Guidelines and Recommendations for Insurance Requirements

Insurance types and limits, indemnification language and best practices.
Table of Contents

Executive Summary ....................................................................................................................................................... 2
Foreword ........................................................................................................................................................................ 3
Types Insurance Coverages Discussed in this Manual ............................................................................................... 4
General Insurance Requirements for All Insurers ....................................................................................................... 7
Insurance Requirements Matrix ..................................................................................................................................... 8
 CHAPTER 1 - BUILDING CONTRACTORS ............................................................................................................ 11
 CHAPTER 2 - MAINTENANCE CONTRACTORS/ TRADESMAN ................................................................... 14
 CHAPTER 3 - ENVIRONMENTAL CONTRACTORS AND/OR CONSULTANTS ........................................ 15
 CHAPTER 4 - CONSULTANTS ................................................................................................................................. 17
 CHAPTER 5 - SUPPLIERS AND/OR VENDORS ................................................................................................. 19
 CHAPTER 6 - BUS CONTRACTORS AND/OR CHARTER BUS ........................................................................... 20
 CHAPTER 7 - USE OF FACILITIES ........................................................................................................................ 21
 CHAPTER 8 - CHARTER SCHOOLS ...................................................................................................................... 22
 CHAPTER 9 - SECURITY PERSONNEL .................................................................................................................. 24

Appendices .................................................................................................................................................................. 25

Appendix 1 - Building Contractors ........................................................................................................................... 26
Appendix 2 - Maintenance Contractors/Tradesman .................................................................................................. 30
Appendix 3 - Environmental Contractors and/or Consultants ................................................................................ 32
Appendix 4 - Consultants .......................................................................................................................................... 35
Appendix 5 - Suppliers and/or Vendors .................................................................................................................... 38
Appendix 6 - Bus Contractor and/or Charter Bus .................................................................................................... 40
Appendix 7 - Use of Facilities ................................................................................................................................... 42
Appendix 8 - Charter Schools ................................................................................................................................... 44
Appendix 9 - Security Personnel ............................................................................................................................... 47
Appendix 10 - Sample Insurance forms .................................................................................................................... 49

Waiver of Subrogation ........................................................................................................................................ 50
Primary and Noncontributory .................................................................................................................................. 51
Bond Forms .............................................................................................................................................................. 52
Installation Floater Form ........................................................................................................................................... 53
Additional Insured Endorsements and Certificate Sample .................................................................................. 54
A.M. Best Chart ......................................................................................................................................................... 55
Executive Summary

The Alliance of Schools for Cooperative Insurance Programs (ASCIP) Joint Powers Authority, in conjunction with Arthur J. Gallagher & Company, is pleased to provide the Guidelines and Recommendations for Insurance Requirements to ASCIP Members.

The purpose of this guide is to serve as a guide for understanding, assessing, and developing proper insurance requirements in contracts and other risk transfer documents. It details how to establish insurance types and limits with third parties (i.e. contractors, tenants, vendors and users of district property), and how to monitor compliance with those requirements during the term of the contract.

We believe that you will find this information to be an excellent tool to assist you in your contractual relationships with third parties in addition to allowing use of district facilities and grounds by outside individuals or civic groups.

While this document will provide guidance in the majority of situations you will encounter, there could be exceptions to the rules contained herein. In such event, ASCIP staff is available to customize support should users encounter situations that fall outside of these guidelines and recommendations.

We look forward to the opportunity of continuing to work with you to meet your district’s risk management needs. Please contact ASCIP staff if we can assist you further or should you have any questions regarding the information provided.

Sincerely,

Russell O’Donnell
Chief Operating Officer
**Foreword**

The Risk Management process has traditionally been viewed by some district officials as being nothing more than a hazard reduction program. However, Risk Management has several factors and the reduction of hazards is only one component of a much larger picture.

The basic components of Risk Management are:

- **Identification of hazards and loss exposures common to various district operations and programs**, i.e. laboratories, classrooms, playgrounds, athletics, equipment, field trips, student activities, transportation, use of facilities by outside groups and safety

- **Analysis of loss exposures** by reviewing prior claims to determine types, frequency, and severity.

- **Assessment of the risk and loss exposures**, i.e. assessing hazards common to various district operations and programs. Included in this assessment could be an analysis of the district’s prior claim frequency and severity.

- **Examining various choices available to the district to reduce, eliminate or transfer loss exposures.** This can be achieved, depending on the nature of the exposure, by the following methods:
  - **AVOIDANCE**: Elimination of hazardous activities, i.e., mountain rock climbing, pyramids in cheerleading, etc.
  - **TRANSFER**: Purchase of insurance, i.e., general liability insurance, special events, and the use of hold harmless and indemnification clauses.
  - **RISK CONTROL**: Minimize the frequency and/or severity of the loss exposure, i.e., implementing emergency procedures, methods for correcting hazards, providing emergency first aid, and loss control/safety inspections.
  - **RETENTION**: Self-insuring all or a portion of a potential loss exposure, i.e., high deductibles or self-insurance programs.

- **Selection of the most advantageous and appropriate methods available to the district.** This typically includes two or more of the components shown above.

- **Implementation of the most appropriate method for minimizing loss.**

- **Monitor the results of your selection of methods.** Make changes as needed or as conditions change. Use risk management approach to all subsequent areas.
Types Insurance Coverages Discussed in this Manual

Commercial General Liability

This coverage is required in all district contracts. Bid specifications and contracts should state that required coverage is written on standard ISO form CG form CG001 or a substitute form providing equivalent coverage.

