

## **Exhibit “B” Insurance and Bonding Requirements**

### **1. Insurance**

#### **a. Insurance Coverages and Limits Required**

General Liability including Completed Operations -	\$2,000,000
Automobile -	\$1,000,000
Workers Compensation- per Statutory Requirement	
Professional Liability	\$1,000,000

#### **b. General Insurance Requirements**

**i.** Before starting the Work, Subcontractor will furnish a Certificate of Insurance on Constructor's form, attached hereto (including required endorsement forms as hereinafter required), and, if requested by Constructor, certified copies of all insurance policies to Constructor's home office. All policies are to be written through a company duly authorized to transact that class of insurance in the State where the Project is located, and will be with insurance companies acceptable to Constructor with an A. M. Best rating of A- or better (except where companies are not rated, e.g., self-insured workers' compensation funds).

**ii.** The Worker's Compensation and Employer's Liability Policies will contain Waivers of Subrogation in favor of Constructor, Owner and any other entity as may be required by the Subcontract Documents, as further set forth below.

**iii.** The Certificates of Insurance and policies for the Commercial General Liability and Business Automobile Liability Policies will name Constructor, and others as required by the Subcontract Documents (including the requirements of the Prime Contract Documents), as Additional Insureds, as evidenced in paragraph 1.b, employing the ISO Form No. CG 20 10 07 04, CG 20 37 07 04 or comparable form (***ISO Form B, to be supplied to Constructor together with insurance certificate***). The project/job description and/or description of operations on all certificates, endorsements and other insurance documentation will read "All Work Performed for the Additional Insureds." All policies will be endorsed to be primary and no contribution shall be permitted from any insurance which may be maintained by or on behalf of Constructor. Commercial General Liability policies will be on an "occurrence" basis (claims made forms are not acceptable), with a provision that defense costs are paid in addition to and do not deplete policy limits, and will include "Limits Apply Per Project." Commercial General Liability policies will include Broad Form Property Damage coverage and products-completed operation coverage, including as to Additional Insured parties. No exclusions are acceptable for bodily injury or property damage, premises operations, blanket contractual liability (for this Agreement), independent Constructor's liability, mobile equipment, elevators, damage from explosion, collapse and underground hazards ("XCU") cross-liability, cross suits or severability of interest. No exclusionary language or limitations relating to residential, condominiums, multi-family or multi-unit dwellings, or relating to soils or earth movement unless agreed in writing by Owner and Constructor.

iv. Subcontractor will maintain all commercial general liability insurance coverages required by this Agreement in force for a period of two (2) after completion of the Work. Upon the request of Constructor, renewal certificates and endorsements for Commercial General Liability will be provided to Constructor, at no expense to Constructor, prior to expiration of such insurance.

v. The Subcontractor's Certificate will further provide that insurance will not be canceled or changed prior to the greater of at least thirty (30) days' written notice, or the length of time as required by the insurance statute in the state where the Project is located, to Constructor and Owner. The types and amounts of insurance will not be less than the amounts specified above in Subpart (a) or as otherwise provided in the Subcontract Documents (including the prime contract documents), whichever is the greater, but in no case will the Commercial General and Business Automobile Owned, Non-owned, and Hired Vehicle Liability Insurance be less than the amounts required by Attachment "F." Limits shown are minimum acceptable limits and in no way limit available coverage under policies. No policy shall contain a provision providing that the limits available to an additional insured are less than the limits available to named insured(s). If Subcontractor has heretofore furnished to Constructor a certificate of insurance on another project evidencing at a minimum the coverages heretofore specified and naming this Project, such certificate of insurance will be sufficient for compliance with the insurance requirements set forth herein, provided the applicable policies are kept current at all times.

vi. Subcontractor for itself and on behalf of its insurers, to the fullest extent permitted by law without voiding the insurance required under this Agreement, hereby waives and releases all additional insureds under this Agreement from liability for loss or damage covered by Subcontractor's policies of insurance or which are required to be covered. This provision is intended to waive fully for the benefit of Constructor and the other additional insureds any rights and/or claims which might give rise to a right of subrogation in favor of any insurance carrier issuing the insurance required by this Agreement or any other insurance (including any first party coverage) maintained by Subcontractor. Subcontractor will obtain a waiver of any subrogation right that its insurers may acquire against the additional insureds by virtue of payment of any such loss covered by such insurance.

vii. Subcontractor and its lower-tier Subcontractors will submit Worker's Compensation, Commercial General Liability, and Business Auto Liability accident reports to their insurance carriers immediately after any accident and will furnish to Constructor two (2) copies of such reports.

viii. If Subcontractor elects to subcontract any portion of this Subcontract to another Subcontractor (herein referred to as Sub-Subcontractor), Subcontractor will require of such Sub-Subcontractor insurance coverage and limits as specified above and in Attachment "F," whichever is the greater, and will furnish to Constructor evidence that such insurance coverages are currently in effect in the substantially the form of a Certificate of Insurance attached as Attachment "F" including endorsements required as set forth below. Moreover, Subcontractor will require any such Sub-Subcontractor to name Constructor, and

others as required by the Subcontract Documents, as additional insureds on Sub-Subcontractor's Commercial General Liability insurance and will provide Constructor with a waiver of subrogation from such Sub-Subcontractor's Worker's Compensation carrier. Subcontractor will require its Sub-Subcontractor to obtain Form No. CG 20 10 11 85, CG 20 26 11 85 or comparable form (ISO Form B) from its Commercial General Liability Insurance carrier, which endorsements will be furnished to Constructor as a condition precedent to Subcontractor's right to be paid for any Work performed by the Sub-Subcontractor.

ix. An Insurance Certificate that does not meet with the Contract requirements or failure on Constructor's part to monitor compliance with the insurance requirements will not constitute a waiver of the Contractual requirements.

