

Precision Plumbing-Mechanical **INSURANCE REQUIREMENTS**

The additionally insureds on the endorsement should include:

Precision Plumbing-Mechanical
5350 Gabbert Rd.
Moorpark, CA 93021

A. INSURANCE REQUIREMENTS

Before the commencement of the work, the Subcontractor shall, at his expense, 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 the work hereunder by the Subcontractor, his agents, representatives, employees, or sub-subcontractors. Subcontractor shall also require all of his sub-subcontractors to procure and maintain the same insurance for the duration of the contract. Such insurance shall meet at least the minimum level of coverage outlined in sections B, C, D, and E.

B. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as the latest version of the following:

- B.1 General liability – Insurance Services Office Commercial General Liability coverage (Occurrence form CG 0001)
- B.2 Automobile liability – Insurance Services Office Business Auto Coverage form number CA 0001, Code 1 (any auto).
- B.3 Workers' Compensation and Employers' Liability – Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

C. MINIMUM LIMITS OF INSURANCE

Contractor shall maintain limits no less than:

- C.1 General liability:
Commercial general liability insurance coverage must be no less than One Million Dollars (\$1,000,000.00) per occurrence and \$2,000,000 General Aggregate for bodily injury, personal injury, and property damage.
- C.2 Automobile liability:
Commercial automobile liability insurance coverage must be no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
- C.3 Workers' Compensation and Employers' liability:
Workers' compensation limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease.

D. INSURANCE ENDORSEMENTS

The insurance policies shall contain the following provisions or Subcontractor shall provide endorsements on forms as indicated below, or equivalent to those indicated below or on forms supplied by the Owner and/or Developer to add the following provisions to the insurance policies:

D.1 **General liability:**

The Owner, Architect, Construction Manager, and Precision Plumbing-Mechanical (PPM), their directors, officers, employees, agents and volunteers shall be named as additional insureds with respect to the Work or operations performed by or on behalf of the Subcontractor using ISO form CG2010 11/85. Acceptable alternatives to ISO form CG2010 11/85 are the combination of ISO forms CG2010 07/04 and CG2037 07/04. Additional insured forms shall provide coverage on an "ongoing" basis and for completed operations. Additional insured status shall be continued on a completed operations basis for three (3) year after project completion. Additional insured coverage as required in this section shall apply as primary insurance with respect to the Additional Insureds and any other insurance or self-insurance maintained by the Additional Insureds shall be considered excess and non-contributory. An endorsement shall be provided by the insurer waiving all rights of subrogation against the Additional Insureds.

D.2 **Automobile liability:**

The Owner, Architect, Construction Manager, and PPM, their trustees, directors, officers, employees, agents and volunteers shall be covered as additional insureds with respect to ownership, operation, maintenance, use, loading or unloading of any automobile owned, leased, hired, or borrowed by the Subcontractor or for which the Subcontractor is responsible; and the insurance coverage shall be primary insurance as respects the Owner, Architect, Construction Manager, PPM, their trustees, directors, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the contract's scheduled underlying coverage. Any insurance or self-insurance maintained by the Owner, Architect, Construction Manager, PPM, their trustees, directors, officers, employees, agents, and volunteers shall be excess of the Subcontractor's insurance and shall not be called upon to contribute with it. An endorsement shall be provided by the insurer waiving all rights of subrogation against the Additional Insureds.

D.3 **Workers' Compensation and Employers' liability:**

The Subcontractor's insurer shall agree to waive all rights of subrogation against the Owner, Architect, Construction Manager, and PPM, their directors, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Subcontractor or on his behalf.

D.4 **All Coverages:**

Each insurance policy required by this contract 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 Owner. Ten (10) day notice is acceptable for non-payment of premium or non-reporting of payroll.

E. CERTIFICATES AND ENDORSEMENTS

All certificates and endorsements shall be on forms satisfactory to Owner.

F. SEPARATION OF INSUREDS; NO SPECIAL LIMITATION

All insurance required by this Article shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the Owner, its directors, officers, employees, agents, and volunteers; and PPM, its directors, officers, employees, agents, and volunteers.

G. DEDUCTIBLES AND SELF-INSURANCE RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the Owner. Subcontractor shall guarantee that, at the option of the Owner, either (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Owner, its directors, officers, employees, agents, and volunteers; or (2) the Subcontractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

H. ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a current AM Best's rating no less than A-, VII, licensed to do business in California, and satisfactory to the Owner.

I. VERIFICATION OF COVERAGE

Subcontractor shall provide to Owner certificates of insurance and separate endorsements effecting coverage required by this contract. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms specified above or on forms provided by the Owner. All certificates and endorsements must be received and approved by the Owner within five (5) days of the date of the Letter of Award. The Owner reserves the right to require complete, certified copies of all required insurance policies, at any time.

J. SUBCONTRACTOR INSURANCE REQUIREMENTS

All sub-subcontractors shall meet the requirements of this article before commencing work. In addition, Subcontractor shall include all sub-subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each sub-subcontractor. All coverages for sub-subcontractors shall be subject to all of the requirements stated herein.

K. OTHER INSURANCE

The Subcontractor shall provide all other insurance required to be maintained under applicable laws, ordinances, rules, and regulations.

L. COMPLIANCE

In the event of the failure of Subcontractor to furnish and maintain any insurance required by this article, Subcontractor shall be in default under the contract. Compliance by Subcontractor with the requirement to carry insurance and furnish certificates or policies evidencing the same shall not relieve the Subcontractor from liability assumed under any provision of the contract, including, without limitation, the obligation to defend and indemnify the Owner, Architect, and PPM.

M. PROPERTY INSURANCE

- M.1 The Owner shall purchase or shall, through the Construction Manager, cause to be purchased and maintained, in a company or companies lawfully authorized to do business in the jurisdiction in which the project is located, property insurance in the amount of the total of all initial contract sums as well as subsequent modifications thereto for the entire work at the site on a replacement cost basis without voluntary deductibles. Such property insurance shall be maintained, unless otherwise provided in the contract documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance until final payment has been made to all contractors or until no person or entity other than the Owner has an insurable interest in the property required by this article to be covered, whichever is earlier. This insurance shall include interests of the Owner, the Construction Manager, PPM, Subcontractors, and Sub-subcontractors in the work.

- M.2 Property insurance shall be on an all-risk policy form including, collapse, false work, temporary buildings, and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Construction Manager's services and expenses required as a result of such insured loss. Coverage for other perils shall not be required unless otherwise provided in the contract documents.
- M.3 If the property insurance requires minimum deductibles or if the Owner elects to have the Construction Manager purchase this insurance with voluntary deductible amounts, the Owner shall be responsible for payment of costs not covered because of deductibles.
- M.4 If a loss occurs which is payable under the property insurance called for in this article and such loss is primarily attributable to the work, acts, or omissions of any subcontractor or that subcontractor's material suppliers, or sub-subcontractors, the Subcontractor shall be responsible for the property deductible, payable to the Owner, and subject to a maximum of up to \$5,000.00 for each loss so incurred.
- M.5 Subcontractor shall cover any tools, equipment, fixtures, furniture, or other items belonging to, rented by, or otherwise under the control of the Subcontractor that are not, or not intended to be, an installed part of the work. Furthermore, Subcontractor shall be responsible to provide insurance, if any, against loss or damage of such items.