

## **Contract for Services Insurance Requirements**

### **Contractor's Insurance**

Prior to commencing work, the Contractor shall procure and maintain at Contractor's own cost and expense 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 the work or services hereunder by the Contractor, his agents, representatives, employees, or subcontractors. The cost of such insurance shall be included in Contractor's bid.

Without in any way affecting the indemnity provided, the Contractor shall secure before commencement of the work and throughout the contract the following types and amounts of insurance:

### **Minimum Limits of Insurance**

Contractor shall obtain insurance of the types and in the amounts described below:

- 1) **Commercial General Liability Insurance**  
Contractor shall maintain commercial general liability (CGL) with a limit of not less than \$1,000,000 each occurrence/\$2,000,000 general aggregate.
- 2) **Business Auto Liability Insurance**  
Contractor shall maintain business auto liability with a limit of not less than \$1,000,000 each accident.
- 3) **Workers' Compensation and Employer's Liability Insurance**  
Contractor shall maintain workers' compensation insurance as required by the State of California and Employer's Liability Insurance in the amount of \$1,000,000 per accident for bodily injury or disease.

### **Minimum Scope of Insurance**

- 1) CGL insurance shall be written on Insurance Services Office form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and explosion, collapse and underground hazards.
- 2) Business Auto Insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos). Coverage shall be written on Insurance

Services Office form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

### **Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and approved by the City of Santa Monica. At the option of the City of Santa Monica, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City of Santa Monica, its officers, officials, employees, or volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City of Santa Monica guaranteeing payment of losses and related investigation, 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) City of Santa Monica, its officers, officials, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of the contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. Under the CGL policy, using the Insurance Services Office additional insured endorsement form CG 20 10 or a substitute providing equivalent coverage, and under the commercial umbrella, if any. City and other additional insureds mentioned in this paragraph shall not, by reason of their inclusion as additional insureds, become liable for any payment of premiums to carriers for such coverage.
- 2) For any claims related to this project, the Contractor's insurance coverage shall be primary as respects the City of Santa Monica, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Santa Monica, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- 3) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under subdivision (b) of Section 2782 of the Civil Code.

## **Workers' Compensation and Employer's Liability**

The insurer shall agree to waive all rights of subrogation against the City of Santa Monica, its officers, officials, employees, and volunteers for losses arising from activities and operations of Contractor in the performance of services under the contract.

## **All Coverages**

- 1) Each insurance required by this clause shall be endorsed to state that coverage shall not be canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City as set forth in the notice requirement of this Agreement.
- 2) If Contractor, for any reason, fails to maintain insurance coverage which is required pursuant to this Contract, the same shall be deemed a material breach of contract. City, at its sole option, may terminate this Contract and obtain damages from the Contractor resulting from said breach. Alternatively, City may purchase such coverage (but has no special obligation to do so), and without further notice to the Contractor, City may deduct from sums due to the Contractor any premium costs advanced by the City for such insurance.

## **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:6 unless otherwise approved by the City's Risk Manager.

## **Verification of Coverage**

Contractor shall furnish the City of Santa Monica with original certificates and amendatory endorsements effecting coverage required by this section. The certificates and endorsements for each policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements should be on forms provided by the City of Santa Monica or on other than the City of Santa Monica's forms, provided those forms and endorsements conform to the requirements. All certificates and endorsements are to be received and approved by the City of Santa Monica before work commences. The City of Santa Monica 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.

## **Subcontractors**

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

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