- Premises and Operations
- Personal Injury/Advertising Liability
- Products/Completed Operations
- Liability assumed under an insured Contract (including tort of another assumed in a business contract)
- Independent Contractors

Automobile Liability

Automobile Liability insurance coverage is required for contracts contemplating any use of an automobile, for example: construction projects, premises lease agreements, service contracts, and student transportation. Bid specifications and contracts should state that required coverage is written on standard ISO from CA0001 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide Contractual Liability coverage equivalent to that provided in the 1990 and later editions of ISO form CA0001. Contract should contain a requirement that the contractor provide business automobile liability coverage that includes:

- All vehicles that are owned, non-owned, and hired
- Personal Injury Protection (when applicable)

Workers’ Compensation

District requires all contractors, lessees and vendors to maintain Workers’ Compensation insurance with statutory limit. Employers’ Liability is also required with minimum limits of $500,000 Each Accident Limit/$500,000 Disease – Policy Limit/$500,000 Disease – Each Employee Limit.

Contractor and lessees shall be responsible for Workers’ Compensation insurance for subcontractors or sub-lessees who directly or indirectly provide services or lease premises under contract. This coverage must include statutory coverage for states in which employees are engaging in work. If there is an exposure of injury to Contractor’s employees under the following federal acts – coverage shall be included for such injuries or claims:

Umbrella Liability

An Umbrella Liability policy (or Excess Liability) may be used to provide additional Commercial General Liability, Automobile Liability, and Employers’ Liability limits to meet District’s minimum coverage requirements.
Professional Liability (Errors & Omissions’)

Professional Liability insurance protects against losses that occur when a “professional” errors in judgment, planning, or design that could result in an economic loss to the district.

The term “Professional Liability” may have a different meaning when it relates to insurance and school contractors, in order to determine if you should require Professional Liability insurance, ask yourself:

- Is the professional licensed or certified (i.e. architect, consultant, paramedic, attorney, engineer, etc.)?
- Will information developed by the professional be used in a decision-making process within the school that could create a liability?

If the answer is yes to either of these questions, then professional liability should be required.

The types of losses that can occur under such circumstances are often excluded under general liability policies. They can be covered through separate Professional Liability insurance policies, also known as “Errors and Omissions” (E&O) liability insurance.

Examples of services that would require Professional Liability coverage include:

- Accountants
- Appraisers
- Architects
- Attorneys
- Auditors
- Computer/Software Design
- Engineers
- Financial consultants
- Insurance/Risk Management Consultants
- Investment Consultants
- Media Firms
- Medical Professionals

Because Professional Liability insurance is generally written on a claims-made basis, there is a concern about coverage for latent defects, design errors, or mistakes that may result in claims after the work has been completed. One solution is to require the contractor to maintain the coverage for a specified period after the project has been completed or to purchase an Extended Reporting Period (ERP), otherwise known as “tail coverage”. It should be the district’s standard requirement for Professional Liability coverage written on a claims-made basis to continue coverage or purchase an ERP for not less than three years (six years for construction and design/build contracts).

Pollution Liability Coverage (Including Contractors’ Pollution Liability Coverage)

Pollution Liability Coverage should be considered whenever the contracted work involves the handling of hazardous materials or the operations could create or exasperate an environmental hazard.

The contractor should provide Pollution Liability coverage for bodily injury, property damage, (including natural resource damage), cleanup costs, removal, storage, disposal and or use of the pollutant; and defense including costs and expenses incurred in the investigation, defense, or settlement of claims. Coverage should apply to the alkalis, toxic chemicals, liquids, gases, natural gas, waste materials, or other irritants, contaminants, or pollutants (including asbestos).

Pollution Liability coverage is normally written on a claims-made basis. Therefore, the Contractor needs to warrant that any retroactive date applicable to coverage under the policy precedes the effective date of the contract; and that continuous coverage will be maintained (or an extended reporting period will be exercised) for a period of three (or specify desired number) years beginning from the time the work under the contract is completed.
If the Contractor is responsible for removing any pollutants from a site, then the Contractor will need to cover its automobile exposure for transporting the pollutants from the site to an approved disposal site. Automobile Liability coverage should be endorsed to include the required auto pollution Endorsements and Motor Carrier Act Endorsement, MCS 90.

**Property – Tenants/Lessees**
This insurance is required for those that lease facilities you own. If your tenant’s/lessee’s property is damaged or destroyed – you want it replaced so they can stay in business and continue paying rent to the school. Minimally the tenant/lessee shall obtain Commercial Property insurance covering tenant’s/lessee’s business personal property and equipment. **The lease agreement should also be written so it is clear about which party, the school or the tenant/lessee, is responsible for insuring the fixtures and improvements that have been made to the space.** The perils insured should be the equivalent of ISO special causes of loss form CP1030 and the valuation of covered property should be the replacement cost. It is common for leases to include a mutual waiver of subrogation.

**Sexual Abuse and Molestation – Tenants/Lessees**
Many schools allow their facilities to be used by a tenant/lessee that is in the business of providing child care services or for various types of camps. It is not uncommon for businesses that provide services for minors to carry insurance for sexual abuse and molestation. When appropriate, the school should consider including a requirement that the tenant/lessee has insurance for sexual abuse and molestation that also protects the school for liability arising out of the businesses’ operations and activities.

**Builders’ Risk/Installation Floater**
**Builders’ Risk** insurance is designed to cover buildings and construction materials while in the course of construction. Builders’ Risk insurance is a form of Property insurance that protects the construction project against loss or damage caused by a variety of perils, for example, fire, wind, hail, etc.

**Installation Floaters** are similar to Builders’ Risk insurance policies in that they are designed to cover damage to material and equipment to be installed in an “existing building.” Installation Floaters are required from contractors performing a specialized job on an existing building or installing equipment or materials that are **not** included in a construction project contract. An example would be a contract to replace the plumbing/fixtures in the bathroom of an existing building.

**Bonds**
A bond is a three-party contract in which the surety company guarantees the performance or honesty of the contractor to [Name of School]. Contractors typically are required to provide up to three types of bonds on a construction project.

