

## SUBCONTRACTOR INSURANCE REQUIREMENTS

*Revised 04/01/16*

**TO:** All Subcontractors  
**SUBJECT:** Project Insurance Requirements

### NOTE:

**ALL INSURANCE CERTIFICATES MUST BE IN OUR OFFICE AND APPROVED PRIOR TO  
SUBCONTRACTOR BEING ON SITE**

To Whom It May Concern:

The following are minimum requirements for acceptable subcontractor insurance and is in direct accordance with Section 16 of our Standard Subcontract Agreement.

No Subcontractor will be permitted on the job site without first supplying Bogard Construction, Inc. with satisfactory evidence of insurance. Such satisfactory evidence may be accomplished by providing Bogard Construction, Inc. with a Certificate of Insurance. The following are specific requirements and can be found in Section 16 of the Standard Subcontract Agreement:

### I. RATING:

General Liability Coverage must be written in a company having a rating of **A- or better**. Non-admitted carriers are acceptable; however, use of such carriers must have **prior** approval of Bogard Construction, Inc. Please have your agent contact our firm if your insurance is written by a non-admitted carrier.

In accordance with 16.1.2. 3 of our Subcontract, the acceptable standard coverage forms listed do not include **“Modified Occurrence” or “Claims Made”** form. Please be sure that your certificates do not include this form.

### II. ADDITIONAL INSURED ENDORSEMENT

Bogard Construction, Inc., its officers, directors, and employees and Owner shall be named as an “Additional Insured” under the General Liability Coverage, and to that end, an Endorsement on Form **CG 20 10 11 85 or equivalent** is to be attached to the certificate and referenced on such certificate.

The Additional Insured Endorsement must also show that such insurance as is provided to Contractor, its officers, directors, and employees and Owner and is primary and non-contributory.

### III. NOTIFICATION OF CANCELLATION OR LIMIT CHANGE

Thirty (30) days written Notice of Cancellation, Non-Renewal, Reduction in Limits or scope of coverage is to be given to Bogard Construction, Inc.

If present, the wording **“endeavor to”** and **“but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives”** must be deleted from the certificate.

#### IV. SPECIFIC PROJECT REFERENCE

The Bogard Construction, Inc. project name must be referenced on **all** certificates.

If you are a subcontractor who is present on additional Bogard Construction project(s), you are advised that you must submit certificates for each contract separately.

Bogard Construction, Inc. no longer retains "All California Operations" certificates, unless they reference an active project. Such certificates will be returned in their entirety to the subcontractor either for modification or cancellation.

#### V. COVERAGE/LIMITS OF LIABILITY NOTED IN SUBCONTACT CONTRACT

##### SECTION 16. INSURANCE

##### 16.1 Casualty Insurance

Subcontractor shall, at his expense, procure and maintain insurance on all of his operations, in companies rated A minus (A-) or Better and/or acceptable to Contractor, as follows:

**16.1.1 Workers' Compensation and Employer's Liability Insurance.** Workers' Compensation insurance shall be provided as required by any applicable law or regulation. Employer's Liability insurance shall be provided in amounts not less than:

- \$1,000,000 each accident for bodily injury by accident
- \$1,000,000 policy limit for bodily injury by disease
- \$1,000,000 each employee for bodily injury by disease

If there is an exposure of injury to Subcontractor's employees under the U.S. Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

**16.1.2 General Liability Insurance.** Subcontractor shall carry Comprehensive General Liability or Commercial General Liability insurance, covering all operations by or on behalf of Subcontractor providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:

- (1) premises and operations;
- (2) products and completed operations;
- (3) contractual liability insuring the obligations assumed by Subcontractor in this Agreement;
- (4) broad form property damage (including completed operations);
- (5) explosion, collapse and underground hazards; and
- (6) personal injury liability.

Except with respect to bodily injury and property damage included within the products and completed operations hazards, the aggregate limit, where applicable, shall apply separately to Subcontractor's work under this Agreement. Subcontractor will continue to carry the coverage for products and completed operations for a period of ten years after final completion of the entire project and to indemnify for same period.

One of the following coverage forms is required:

- Comprehensive General Liability
- Commercial General Liability (Occurrence Form Only)

**16.1.2.1** If Subcontractor carries a Comprehensive General Liability policy, the limits of liability shall not be less than a

combined single limit for bodily injury, property damage and personal injury liability of: \$1,000,000 each occurrence; \$1,000,000 aggregate. Contractor, his officers, directors and employees and Owner shall be named as additional insureds under the Comprehensive General Liability insurance policy. The policy shall stipulate that the insurance afforded the additional insureds shall apply as primary insurance and that any other insurance carried by Contractor, his officers, directors and employees of Owner will be excess only and will not contribute with this insurance.

**16.1.2.2** If Subcontractor carries an Occurrence form Commercial General Liability policy, the limits of liability shall be not less than:

- \$1,000,000 each occurrence (combined single limit for bodily injury and property damage)
- \$1,000,000 for personal injury liability
- \$2,000,000 aggregate for products-completed operations
- \$2,000,000 general aggregate

If the policy does not have an endorsement providing that the general aggregate limit applies separately to this project, or if defense costs are included in the general aggregate limit, then the required aggregate limits shall be \$2,000,000.

