

INSURANCE REQUIREMENTS FOR CONSTRUCTION CONTRACTS

Contractor shall procure and maintain for the duration of the contract, and for five years thereafter, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees, or subcontractors.

Minimum Scope and Limit of Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$5,000,000** per occurrence and **\$10,000,000** aggregate.
2. **Automobile Liability:** Insurance Services Office Form CA 0001 covering Code 1 (any auto), with limits no less than **\$5,000,000** per accident for bodily injury and property damage.
3. **Workers’ Compensation:** as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Builder’s Risk:** (Course of Construction) insurance utilizing an “All Risk” (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.
5. **Surety Bonds** – Contractor shall provide the following: Bid Bond, Performance Bond, Payment Bond, and Maintenance Bond. See description below.
6. **Professional Liability (if Design/Build),** with limit no less than **\$2,000,000** per occurrence or claim, **\$2,000,000** aggregate.
7. **Contractors’ Pollution Legal Liability** and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) with limits no less than **\$1,000,000** per occurrence or claim, and **\$2,000,000** policy aggregate.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the Campus requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Campus.

Self-Insured Retentions must be declared to and approved by the Campus. At the option of the Campus, either: the contractor shall cause the insurer shall to reduce or eliminate such self-insured retentions as respects the State of California, the Trustees of The California State University, California State University, your Campus and employees, officers, directors, volunteers and agents (collectively “University”); or the Contractor shall provide a financial guarantee satisfactory to the Campus guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide,

or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Campus.

Other Insurance Provisions - The policy shall also to contain, or be endorsed to contain, the following provisions:

- A. **Additional Insured Status** – *The State of California, the Trustees of The California State University, California State University, Sacramento and employees, officers, directors, volunteers and agents are to be covered as additional insureds* (collectively "University") on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor.

General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

- B. **Primary Coverage** - For any claims related to this project, the Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the State of California, the Trustees of The California State University, California State University, your Campus employees, officers, directors, volunteers and agents (collectively "University").

For any claims related to this project, the **Contractor's insurance coverage shall be primary** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the State of California, the Trustees of The California State University, California State University, your Campus employees, officers, directors, volunteers and agents (collectively "University").

Any insurance or self-insurance maintained by the University shall be excess of the Contractor's insurance and shall not contribute with it.

- C. **Notice of Cancellation:** Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the Campus.
- D. **Builder's Risk (Course of Construction) Insurance:** Contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall **name the Campus as a loss payee** as their interest may appear.

If the project does not involve new or major reconstruction, at the option of the Campus, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the Campus's site.

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- E. **Claims Made Policies** -If any of the required policies provide claims-made coverage:
- a. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
 - b. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work.**
 - c. If coverage is canceled or non-renewed, and not replaced **with another claims-made policy form with a Retroactive Date prior to** the contract effective date, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract date.
 - d. A copy of the claims reporting requirements must be submitted to the Campus for review.
 - e. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.
- F. **Waiver of Subrogation** – Contractor agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain an endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Campus for all work performed by the Contractor, its employees, agents, and subcontractors.
- G. **Acceptability of Insurers** - Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Campus.
- H. **Verification of Coverage** - Contractor shall furnish the Campus with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Campus before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Campus reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- I. **Subcontractors** – Contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Contractor shall ensure that Campus is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

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- J. **Surety Bonds** - The Payment Bond and the Performance Bond shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year warranty, a separate Maintenance Bond is not necessary. If the warranty period specified in the contract is for longer than one year a Maintenance Bond equal to 10% of the contract price is required. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California
- K. **Special Risks or Circumstances** - Campus reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- L. **Certificate Holder** - Certificates and Endorsements shall be sent to:

California State University, Sacramento
ATTN: Procurement
6000 "J" Street
Sacramento, CA 95819