A **bid bond** is commonly required in competitive bid situations. It is submitted with the bid and guarantees that if the contractor is awarded the job, it will agree to perform the work at the price quoted and will provide additional bonds as required by the construction contract. If the contractor declines to enter into a contract to perform the work at the agreed-upon price, the bid bond will reimburse [Name of School] the difference between the defaulting contractor’s bid and the next lowest bid, up to the bid bond penal amount.

A **performance bond** guarantees that the contractor will perform the work in accordance with the construction contract and related documents, thus protecting [Name of School] from financial loss up to the bond limit in the event the contractor fails to fulfill its contractual obligations.

The general contractor is responsible for contracting for all materials and labor needed for the project, and for paying for such materials and labor in accordance with the contract provisions. The **payment bond** guarantees that suppliers and subcontractors will in fact be paid for materials and labor furnished to the contractor. The ultimate purpose of the payment bond is to guarantee [Name of School] delivery of a project that is free of liens.
General Insurance Requirements for All Insurers

These general requirements should be incorporated into every contract and should not be waived without consulting with ASCIP.

District requires that all insurers:

1) Be licensed or approved to do business within the State.
2) Write required insurance on an “occurrence” basis (Professional Liability and Pollution Liability are acceptable written on a “claims-made” basis.)
3) District and its Board, Officers, employees, agents, and volunteers as “Additional Insureds” on General Liability and other policies as specified by the contract.
4) Possess a minimum A.M. Best’s Insurance Guide rating of A VII A.M. Best rating is composed of two parts: The letter denotes the company’s financial strength level (see chart in appendix) and the Roman Numeral denotes financial size.
5) Provide a completed Certificate of Insurance containing the following information:
   • Name, address, phone number, and fax number of agent/broker
   • Name of insurance company(ies) and policy number(s)
   • Policy Period
   • Name and address of insured
   • Description of coverage(s)
   • Policy Limits

   Special instructions or terms of coverage (for example: addition of District as additional insured, waivers of subrogation in favor of District, identification of project, or operations).
   District listed as the certificate holder
   Signature of the insurer’s agent/broker and date

6) District requires that all contractor policies provide coverage on a primary and non-contributory basis with any other insurance coverages and/or self-insurance available to (Name of School).
7) District requires the contractor to provide a renewal certificate at least 15 days prior to expiration.
8) District may also require that proof of Professional Liability and Pollution Liability coverages be provided for not less than three (3) years after the completion of a project if written on a claims-made basis.
9) The contractor agrees that the insurance requirements specified in the contract do not reduce the liability Contractor has assumed in the indemnification/hold harmless section of the contract.

District reserves the right to approve the security of the insurance company and the coverage terms and conditions. Failure of the Contractor to fully comply with these requirements during the term of the Contract will be considered a material breach of contract and will be cause for immediate termination of the Contract at the option of District.
# Insurance Requirements Matrix
(Recommended Minimum Amounts)

<table>
<thead>
<tr>
<th>Ch.</th>
<th>Type of Contractor</th>
<th>Recommended Coverage</th>
<th>Minimum Coverage Limits</th>
<th>Certificate of Insurance</th>
<th>Additional Insured</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Building Contractor/ Large Construction Projects</td>
<td>General Liability</td>
<td>$2,000,000/$5,000,000</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Automobile Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workers’ Compensation</td>
<td>Statutory</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employers Liability</td>
<td>$1,000,000</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pollution Liability</td>
<td>$1,000,000/$2,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bonds, Builders Risk, Installation Floater</td>
<td>Contract Value</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Professional Liability</td>
<td>$1,000,000/$2,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Maintenance Contractors/Tradesmen (Painters, Plumbers, Landscapers, etc.)</td>
<td>General Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Automobile Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workers’ Compensation</td>
<td>Statutory</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employers Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Installation Floater (if applicable)</td>
<td>Contract Value</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Environmental Contractors/Consultants</td>
<td>General Liability</td>
<td>$1,000,000/$2,000,000</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Automobile Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workers’ Compensation</td>
<td>Statutory</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contractor’s Pollution Liability</td>
<td>$1,000,000/$2,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Professional Liability: (engineer, architect, etc.)</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
### Insurance Requirements Matrix (cont’d)

<table>
<thead>
<tr>
<th>Ch.</th>
<th>Type of Contractor</th>
<th>Recommended Coverage</th>
<th>Minimum Coverage Limits</th>
<th>Certificate of Insurance</th>
<th>Additional Insured</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Consultants/Professional Services Providers: Architects, Auditors, Engineers, Attorneys, Physicians and Technology Providers</td>
<td>General Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Automobile Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Professional Liability (other than Physician)</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medical Malpractice (physicians, dentist, etc.)</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workers Compensation</td>
<td>Statutory</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employers Liability</td>
<td>$1,000,000</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sexual Abuse or Molestation</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Suppliers and/or Vendors</td>
<td>General Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Automobile Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workers’ Compensation</td>
<td>Statutory</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employers Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Bus Contractors and/or Charter Bus</td>
<td>General Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Automobile Liability</td>
<td>$5,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workers Compensation</td>
<td>Statutory</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employers Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sexual Abuse or Molestation</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Ch.</td>
<td>Type of Contractor</td>
<td>Recommended Coverage</td>
<td>Minimum Coverage Limits</td>
<td>Certificate of Insurance</td>
<td>Additional Insured</td>
</tr>
<tr>
<td>-----</td>
<td>-------------------------------------------</td>
<td>----------------------</td>
<td>-------------------------</td>
<td>-------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>7</td>
<td>Use of Facilities: Private Citizens, Organizations or Non-Business Groups</td>
<td>General Liability</td>
<td>$1,000,000/$2,000,000</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sexual Abuse or Molestation</td>
<td>$1,000,000/$3,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Charter Schools</td>
<td>General Liability</td>
<td>$5,000,000</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Automobile Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workers Compensation</td>
<td>Statutory</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employers Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sexual Abuse or Molestation</td>
<td>$1,000,000/$3,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Property Insurance</td>
<td>Replacement Value</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Security Personnel</td>
<td>General Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Automobile Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workers’ Compensation</td>
<td>Statutory</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Professional Liability</td>
<td>$1,000,000</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER 1 -BUILDING CONTRACTORS
(Contractors performing structural improvements or renovations)

