



## **Subcontractor Insurance Requirements**

**Certificates and endorsements must be received and approved prior to the start of any work. No payments will be released until all insurance documents are received and accepted.**

Subcontractor (service provider shall herein also be referred to as subcontractor) shall, at its expense, carry and maintain insurance on all its operations, in insurance companies with an A. M. Best Insurance Rating of A-VIII or better or otherwise acceptable to Contractor, as follows:

(A) Workers' Compensation and Employers Liability Insurance

1. Workers' Compensation insurance shall be provided as required by any applicable law or regulation.
2. Employers 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 and \$1,000,000 each employee for bodily injury by disease.
3. If there is an exposure of injury to Subcontractor's employee 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.
4. The policy shall be endorsed to provide a Waiver of Subrogation in favor of the Contractor and Owner and their officers, directors and employees.

(B) General Liability Insurance

1. Subcontractor shall carry Commercial General Liability insurance covering all operations performed by or on behalf of Subcontractor. Coverage shall include but is not limited to:
  - Premises, Operations, and Mobile Equipment
  - Products and Completed Operations
  - Contractual Liability insuring the obligations assumed by Subcontractor in this Agreement.
  - Broad Form Property Damage (including Completed Operations)
  - Explosion, Collapse and Underground Hazards
  - Personal Injury Liability
2. Limits of liability shall be no less than:
  - \$5,000,000 each occurrence (combined single limit for bodily injury and property damage)
  - \$5,000,000 products and completed operations aggregate
  - \$5,000,000 personal injury
  - \$5,000,000 general aggregate (if coverage provided by a Commercial General Liability policy)
  - An excess and/or umbrella liability policy may be used to satisfy these requirements.
3. Additional Insureds
  - A. Coverage for the Contractor and Owner and their officers, directors and employees as additional insureds shall be provided by a policy provision or by an endorsement providing coverage at least as broad as Insurance Service Office (ISO) Additional Insured endorsement from CG2010 1185 Form B, or CG2010 1001 in conjunction with CG2037 1001, or an equivalent form that provides Additional Insured status for Products and Completed Operations. Forms that are limited to "liability arising out of your ongoing operations" or that do not extend to Products and Completed Operations are not acceptable. Should a separate excess and/or umbrella liability policy be used to satisfy the above required limits, said policy will also be



## **Subcontractor Insurance Requirements**

endorsed to include the contractor, owner et al. as an additional insured. Additional Insured endorsements shall not contain any provision or definition that requires any form of negligence on the part of the subcontractor or sub-subcontractor.

- B. The policies shall be endorsed to stipulate that the insurance afforded the additional insureds shall apply as primary insurance and that any other insurance or self insurance maintained by Contractor or Owner shall be excess only and shall not be called upon to contribute with this insurance.
4. The General Liability policies shall provide that:
- A. Coverage applies on an Occurrence basis. Claims made or modified occurrence policies are not acceptable.
  - B. The General Aggregate limit applies separately to the subcontractor's work under this contract.
  - C. Said policies shall include a waiver of subrogation in favor of the additional insureds.
  - D. The defense costs are in addition to the policy limits.
  - E. If either the defense costs are included in the General Liability Aggregate limit or if the General Aggregate limit does not apply separately to this project, then the required General Liability Aggregate limit shall be \$10,000,000. This additional limit can be provided by an excess/umbrella policy endorsed so that the subcontractor's insurance is primary and that the insurance held by Indemnitees is excess and non-contributory.
  - F. There shall be no coverage exclusions or restrictions for mold, fungus or other microbial matter, unless the subcontractor also carries Pollution Liability insurance which shall specifically include coverage for mold, fungus or other microbial matter with limits not less than \$1,000,000 each claim.
  - G. There shall be no coverage exclusions or restrictions for subsidence or any other type of earth movement.
  - H. There shall be no coverage exclusion for any work performed within 50 feet of a railroad including any light rail, fixed rail or any other rail system.
  - I. Such policies and or additional insured endorsements shall not contain any provision or definition which would exclude coverage for claims brought by employees of the owner, contractor, sub contractor, or lower tier subcontractors.
  - J. If work involves any form of residential construction, repair, service, et al., there shall be no residential work exclusion.
  - K. If higher limits are required by the owner, subcontractor will comply with such requirements.
  - L. Both the General Liability and Auto policies shall not contain any form of "cross suit exclusion" or any other type of exclusion that purports to exclude coverage for claims brought by an additional insured against a named insured.
  - M. Both the General Liability and Auto policies shall not have a self insured retention and/or deductible in excess of \$25,000, unless expressly approved by GCC. Subcontractor agrees to pay and be responsible for any and all deductibles and self insured retentions.