**x. SUBCONTRACTOR CANNOT COMMENCE WORK OR RECEIVE PAYMENT FOR WORK UNTIL ALL INSURANCE REQUIREMENTS ARE MET AND CERTIFICATES REQUIRED ARE SUBMITTED.**

xi. If Subcontractor fails to procure, maintain or pay for the insurance required by this Agreement, Constructor at its sole discretion may define other financial risk transfer mechanisms or secure the same or similar insurance coverage, in which event Subcontractor will pay the cost thereof and will furnish, upon demand, all information that may be required to procure such coverages. Constructor will have the right to backcharge Subcontractor for such costs.

xii. Subcontractor will immediately notify (or cause its insurers or insurance broker to notify) Constructor of receipt by Subcontractor of any notice of cancellation or rescission received from an insurance carrier referring to or relating to a policy which names Constructor, its parent, subsidiary or affiliated companies or their officers, directors or employees as additional insureds or which may otherwise impact the ability of Subcontractor to fully perform its obligations hereunder.

xiii. The failure of Subcontractor to fully and strictly comply at all times with the insurance requirements set forth herein will be deemed a material breach of this Agreement. Constructor may, at its sole option, waive any of the requirements of this Part, but only in writing in a change order that is signed by an executive officer of Constructor. No failure to enforce terms of this Part, nor any course of conduct by Subcontractor or Constructor, will amount to a waiver of any requirement nor prohibit Constructor from enforcing its rights hereunder.

xiv. Nothing herein will be construed as limiting the type, quality or quantity of insurance coverage that Subcontractor should maintain. The insurance requirements in this Part are independent from all other obligations of Subcontractor under this Agreement, the Subcontract Documents or at law, including, without limitation, all indemnification provisions, and will apply whether or not required by any other provision of this Agreement and regardless of the enforceability of any other provision in this Agreement.

(c) **Builder's Risk**

i. Constructor or Owner will furnish and pay for Builder's Risk Insurance, which will include fire, extended coverage, vandalism, named windstorm, and malicious mischief. The Subcontractor's Work performed and materials to be incorporated into the Project and stored on the jobsite will be covered to the extent of such policy and paid to Subcontractor to the extent paid by the insurance company for Subcontractor's loss. The Builder's Risk insurance policy will have the deductibles and limits of liability as set forth in Attachment "F (1)." Builder's Risk Insurance does not include temporary buildings, Subcontractor's tools, or equipment not incorporated in the Work.

ii. If there is a loss insured under the Builder's Risk policy, Subcontractor will be bound by any adjustment that will be made between Constructor and/or Owner and the insurance company or companies, and Constructor's liability to Subcontractor for such loss will in all cases be limited to amounts actually paid on Subcontractor's claims.

iii. If the Builder's Risk Insurance, whether carried or required to be carried by Owner or Constructor covering Subcontractor's Work, contains any deductible applicable to any loss covered thereby, the risk of loss by reason of such deductible is upon Subcontractor. If Subcontractor causes damage or loss to any other work or property covered by Builder's Risk insurance, then Subcontractor is responsible for applicable deductibles and will pay and otherwise indemnify Constructor for liability on account of such deductibles.

**2. Payment & Performance Bonds (if required)**

(a) If specified as required by this Agreement, as a condition precedent to the award of this Subcontract to Subcontractor by Constructor, and unless expressly waived in the Special Provisions or waived in writing by an executive officer of Constructor, Subcontractor will pay for and furnish to Constructor at Constructor's office as indicated on the Subcontract, and will maintain in full force and effect an acceptable 100% performance bond and a 100% payment bond, written by a Surety company acceptable to Constructor. The Surety must have a Treasury limit of not less than the amount of the Subcontract Price and which will have an AM Best rating of A- or better. The cost of the bonds required herein is included in the Subcontract Price, unless otherwise provided in the Special Provisions. Upon a default by Subcontractor hereunder, and notice thereof to Surety, Surety will either indemnify Constructor for all losses and costs arising from the default or timely and fully perform Subcontractor's obligations, or both, all in accordance with the terms of the bond.

(b) No change, alteration or modification in or deviations from this Subcontract or the Subcontract Documents will release or exonerate in whole or in part any Surety on any bond given by Subcontractor in connection with this Agreement. Neither Owner nor Constructor will be under any obligation to notify the Surety or Sureties of any such change. Any increase in the Subcontract amount will automatically result in a corresponding increase in the penal amount of the bonds without notice to or consent from the Surety, such notice and consent being hereby waived. Decreases in the Subcontract amount will not, however, reduce the penal amount of the bonds unless specifically provided in any Change Order decreasing the

## Scope of Work.

(c) If Subcontractor fails to provide the bonds as herein specified, Constructor may, at its option, either waive such requirement, but only in writing signed by an executive officer of Constructor, or refuse to award the Subcontract and seek damages for procurement costs. If the Subcontract has been awarded, it is hereby deemed awarded subject to the express requirement that the bonds be provided immediately after award, and, if that does not occur, Constructor may declare Subcontractor in default for failure to provide bonds and proceed as set forth in the Agreement.

(d) Further, notwithstanding Subcontractor's other performance of the duties and obligations herein undertaken by Subcontractor, the insolvency of the Surety, or the revocation of the Surety's right to do business or license to issue bonds in the State where the Project is located, or the removal of the Surety from the list of federally approved sureties, as indicated by the Federal Register, or the failure to maintain an AM Best rating of A- or better, will be deemed an act of default on the part of Subcontractor and will render this Subcontract terminable at the option of Constructor, unless within seven (7) days following notification to Subcontractor by Constructor of such occurrence, Subcontractor furnishes alternate bonds in conformance with this Article.