MINIMUM REQUIREMENTS

I. General Liability:
   A. Commercial General Liability with a $2,000,000 each occurrence, $5,000,000 Aggregate Limit of Liability per occurrence for Bodily Injury, Personal and Advertising Injury and Property Damage including Blanket Contractual Liability, Products Liability, and Completed Operations. For questions concerning coverage, contact ASCIP.
   B. Contractor’s insurance to be primary and non-contributory.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.
   D. District to be named as “Additional Insured” by separate endorsement.
   E. Executed Indemnity and Hold Harmless Agreement or substantially similar provisions should be included in the bid specifications or contract.

II. Automobile Liability:
   A. $1,000,000 Each Accident Limit of Liability for Bodily Injury and Property Damage.
   B. Coverage to include “Owned, Non-Owned, and Hired” automobiles.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

III. Workers’ Compensation/Employers Liability:
   A. Certificate of Insurance indicating “statutory” limits.
   B. Employer’s Liability, $1,000,000 per accident for bodily injury or disease.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

IV. Builder’s Risk Insurance/Installation Floater: (Contact ASCIP Prior to Requiring this Coverage) (See Appendices for sample Installation Floater Form)

“All Risk” property coverage purchased by the contractor for the project, whether in transit, temporary storage and, before acceptance by the owner. It being understood that the proceeds of any such insurance for claims shall be used to repair or replace any such property on behalf of the District.

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.
**Installation Floaters** are similar to Builders’ Risk insurance policies in that they are designed to cover damage to material and equipment to be installed in an “existing building.” Installation Floaters are required from contractors performing a specialized job on an existing building or installing equipment or materials that are **not** included in a construction project contract. An example would be a contract to replace the plumbing/fixtures in the bathroom of an existing building.

V. **Bonds** - A bond is a three-party contract in which the surety company guarantees the performance or honesty of the contractor to District. Contractors typically are required to provide up to three types of bonds on a construction project.

A **bid bond** is commonly required in competitive bid situations. It is submitted with the bid and guarantees that if the contractor is awarded the job, it will agree to perform the work at the price quoted and will provide additional bonds as required by the construction contract. If the contractor declines to enter into a contract to perform the work at the agreed-upon price, the bid bond will reimburse [Name of School] the difference between the defaulting contractor’s bid and the next lowest bid, up to the bid bond penal amount.

A **performance bond** guarantees that the contractor will perform the work in accordance with the construction contract and related documents, thus protecting [Name of School] from financial loss up to the bond limit in the event the contractor fails to fulfill its contractual obligations. The general contractor is responsible for contracting for all materials and labor needed for the project, and for paying for such materials and labor in accordance with the contract provisions. The **payment bond** guarantees that suppliers and Subcontractors will in fact be paid for materials and labor furnished to the contractor. The ultimate purpose of the payment bond is to guarantee [Name of School] delivery of a project that is free of liens.

VI. **Professional Liability:**

A. $1,000,000 Errors & Omissions/Professional Liability.

B. 30-day notice of intent to cancel, non-renew or make material change in coverage.

C. Executed Indemnity and Hold Harmless Agreement or similar provision should be included in the Service Contract.

**NOTE:** Indemnity Agreement for architects, engineers and landscape design is Type III only (California Civil Code 2782.8).

**Sample Type III Indemnity Provision.** To the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless the District its officials, officers, directors, employees, agents and volunteers from all liability arising out of, pertaining to or relating to, the negligence, acts, omissions, or willful misconduct of Consultant. Consultant’s responsibility for such defense and indemnification shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are to be undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

D. “Additional Insured” is not required.
VII. **Contractor’s Pollution Liability and/or Asbestos Pollution Liability:**

$1,000,000 each occurrence/$2,000,000 policy aggregate, including Professional Liability if professional Pollution Liability and/or services are included under the contract.

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors. With respect to General Liability, Errors & Omissions, Contractor’s Pollution Liability and/or Asbestos Pollution Liability, coverage should be maintained for a minimum of three (3) years after contract completion.
CHAPTER 2 - MAINTENANCE CONTRACTORS/ TRADESMAN

MINIMUM REQUIREMENTS

I. General Liability:
   A. Commercial General Liability with a $1,000,000 each occurrence, $2,000,000 Aggregate Limit of Liability per occurrence for Bodily Injury, Personal and Advertising Injury and Property Damage including Blanket Contractual Liability, Products Liability, and Completed Operations. For questions concerning coverage, contact ASCIP.
   B. Contractor’s insurance to be primary and non-contributory.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.
   D. District to be named as “Additional Insured” by separate endorsement.
   E. Executed Indemnity and Hold Harmless Agreement or substantially similar provisions should be included in the bid specifications or contract.