(C) Automobile Liability Insurance

The limits of liability shall not be less than \$5,000,000 combined single limit (Bodily Injury and Property Damage Liability) for each accident, including coverage for all owned, hired and non-owned automobiles. Coverage shall be endorsed to name Contractor and owner as an additional insured. An excess and/or umbrella liability policy may be used to satisfy these requirements.



## **Subcontractor Insurance Requirements**

(D) Professional Liability Insurance

If Subcontractor's work under this subcontract includes design build work, then Subcontractor shall maintain Professional Liability Insurance covering acts, errors or omissions arising out of *the* rendering of or failure to render professional services, whether committed or alleged to have been committed by Subcontractor or by its employees, consultants or others for whom the Subcontractor is legally responsible. The limit of liability shall not be less than \$1,000,000 each claim and in the aggregate with a deductible not to exceed \$25,000.

The policy shall be endorsed to provide contractual liability coverage for liability assumed by Subcontractor under contract with Contractor to the extent that such assumed liability arises out of negligent acts or omissions of the Subcontractor, its employees, consultants or subcontractors.

Subcontractor shall maintain Professional Liability insurance for not less than five years following completion of services performed by Subcontractor under this Agreement.

Any retroactive date in the Professional Liability policy shall predate both the date upon which any services hereunder are commenced and the date of this Agreement.

(E) Aircraft Liability Insurance

If the Subcontractor or its Subcontractor's use any owned, leased, chartered or hired aircraft of any type in the performance of this contract, Subcontractor and/or its Subcontractors shall maintain aircraft liability insurance in an amount not less than \$5,000,000 per occurrence including Passenger Liability.

Contractor and Owner and their officers, directors and employees shall be named as additional insureds. Insurance afforded the additional insureds shall apply as primary insurance and any other insurance or self insurance maintained by Contractor or Owner shall be excess only and shall not be called upon to contribute with this insurance.

(F) Pollution Liability Insurance

If the Subcontractor's work under this subcontract includes the handling and/or removal of pollutants, contaminants or other hazardous materials, then Subcontractor shall maintain Pollution Liability Insurance covering the Subcontractor's liability for bodily injury, property damage (including the loss of use thereof) and environmental damage resulting from pollution and related clean-up costs incurred arising from the work or services to be performed. Coverage shall be provided for both work performed on site as well as during the transport and disposal of hazardous materials. The limit of liability shall not be less than \$1,000,000 per occurrence. Contractor and Owner and their officers, directors and employees shall be named as additional insureds.

(G) 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.



## **Subcontractor Insurance Requirements**

Upon written request of Subcontractor, Contractors 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 extent of such insurance prior to commencement of Subcontractor 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.

(H) Riggers Liability

Should Subcontractor's or its lower tier subcontractor's work involve the moving, lifting, lowering, rigging or hoisting of property or equipment, Subcontractor shall carry Rigger's Liability insurance to insurance against physical loss or damage to the property or equipment in an amount no less than \$1,000,000 per occurrence.

