

## ***Tax Credit Partnership Insurance Requirements for Building Trades Contractors (with construction risks)***

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 (*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 (*any auto*) [*require if scope of work includes driving on Authority property*].
4. Workers' Compensation insurance as required by state law and Employer's Liability Insurance.
5. Builder's Risk insurance coverage for all risks of loss (*in compliance with HUD guidelines*).

### **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.

**NOTE: If this contract deals with hazardous materials or pollutants (i.e. lead based paint, asbestos, etc.), the Contractor shall carry Contractor's Pollution Liability insurance to cover the pollution exposures. The Partnership shall be named as Additional Insured on the policy.**

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. Builder's Risk: Completed value of the project.

**NOTE: These limits can be attained by individual policies or by combining primary and umbrella policies.**

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

Any deductibles or self-insured retentions must be declared to and approved by the Partnership. At the option of the Partnership, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Partnership, its officers, officials, employees, volunteers, and partners, or the Contractor shall provide a financial guarantee satisfactory to the Partnership 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 Partnership, its officers, officials, employees, volunteers, and partners 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 Partnership, its officers, officials, employees, volunteers, and partners. Any insurance or self-insurance maintained by any Partner, or the Partnership, 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 the Partnership.

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.

Builder's Risk policies shall contain the following provisions:

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

### **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 Partnership 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 the Partnership in sufficient time before work commences to permit Contractor to remedy any deficiencies. The Partnership 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 the Partnership. 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 the Partnership to approve them before sub-contractors' work begins. All coverages for sub-contractors shall be subject to all of the requirements stated herein.

**NOTE: If a sub-contractor will be hired to perform hazardous material remediation, that sub-contractor will name the Partnership, its officers, officials, employees, volunteers, and partners as Additional Insureds on its General 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 the Partnership for any claims resulting from the performance or non-performance of the Contractor's sub-contractors and/or their failure to be properly insured.