss payee.
2. The insurer shall waive all rights of subrogation against the Owner and HACSB, its officers, officials, employees, and volunteers.

## ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a current A. M. Best's rating of no less than B+:VI. Bidders must provide written verification of their insurer's rating.

## VERIFICATION OF COVERAGE

Contractor shall furnish the HACSB with original certificates and amendatory endorsements effecting coverage required by these specifications. The endorsements should conform fully to the requirements. All certificates and endorsements are to be received and approved by HACSB in sufficient time before work commences to permit Contractor to remedy any deficiencies. HACSB reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

## SUB-CONTRACTORS

Use of sub-contractors must be pre-approved by HACSB. Contractor shall include all sub-contractors as insureds under its policies or shall furnish separate insurance certificates and endorsements for each sub-contractor in a manner and in such time as to permit HACSB to approve them before sub-contractors' work begins. All coverages for sub-contractors shall be subject to all of the requirements stated above.

***NOTE: If a subcontractor will be hired to perform hazardous material remediation, that sub-contractor will name the Owner, HACSB, their officers, officials, employees, and volunteers as additional insureds on its Pollution Liability insurance policy by endorsement. Such policy will provide coverage for the hazardous material work and other hazardous material operations.***

**NOTE:** The General Contractor's Commercial General Liability insurance should not include CG 2294 or CG 2295 as these endorsements will eliminate the General Contractor's insurance coverage for its work where the damaged work or the work out of which the damage arises was performed by a sub-contractor.

Notwithstanding this provision, Contractor shall indemnify HACSB for any claims resulting from the performance or non-performance of the Contractor's sub-contractors and/or their failure to be properly insured.