(I) Certificates of Insurance

Certificates of Insurance and endorsements shall be furnished by the Subcontractor to Contractor before any work is commenced hereunder by the Subcontractor. All policies shall be endorsed that there will be no cancellation or reduction of coverage without thirty (30) days prior written notice to the Contractor, except that the notice period is reduced to ten (10) days in the event of non-payment of premium. Furthermore, the certificate will state in the "Description of Operations" section that "all policies contain a 30 day notice of cancellation provision, except 10 days for non-payment of premium." In the event Subcontractor does not comply with all requirements, Contractor, at its option, may secure insurance coverage to protect its interests and charge the Subcontractor for the cost of that insurance or terminate this Agreement. The required insurance shall be subject to approval of the Contractor, but any acceptance of insurance certificates by the Contractor shall in no way limit or relieve the Subcontractor of the duties and responsibilities assumed by the Subcontractor in this Contract. Failure of Contractor to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Contractor to identify deficiencies from evidence that is provided shall not be construed as a waiver of Subcontractor's obligation to maintain such insurance. Allowance of any additional exclusions or coverage limiting endorsements is at the discretion of the Contractor, and Subcontractor's bid shall be subject to adjustment to compensate for the existence of such exclusions. Payment may be withheld, at the option of the Contractor, until such certificates have been furnished, or if upon receipt of a cancellation notice on a policy, until notice of reinstatement is received. Failure of Subcontractor or its lower tier subcontractors or truckers to maintain the required insurance may result in termination of this subcontract agreement at Contractor's option. Copies of policies shall be furnished



## **Subcontractor Insurance Requirements**

by Subcontractor, its subcontractors or truckers within ten (10) days of written request from Contractor or Owner.

1. The Certificate of Insurance furnished as evidence of Commercial General Liability, Excess Liability, and Automobile insurance carried by the Subcontractor shall include a copy of the policy provision or the additional insured endorsement adding the Contractor and Owner as additional insureds and shall also provide that insurance for such additional insureds applies as primary and that other insurance or self insurance maintained by the Contractor or Owner shall not be called upon for contribution. Endorsements shall also be provided evidencing the required waivers of subrogation for both Liability and Worker Compensation policies.
2. Subcontractor shall continue to provide evidence of coverage required by this agreement for a period of three (3) years from the completion of the work under this agreement.

(J) Insurance Requirements for Sub-Subcontractors:

Subcontractor shall ensure that its Subcontractors of all tiers shall maintain insurance in like form and amounts, including the Additional Insured requirements set forth for General Liability in section (B) of this Addendum A. Certificates of Insurance and endorsements shall be provided by each sub-subcontractor prior to the start of their work on this project.

- (K) Subcontractor's obligations for loss or damage arising out of Subcontractor's work are in no way limited to the types or amounts of insurance set forth above. To the extent Subcontractor maintains insurance greater than these minimum requirements, Subcontractor agrees that such insurance shall be applicable to any of Subcontractor's liability obligations hereunder and that such insurance shall be primary, with an insurance held by Indemnitees being excess and non-contributory. In specifying minimum insurance requirements herein, neither Contractor nor Owner assert or recommend this insurance as adequate to Subcontractor's requirements. Subcontractor is solely responsible to inform itself of types or amounts of insurance it may need beyond these requirements to protect itself from loss, damage, or liability.

(L) Attached sample documents include:

- Sample Insurance Certificate
- Sample Additional Insured Endorsement CG 2010 1185 for "Your Work"
- Sample Additional Insured Endorsement CG 2010 1001 for "Ongoing Operations"
- Sample Additional Insured Endorsement CG 2037 1001 for "Completed Operations"
- Sample Commercial General Liability Waiver of Subrogation Endorsement CG 2404 0509
- Sample Workers' Compensation Waiver of Subrogation Endorsement WC 0403 0306
- Sample Auto Additional Insured Endorsement CA 2048 0299

# CERTIFICATE OF INSURANCE

**ISSUE DATE:**  
8/9/2011

**PRODUCER:**

**WOODRUFF-SAWYER & Co.**  
**88 ROWLAND WAY, SUITE 180**  
**NOVATO, CALIFORNIA (415) 878-2460**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER OTHER COVERAGE AFFORDED BY THE POLICIES BELOW.