II. Automobile Liability:
   A. $1,000,000 Each Accident Limit of Liability for Bodily Injury and Property Damage.
   B. Coverage to include “Owned, Non-Owned, and Hired” automobiles.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

III. Workers’ Compensation/Employer’s Liability:
   A. Certificate of Insurance indicating “statutory” limits.
   B. Employer’s Liability, $1,000,000 per accident for bodily injury or disease.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

IV. Installation Floater (if applicable)
   A. Installation Floaters are similar to Builders’ Risk insurance policies in that they are designed to cover damage to material and equipment to be installed in an “existing building.”
CHAPTER 3 - ENVIRONMENTAL CONTRACTORS AND/OR CONSULTANTS

MINIMUM REQUIREMENTS

I. General Liability:
   A. Commercial General Liability with a $1,000,000 each occurrence, $2,000,000 Aggregate Limit of Liability per occurrence for Bodily Injury, Personal and Advertising Injury and Property Damage.
   B. Contractor’s insurance to be primary and non-contributory.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.
   D. District to be named as “Additional Insured” by separate endorsement.
   E. Executed Indemnity and Hold Harmless Agreement or substantially similar provisions should be included in the bid specifications or contract.

II. Automobile Liability:
   A. $1,000,000 Each Accident Limit of Liability for Bodily Injury and Property Damage.
   B. Coverage to include “Owned, Non-Owned, and Hired” automobiles.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

III. Workers’ Compensation/Employer’s Liability:
   A. Certificate of Insurance indicating “statutory” limits.
   B. Employer’s Liability, $1,000,000 per accident for bodily injury or disease.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

IV. Contractor’s Pollution Liability and/or Asbestos Pollution Liability and/or Professional Liability:
   A. $1,000,000 each occurrence/$2,000,000 policy aggregate, including Professional Liability if professional Pollution Liability and/or services are included under the contract.
   B. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors. With respect to General Liability, Errors & Omissions, Contractor’s Pollution Liability and/or Asbestos Pollution Liability, coverage should be maintained for a minimum of three (3) years after contract completion.

V. Professional Liability: (auditor, engineer, architect, etc.)
   A. $1,000,000 Errors & Omissions/Professional Liability.
   B. 30-day notice of intent to cancel, non-renew or make material change in coverage.
C. Executed Indemnity and Hold Harmless Agreement or similar provision should be included in the Service Contract.

**NOTE:** Indemnity Agreement for architects, engineers and landscape design is Type III only (California Civil Code 2782.8).

Sample Type III Indemnity Provision. To the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless the District its officials, officers, directors, employees, agents and volunteers from all liability arising out of, pertaining to or relating to, the negligence, acts, omissions, or willful misconduct of Consultant. Consultant’s responsibility for such defense and indemnification shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are to be undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

D. “Additional Insured” is not required.
CHAPTER 4 - CONSULTANTS
PROFESSIONAL SERVICE PROVIDERS

MINIMUM REQUIREMENTS

VI. General Liability:

A. Commercial General Liability with a $1,000,000 each occurrence, $1,000,000 Aggregate Limit of Liability per occurrence for Bodily Injury, Personal and Advertising Injury and Property Damage.

B. Contractor’s insurance to be primary and non-contributory.

C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

D. District to be named as “Additional Insured” by separate endorsement.

E. Executed Indemnity and Hold Harmless Agreement or substantially similar provisions should be included in the bid specifications or contract.

VII. Automobile Liability:

A. $1,000,000 Each Accident Limit of Liability for Bodily Injury and Property Damage.

B. Coverage to include “Owned, Non-Owned, and Hired” automobiles.

C. 30-day notice of intent to cancel, non-renew or make material change in coverage.

VIII. Workers’ Compensation/Employer’s Liability:

A. Certificate of Insurance indicating “statutory” limits.

B. Employer’s Liability, $1,000,000 per accident for bodily injury or disease.

C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

IX. Professional Liability: (auditor, engineer, architect, etc.)

A. $1,000,000 Errors & Omissions/Professional Liability.

B. 30-day notice of intent to cancel, non-renew or make material change in coverage.

C. Executed Indemnity and Hold Harmless Agreement or similar provision should be included in the Service Contract.

NOTE: Indemnity Agreement for architects, engineers and landscape design is Type III only (California Civil Code 2782.8).

Sample Type III Indemnity Provision. To the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless the District its officials, officers, directors, employees, agents and volunteers
from all liability arising out of, pertaining to or relating to, the negligence, acts, omissions, or willful misconduct of Consultant. Consultant’s responsibility for such defense and indemnification shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are to be undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

D. “Additional Insured” is not required.

I. Medical Malpractice: (physicians, dentists, psychologists)
   A. $1,000,000 Medical Malpractice Insurance.
   B. 30-day notice of intent to cancel, non-renew or make material change in coverage.
      a. Executed Indemnity and Hold Harmless Agreement or similar provisions should be included in the service contract.
      b. “Additional Insured” is not required.
      c. In certain circumstances, the following applies: General Liability and Automobile Liability with Combined Single Limits of Liability of $1,000,000 each.

X. *Sexual Abuse or Molestation:
   A. $3,000,000 Sexual Abuse Injury Limit of Insurance.
   B. All other requirements as provided under “General Liability (b through e)” above.

*Applicable when consultants are working with minors.
CHAPTER 5 - SUPPLIERS AND/OR VENDORS

MINIMUM REQUIREMENTS

I. General Liability:

A. Commercial General Liability with a $1,000,000 each occurrence, $2,000,000 Aggregate Limit of Liability per occurrence for Bodily Injury, Personal and Advertising Injury and Property Damage.

B. Vendor’s insurance to be primary and non-contributory.

C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

D. District to be named as “Additional Insured” by separate endorsement.

E. Executed Indemnity and Hold Harmless Agreement or substantially similar provisions should be included in the bid specifications or contract.

