



Minimum Insurance Requirements for Public Works Projects

CONTRACTOR'S INSURANCE

Prior to commencing the Work, Contractor shall procure and maintain at Contractor's own cost and expense, insurance as required, against claims for injuries to persons or damages to property which may arise out of or result from the performance of the Work by Contractor, its Subcontractors or Sub-subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

Unless otherwise required in the Special Provisions and Technical Specifications, Contractor shall obtain insurance of the types and in the amounts described below:

MINIMUM LIMITS OF INSURANCE

1. Commercial General and Umbrella Liability Insurance: Contractor shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$3,000,000 each occurrence/\$3,000,000 in the annual aggregate. Limits may be provided in a "layered" program, by means of primary and umbrella policies.
2. Business Auto and Umbrella Liability Insurance: Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit of not less than \$1,000,000 each accident. Limits may be provided in a "layered" program, by means of primary and umbrella policies.
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:
 - a. Premises - operations.
 - b. Independent contractors - subcontractors.
 - c. Products/completed operations.
 - d. Personal injury and advertising injury liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
 - e. Explosions, collapse and underground hazards.
 - f. Broad form contractual.
 - g. Broad form property damage.
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 on 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 City. Any and all deductibles for required insurance policies shall be assumed to be by and for the account of, and at the sole risk of, Contractor. At the option of City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its officers, officials, employees or volunteers; or Contractor shall provide a financial guarantee satisfactory to City of guaranteeing payment of Losses, related investigation, Claim administration and defense expenses.

OTHER INSURANCE PROVISIONS

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

1. The Construction Manager, City, Design Consultant, and its officers, officers, officials, employees and volunteers, as applicable, are to be covered as additional insureds, using the Insurance Services Office additional insured endorsement form CG 20 10 or a substitute providing equivalent coverage. Coverage as additional insureds includes liability for and relating to the Work to be performed by Contractor; premises owned, leased, or used by Contractor; or premises on which Contractor is performing services on behalf of City. City, Construction Manager and Design Consultant 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 insurance coverage.
2. For any Claims related to this Project, Contractor's insurance coverage shall be primary insurance as respects the Construction Manager, City, its, officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees or volunteers shall be excess of 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.
4. A Severability of Interest Clause stating that: The term "insured" is hereby used severally and collectively, but the inclusion herein of more than one insured shall not operate to increase the limits of the insurers' liability.
5. A Cross Liability Clause stating that: In the event of Claims being made under any of the coverages of the policies referred to herein by one or more insureds hereunder for which another insured hereunder may be liable, then the policies shall cover such insureds against whom a Claim is made or may be made in the manner as if separate policies had been issued to each insured hereunder. Nothing contained herein, however, shall operate to increase the insurers' limits of liability as set forth in the insuring agreements.

GENERAL LIABILITY, WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY

The Worker's Compensation, Employer's Liability and General Liability insurances shall include provision by which the insurer shall agree to waive all rights of subrogation against the Construction Manager, City, 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. Cancellation Notice Requirements: All insurance policies provided under the Contract Documents shall be endorsed to state that coverage shall not be canceled except after thirty (30) Days prior written notice to City. Notice thereof shall be sent to both the City Project Manager and Risk Manager, by certified mail, return receipt requested, for all of the required insurance policies. All such notices shall name Contractor and the Construction Contract number.
2. If Contractor, for any reason, fails to maintain insurance coverage which is required pursuant to this Construction Contract, the same shall be deemed a material breach of contract. City, at its sole option, may terminate this Construction Contract and obtain damages from Contractor resulting from said breach. Alternatively, City may purchase such coverage (but has no special obligation to do so), and without further notice to Contractor, City may deduct from sums due to Contractor any premium costs advanced by 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 City's Risk Manager.

VERIFICATION OF COVERAGE

Contractor shall furnish City 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 shall be on the forms attached as Exhibits 2-5 and incorporated herein by reference or on other than City's forms, provided these forms and endorsements conform to the requirements in this Article. All certificates and endorsements are to be received and approved by City before Work commences. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effectuating the coverage required by these Contract Documents at any time.

SUBCONTRACTORS

Contractor shall include all Subcontractors and Sub-subcontractors as insureds under its policies, or shall furnish separate certificates and endorsements for each Subcontractor and Sub-subcontractors in compliance with this Article. All coverages for Subcontractors and Sub-subcontractors shall be subject to all of the requirements stated herein.

At the request of City, Contractor shall submit to City copies of the policies obtained by Contractor.