**COMPANIES AFFORDING COVERAGE**

COMPANY LETTER A	Neverfail Insurance Company
COMPANY LETTER B	Neverfail Indemnity Company
COMPANY LETTER C	ABC Insurance Co.
COMPANY LETTER D	
COMPANY LETTER E	

**INSURED:**

**Excellent Subcontractors, Inc.**  
**123 Main Street**  
**Yourtown, USA 12345**

## COVERAGES AND LIMITS

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE	POLICY EXP. DATE	DESCRIPTION	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMM. GENERAL LIAB. <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCURRENCE <input checked="" type="checkbox"/> GEN'L AGGREGATE APPLIES PER: PROJECT <input checked="" type="checkbox"/> COVERAGE FORM: CG 0001 (1998 or earlier)	57CQT2196	12/15/2010	12/15/2011	GENERAL AGGREGATE PROD-COMP/OP AGG. PERS & ADV. INJURY EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Each occurrence) MEDICAL EXPENSE (One Person)	\$2,000,000 \$2,000,000 \$1,000,000 \$1,000,000 \$300,000 \$10,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY	57UENQT2197	12/15/2010	12/15/2011	COMBINED SINGLE LIMIT BODILY INJURY (Per Person) BODILY INJURY (Per Accident) PROPERTY DAMAGE	\$1,000,000
B	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB	57UENQT2245	12/15/2010	12/15/2011	EACH OCCURRENCE AGGREGATE	\$4,000,000 \$4,000,000
C	WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY	1112131415	10/1/2010	10/1/2011	<input checked="" type="checkbox"/> STATUTORY LIMITS EACH ACCIDENT DISEASE - POLICY LIMIT DISEASE - EACH EMPLOYEE	\$1,000,000 \$1,000,000 \$1,000,000
	OTHER INSURANCE					

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS:**

**Re: Job Name/Number/Location Address**

Ghilotti Construction Company, Inc., the Owner and their officers, directors and employees are included as Additional Insureds per forms CG 20101185 and CA 20480299. Insurance is primary and non-contributory. Waivers of Subrogation apply per forms CG24040509 and WC040306. All policies subject to 30 days notice of cancellation, except 10 days for non-payment of premium.

**NAME AND ADDRESS OF CERTIFICATE HOLDER:**

**Ghilotti Construction Company, Inc.**  
**246 Ghilotti Ave.**  
**Santa Rosa, CA 95407**

**CANCELLATION:**

Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

**AUTHORIZED REPRESENTATIVE:**

**This is a sample and is intended only as a guide.**  
**Please insert your specific data.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:	Countersigned By:
Named Insured:	(Authorized Representative)

### SCHEDULE

<b>Name of Person(s) or Organization(s):</b>
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(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in **Section II** of the Coverage Form.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name of Person or Organization:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. Section II – Who Is An Insured** is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

**B.** With respect to the insurance afforded to these additional insureds, the following exclusion is added:

**2. Exclusions**

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.



POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – (FORM B)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

**SCHEDULE**

**Name of Person or Organization:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

<b>Name of Person or Organization:</b>
<b>Location And Description of Completed Operations:</b>
<b>Additional Premium:</b>

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**Section II – Who Is An Insured** is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" at the location designated and described in the schedule of this endorsement performed for that insured and included in the "products-completed operations hazard".

# WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

**Name Of Person Or Organization:**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

NAMED INSURED:  
POLICY NUMBER:  
WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 04 03 06

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**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT—CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be \_\_\_\_\_% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

**Person or Organization**

**Job Description**