II. Automobile Liability:

A. $1,000,000 Each Accident Limit of Liability for Bodily Injury and Property Damage.

B. Coverage to include “Owned, Non-Owned, and Hired” automobiles.

C. 30-day notice of intent to cancel, non-renew or make material change in coverage.

III. Workers’ Compensation including Employer’s Liability:

A. Certificate of Insurance indicating “statutory” limits.

B. Employer’s Liability, $1,000,000 per accident for bodily injury or disease.

C. 30-day notice of intent to cancel, non-renew or make material changes in coverage.
CHAPTER 6 - BUS CONTRACTORS AND/OR CHARTER BUS  
MINIMUM REQUIREMENTS  

I. General Liability:  
   A. Commercial General Liability with a $1,000,000 each occurrence, $2,000,000 Aggregate Limit of Liability per occurrence for Bodily Injury, Personal and Advertising Injury and Property Damage.  
   B. Contractor’s insurance to be primary and non-contributory.  
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.  
   D. District to be named as “Additional Insured” by separate endorsement.  
   E. Executed Indemnity and Hold Harmless Agreement or substantially similar provisions should be included in the bid specifications or contract.  

II. Automobile Liability:  
   A. $5,000,000 Each Accident Limit of Liability for Bodily Injury and Property Damage.  
   B. Coverage to include “Owned, Non-Owned, and Hired” automobiles.  
   C. 30-day notice of intent to cancel, non-renew or make material change in coverage.  

III. Workers’ Compensation and Employer’s Liability:  
   A. Certificate of Insurance indicating “statutory” limits.  
   B. Employer’s Liability, $1,000,000.  
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.  

IV. *Sexual Abuse or Molestation:  
   A. $3,000,000 Sexual Abuse Injury Limit of Insurance.  
   B. All other requirements as provided under “General Liability (b through e)” above.  

*Applicable when consultants are working with minors.  

In those cases where a member district contracts for vehicle maintenance or repairs, Garage Liability at $1,000,000 AND Garage Keepers Legal Liability (GKLL) at $75,000 should also be maintained.
CHAPTER 7 - USE OF FACILITIES

MINIMUM REQUIREMENTS

I. General Liability:

A. Commercial General Liability with a $1,000,000 each occurrence, $2,000,000 Aggregate Limit of Liability per occurrence for Bodily Injury, Personal and Advertising Injury and Property Damage.

B. Contractor’s insurance to be primary and non-contributory.

C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

D. District to be named as ‘Additional Insured’ by separate endorsement.

E. Executed Indemnity and Hold Harmless Agreement or substantially similar provisions should be included in the bid specifications or contract.

F. Sports Associations must show evidence that their General Liability Policy contains Athletic Participant’s Medical (Student Accident) coverage that will respond to injuries sustained by athletic participants.
CHAPTER 8 - CHARTER SCHOOLS

MINIMUM REQUIREMENTS

I. General Liability:

A. Commercial General Liability with a $5,000,000 each occurrence, $5,000,000 Aggregate Limit of Liability for Bodily Injury, Personal and Advertising Injury and Property Damage.

B. Contractor’s insurance to be primary and non-contributory.

C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

D. District to be named as “Additional Insured” by separate endorsement.

E. Executed Indemnity and Hold Harmless Agreement or substantially similar provisions should be included in the bid specifications or contract.

II. Automobile Liability:

A. $1,000,000 Each Accident Limit of Liability for Bodily Injury and Property Damage.

B. Coverage to include “Owned, Non-Owned, and Hired” automobiles.

C. 30-day notice of intent to cancel, non-renew or make material change in coverage.

III. Workers’ Compensation and Employer’s Liability:

A. Certificate of Insurance indicating “statutory” limits.

B. Employer’s Liability, $1,000,000.

C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

IV. Property Insurance:

A. Certificate of Insurance evidencing coverage for all property owned and controlled by the Charter School which resides on the District’s premise(s).

B. OPTIONAL: Some Districts have determined that when a Charter School has exclusive use of property it leases from the District, the Charter School should carry its own property insurance for the building(s) it occupies.

C. Sample Language: Charter School shall procure and maintain for the duration of the contract, “special form” or “all risks” property insurance coverage to insure against damage to real property which may arise from, or in connection with, Charter School’s occupancy, use or maintenance of the property. Coverage shall be at full replacement cost. The cost of such insurance shall be borne by the Charter.
V. **Sexual Abuse or Molestation:**

A. $3,000,000 Sexual Abuse Injury Limit of Insurance.

B. All other requirements as provided under “General Liability (b through e)” above.
CHAPTER 9 - SECURITY PERSONNEL

MINIMUM REQUIREMENTS

I. General Liability:
   A. Commercial General Liability with a $1,000,000 each occurrence, $2,000,000 Aggregate Limit of Liability for Bodily Injury, Personal and Advertising Injury and Property Damage. Such policy shall include coverage for assault and battery, false arrest and use of firearms (where applicable).
   B. Contractor’s insurance to be primary and non-contributory.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.
   D. District to be named as “Additional Insured” by separate endorsement.
   E. Executed Indemnity and Hold Harmless Agreement or substantially similar provisions should be included in the bid specifications or contract.

II. Automobile Liability:
   A. $1,000,000 Each Accident Limit of Liability for Bodily Injury and Property Damage.
   B. Coverage to include “Owned, Non-Owned, and Hired” automobiles.
   C. 30-day notice of intent to cancel, non-renew or make material change in coverage.

III. Workers’ Compensation and Employer’s Liability:
   A. Certificate of Insurance indicating “statutory” limits.
   B. Employer’s Liability, $1,000,000.
   C. 30-day notice of intent to cancel, non-renew, or make material change in coverage.

IV. Professional Liability:
   A. $1,000,000 Errors & Omissions/Professional Liability.
   B. 30-day notice of intent to cancel, non-renew or make material change in coverage.
   C. Executed Indemnity and Hold Harmless Agreement or similar provision should be included in the Service Contract.
Appendices

The following are examples of insurance requirements for the following types of contracts:

1. Building Contractor/Large Construction Projects
2. Contractors: painters, plumbers, landscapers, etc.
3. Environmental Contractors or Consultants
4. Consultants Professional Services Providers, Architects, Auditors, Engineers, Attorneys, Physicians and Technology Providers
5. Suppliers and/or Vendors
6. Bus Contractors/or Charter Bus
7. Use of Facilities, Private Citizens, Organizations or Non-Business Groups
8. Charter Schools
9. Security Personnel

Note: The size and scope of the contract and the potential exposure will dictate the minimum level of coverage required.