Contractor, his officers, directors and employees, and Owner shall be named as additional insureds under the Occurrence form Commercial General Liability policy. The policy shall stipulate that the insurance afforded the additional insureds shall apply as primary insurance and that any other insurance carried by Contractor, his officers, directors and employees or Owner will be excess only and will not contribute with this insurance. The policy shall include a Waiver of Subrogation Endorsement.

**16.1.2.3 Special Claims Made Policy Form Provisions.** Subcontractor shall not provide general liability insurance under any Claims Made Commercial General Liability form.

**16.1.2.4 Evidence Collection.** Should any construction equipment and or material, regardless of ownership or possession, be involved in an occurrence, it will be the right and the duty of the General Contractor/Project Owner, to collect and store all such equipment in a safe and secure place until such time as the equipment is formally released by claims adjustment personnel representing the Legion Insurance Company or Legion Indemnity.

**16.1.3 Automobile Liability Insurance.** Subcontractor shall carry automobile liability insurance, including coverage for all owned, hired and non-owned automobiles. The limits of liability shall be not less than \$1,000,000 combined single limit each accident for bodily injury and property damage. If Subcontractor's general liability insurance is provided by a Commercial General Liability policy (whether the Occurrence or the Claims Made form), then Subcontractor's automobile liability insurance policy shall include coverage for automobile contractual liability.

**16.1.4** Certificates of insurance, as evidence of the insurance required by this Agreement, shall be furnished by Subcontractor to Contractor before any work hereunder is commenced by Subcontractor. Provide additional insured endorsement CG 2010 11/85 or equivalent with primary non-contributory wording. Certificates of insurance shall provide that there will be no cancellation or reduction of coverage without thirty (30) days prior written notice to Contractor.

**16.1.5** Contractor may take such steps as are necessary to assure Subcontractor's compliance with his obligations under this Section 16. In the event Subcontractor fails to maintain any insurance coverage required under this Agreement, Contractor may maintain such coverage and charge the expense to Subcontractor, or terminate this Agreement.

**16.1.6** The required insurance shall be subject to the approval of Contractor, but any acceptance of insurance certificates by Contractor shall in no way limit or relieve Subcontractor of the duties and responsibilities by him in this Agreement. If higher limits or other forms of insurance are required in the Contract Documents, Subcontractor will comply with such requirements.

## **16.2 Property Insurance**

Contractor and Subcontractor waive all rights against each other and against all other subcontractors and Owner for loss or

damage to the extent reimbursed by Builder's Risk or any other property or equipment insurance applicable to the work, except such rights as they may have to the proceeds of such insurance. If the policies of insurance referred to in this Section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed or obtain such consent.

Upon written request of Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance or any other property or equipment insurance in force for the project and procured by Contractor. Subcontractor shall satisfy himself as to the existence and extent of such insurance prior to commencement of Subcontractor's work.

If Builder's Risk insurance purchased by Owner or Contractor provides coverage for Subcontractor for loss or damage to Subcontractor's work, Subcontractor shall be responsible for the insurance policy deductible amount applicable to damage to Subcontractor's work and/or damage to other work caused by Subcontractor.

If not covered under the Builder's Risk policy of insurance or any other property or equipment insurance required by the Contract Documents, Subcontractor shall procure and maintain at his own expense property and equipment insurance for portions of Subcontractor's work stored off the site or in transit.

If Owner or Contractor has not purchased Builder's Risk or equivalent insurance including the full insurable value of Subcontractor's work, then Subcontractor may procure such insurance at his own expense as will protect the interests of Subcontractor, and his subcontractors in the work. Such insurance shall also apply to any of Owner's or Contractor's property in the care, custody or control of Subcontractor.

### **16.3 Professional Liability Insurance (Errors and Omissions)**

**16.3.1** If Sub Contractor's work includes design and/or design assist services, Sub Contractor shall purchase and maintain, at its sole cost and expense. Such Professional Liability Insurance shall be maintained during the term of the contract and for a period of ten (10) years after completion of such services. Professional Liability insurance for all such professional services shall have the following minimum limits of liability:

**16.3.1.1** \$5,000,000 per Claim/Aggregate

**16.3.1.2** Deductible or self-insured retention amount must not be greater than \$50,000

**16.4** Failure of Contractor to enforce in a timely manner any of the provisions of this Section 16 shall not act as a waiver to enforcement of any of these provisions at a later date in the performance of this Agreement. Any exceptions to the provisions of this Section 16 must be delineated in the Contractor Documents.

## **VI. RETURN OF NON-COMPLYING CERTIFICATES**

Upon receipt of certificates, should we find they do not comply with the above, we will return them to you in their entirety, either for re-submission or cancellation. Invalid certificates will not be made record of by Bogard Construction, and until a valid certificate is received, we will hold any progress payments due to you for that project.

If you have any questions with regard to the above, or are not sure if you meet our requirements, please contact your insurance agent. They will be able to assist you in interpreting this information.

Please forward your certificates to our main office, along with your signed contracts, as soon as possible. Please call if you have additional questions. Thank you for your assistance, and we look forward to working with you on this project.

Bogard Construction, Inc