

# **Insurance Requirements for Environmental Contractors and/or Consultants**

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 Contractor, its agents, representatives, employees, or sub-contractors. With respect to General Liability; Professional Errors and Omissions Liability; Pollution, Environmental Impairment and/or Asbestos Pollution Liability, coverage shall be maintained for a minimum of five (5) years after contract completion.

## **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. Professional Errors and Omissions Liability insurance appropriate to the Contractor's profession; and Pollution, Environmental Impairment, and/or Asbestos Pollution Liability (*there are no standard policies available for these coverages*).

## **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 this contract or the general aggregate limit shall be twice the required occurrence limit.
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. Professional Errors and Omissions Liability insurance to include Pollution, Environmental Impairment, and/or Asbestos Pollution Liability: \$1,000,000 per occurrence, \$2,000,000 policy aggregate.

**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 Authority. At the option of the Authority, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Authority, its officers, officials, employees, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the Authority guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

## **OTHER INSURANCE PROVISIONS**

The General Liability; Automobile Liability; Pollution, Environmental Impairment, and/or Asbestos Pollution policies are to contain, or be endorsed to contain, the following provisions:

1. The Authority, its officers, officials, employees, and volunteers are to be covered as additional insured with respect to liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired, or borrowed by the Contractor.
2. The Contractor's insurance coverage shall be primary insurance as respects the Authority, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Authority, 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 Authority.
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.

The Automobile Liability policy shall be endorsed to delete the Pollution and/or the Asbestos exclusion and add the Motor Carrier Act endorsement (MCS-90), TL 1005, TL 1007 and/or other endorsements required by federal or state authorities.

If General Liability, Pollution, Environmental Impairment, and/or Asbestos Pollution Liability, and/or Professional Errors and Omissions Liability coverages are written on a **Claims-Made** form:

1. The **Retro-active date** must be shown, and must precede the date of the contract or the beginning of contract work (*whichever is earlier*).
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract or work (*See Form HUD 5370, Section 36 [2]*).
3. If coverage is cancelled or non-renewed, or otherwise not continually replaced with **Claims-Made** policy forms with a **Retro-active date** prior to the contract effective date, the Contractor **must** purchase extended reporting coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the Authority for review before work begins under the contract.

**The aforementioned provisions are considered material provisions of this agreement.**

### **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. If Pollution, Environmental Impairment, and/or Asbestos Pollution and/or errors and omissions coverages are not available from an **admitted** insurer, the coverage may be written by a **non-admitted** insurance company. A non-admitted company should have an A. M. Best's rating of B+: VI or higher.

### **VERIFICATION OF COVERAGE**

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

Notwithstanding this provision, Contractor shall indemnify the Authority for any claims resulting from the performance or non-performance of the Contractor's sub-contractors and/or their failure to be properly insured.