The next few pages contain examples of minimum insurance requirements for each of the above situations. Thorough explanations of the insurance requirements for each of these situations are contained in the Appendices, along with suggested language that may be used as inserts into the insurance requirements section of District contracts.
Appendix 1-Building Contractors

(Contractors performing structural improvements or renovations)

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01) or Insurance Services Office Form (CG 00 09 11 88 Owners and Contractor’s Protective Liability Coverage Form - Coverage for Operations of Designated Contractor).

2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Symbol 1 (any auto).

3. Workers’ Compensation insurance as required by the State of California and Employer’s Liability Insurance.

4. Builder’s Risk (Course of Construction) insurance covering all risks of loss less policy exclusions. Please check with ASCIP prior to requiring this coverage.

Additionally, the following coverage shall be required:

5. Professional Liability (if Design/Build).

6. Surety bonds – recommended where the total cost of the project exceeds $50,000.

Minimum Limits of Liability

Contractor shall maintain limits no less than:

1. **General Liability:**
   (Including products and completed operations)
   
   **$5,000,000**
   Per occurrence for bodily injury, personal and advertising 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 project/location 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.

3a. **Workers’ Compensation:**

   **Statutory**
   As required by the State of California.

3b. **Employer’s Liability:**

   **$1,000,000**
   Per accident for bodily injury or disease.

4. **Builder’s Risk:**

   Completed value of the project with no coinsurance penalty provisions. (Contact ASCIP Prior to Requiring this Coverage)

5. **Professional Liability:**

   **$1,000,000**
   As needed for design/build.
Deductibles and Self-Insured Retentions

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

Other Insurance Provisions

The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. To the fullest extent permitted by law, the District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and 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. For any claims related to this project, the Contractor’s insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor’s insurance and shall not contribute with it.

2. If General Liability, and/or Professional Liability coverages are written on a claims-made form:
   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 three (3) years after completion of contract 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, the Contractor must purchase an extended period coverage for a minimum of three (3) years after completion of contract work.
   d. A copy of the claims reporting requirements must be submitted to the District for review.

3. Any insurance proceeds available to Contractor that are broader than or in excess of the specified minimum insurance coverage and/or limits shall be available to the District as an additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in the Contract or Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured, whichever is greater.

Notice of Cancellation

Coverage required under this agreement shall not be canceled or non-renewed without 30 days prior written notice from Contractor to the District.
Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII, unless otherwise acceptable by District and admitted to do business in the state of California, or accepted by the Surplus Lines Association to do business in California.

Verification of Coverage

Contractor shall furnish the District with certificates and endorsements affecting coverage required by the agreement/contract. The endorsements are to be signed by the person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

Waiver of Subrogation

Contractor hereby grants to the District a waiver of any right to subrogation which any insurer of said contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

Builder’s Risk (Course of Construction) Insurance

*Please contact ASCIP for Builder’s Risk (Course of Construction) Insurance prior to requiring it from the Contractor.*

ASCIP Property Coverage includes Builder’s Risk for the District’s interests only. In some cases, the District may require the contractor to carry their own Builder’s Risk to protect the contractor’s property, materials, tools and other financial interests.

Builder’s Risk policies shall contain the following provision:

The District shall be named as a loss payee.

Surety Bonds - for Construction Contracts

Contractor shall provide the following Surety Bonds:

*Sample Language:* Contractor shall furnish bonds covering the faithful performance of the contract and payment of all obligations thereunder in the following amounts:

- Bid Bond: 10% of the contract value.
- Performance Bond: 100% of the contract value, including change orders.
- Payment Bond: 100% of the contract value, including change orders.

1. A bid bond. – provides a guarantee to ASCIP that the contractor will honor its bid and sign all contract documents if awarded the contract. If the contractor fails to honor the bid, then he/she and the bond issuer (the surety) are liable on the bond for any additional costs ASCIP incurs in a subsequent contract for the job.
2. A performance bond. – provides a guarantee to ASCIP that the contractor will complete the contract in accordance with the contract terms, including price. A Performance Bond is typically issued in conjunction with a Bid Bond.

3. A payment bond - also known as a “Labor and Material Bond,” provides funds for the payment of any labor and material suppliers should the Contractor fail to pay for such costs. The person making a claim on a payment bond is typically a subcontractor or supplier of goods/materials.
Appendix 2-Maintenance Contractors/Tradesman

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).
2. Insurance Services Office Form Number CA 00 01 covering Automobile Liability (any auto).
3. Workers’ Compensation insurance as required by the State of California and Employer’s Liability Insurance.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

1. **General Liability:**
   (Including products and completed operations)
   - **$1,000,000**
   - Per occurrence for bodily injury, personal and advertising injury and property damage.

2. **Automobile Liability:**
   - **$1,000,000**
   - Per accident for bodily injury and property damage.

3a. **Workers’ Compensation:**
   - **Statutory**
   - As required by the State of California.

4. **Installation Floater**
   - **Contract Value**

Deductibles and Self-Insured Retentions

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

Other Insurance Provisions

The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. To the fullest extent permitted by law, the District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and 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. General Liability coverage shall be provided in the form of an Additional Insured endorsement (CG 20 10 11 85 or equivalent) to the contractor’s insurance policy, or as a separate owner’s policy.
2. For any claims related to this project, the Contractor’s insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor’s insurance and shall not contribute with it.

3. Any insurance proceeds available to Contractor that are broader than or in excess of the specified minimum insurance coverage and/or limits shall be available to the District as an additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in the Contract or Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured, whichever is greater.

Notice of Cancelation

Coverage required under this agreement shall not be canceled or non-renewed without 30 days prior written notice from contractor to the District.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII, unless otherwise acceptable by District and admitted to do business in the state of California, or accepted by the Surplus Lines Association to do business in California.

Verification of Coverage

Contractor shall furnish the District with certificates and endorsements affecting coverage required by the agreement/contract. The endorsements are to be signed by the person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

Waiver of Subrogation

Contractor hereby grants to District a waiver of any right to subrogation which any insurer of said contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all of the requirements stated herein.
Appendix 3-Environmental Contractors and/or Consultants

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01 or Claims Made Form CG 00 02).
2. Insurance Services Office Form No. CA 00 01 covering Automobile Liability, Symbol 1 (any auto).
3. Workers’ Compensation insurance as required by the State of California and Employer’s Liability insurance.
4. Contractor’s Pollution Liability and/or Asbestos Pollution Liability and/or Professional Liability.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

1. **General Liability:**
   (Including products and completed operations) **$1,000,000**
   Per occurrence for bodily injury, personal and advertising 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 project/location 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.

3a. **Workers’ Compensation:**
    Statutory
    As required by the State of California.

3b. **Employer’s Liability:** **$1,000,000**
   Each accident, **$1,000,000** policy limit bodily injury by disease, **$1,000,000** each employee bodily injury by disease

4. **Contractor’s Pollution:**
   **Liability and/or Asbestos Pollution Liability and/or Professional/Errors & Omissions Liability**
   **$1,000,000**
   Each occurrence/$2,000,000 policy aggregate if Professional Pollution/Errors & Omissions Liability and/or services are included under the contract.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the District. If possible, the Insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Contractor shall provide evidence satisfactory to the District guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
Other Insurance Provisions

1. The General Liability, Automobile Liability, Contractor’s Pollution Liability and/or Asbestos Pollution policies are to contain, or be endorsed to contain, the following provisions:
   a. To the fullest extent permitted by law, the District, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor; and 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 with respect to Contractor’s Pollution Liability and/or Asbestos Pollution.
   b. For any claims related to this project, the Contractor’s insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, agents or volunteers shall be excess of the Contractor’s insurance and shall not contribute with it.

2. The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance covering materials to be transported by Contractor pursuant to the contract. This coverage may also be provided on the Contractor’s Pollution Liability policy.

3. If General Liability, Contractor’s Pollution Liability and/or Asbestos Pollution Liability and/or Professional Liability coverages are written on a claims-made form:
   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 three (3) 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, the Contractor must purchase an extended period coverage for a minimum of three (3) years after completion of contract work.
   d. Optional; A copy of the claims reporting requirements must be submitted to the District 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 Contractor’s Pollution Liability shall not contain mold exclusion and the definition of “Pollution” shall include microbial matter, including mold.

4. Any insurance proceeds available to Contractor that are broader than or in excess of the specified minimum insurance coverage and/or limits shall be available to the District as an additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in the Contract or Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured, whichever is greater.

Notice of Cancelation

Coverage required under this agreement shall not be canceled or non-renewed without 30 days prior written notice from contractor to the District.
Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII if admitted. If Contractor’s Pollution Liability, Asbestos Pollution and/or Errors & 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 A- X or higher.

Verification of Coverage

Contractor shall furnish the District with certificates and endorsements affecting coverage required by the agreement/contract. The endorsements are to be signed by the person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

Waiver of Subrogation

Contractor hereby grants to District a waiver of any right to subrogation which any insurer of said contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.
Appendix 4-Consultants
Professional Service Providers

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).

2. Insurance Services Office Form Number CA 00 01 covering Automobile Liability, Symbol 1 (any auto). Compensation insurance as required by the State of California and Employer’s Liability Insurance.

3. Professional Liability insurance appropriate to the consultant’s profession. Architects’ and Engineers’ coverage is to be endorsed to include contractual liability.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. **General Liability:**
   (Including products and completed operations) **$1,000,000**
   Per occurrence for bodily injury, personal and advertising 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 project/location 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.

3a. **Workers’ Compensation:** Statutory
   As required by the State of California.

3b. **Employer’s Liability:** **$1,000,000**
   Per accident for bodily injury or disease.

4. **Professional Liability/Medical Malpractice**
   **$1,000,000**
   Per occurrence.

5. **Sexual Abuse or Molestation:** **$3,000,000**
   Sexual Abuse or Injury Limit Insurance.

*Applicable when consultants are working with minors.
Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

1. The commercial General Liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

   a. To the fullest extent permitted by law, the District, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.

   b. For any claims related to this project, the Consultant’s insurance coverage shall be primary insurance as respects the District, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees or volunteers shall be excess of the Consultant’s insurance and shall not contribute with it.

2. If Professional Liability, and/or Errors & Omissions coverages are written on a claims-made form:

   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 three (3) 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, the Contractor must purchase an extended period coverage for a minimum of three (3) years after completion of contract work.

   d. Optional: A copy of the claims reporting requirements must be submitted to the District for review.

3. Any insurance proceeds available to Consultant that are broader than or in excess of the specified minimum insurance coverage and/or limits shall be available to the District as an additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in the Contract or Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured, whichever is greater.

4. Sexual abuse of molestation where consultants are working with minors.

Notice of Cancelation

Coverage required under this agreement shall not be canceled or non-renewed without 30 days prior written notice from Consultant to the District.
Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII, unless otherwise acceptable by District and admitted to do business in the state of California, or accepted by the Surplus Lines Association to do business in California.

Verification of Coverage

Consultant shall furnish the District with certificates and endorsements affecting coverage required by the agreement/contract. The endorsements are to be signed by the person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

Waiver of Subrogation

Consultant hereby grants to District a waiver of any right to subrogation which any insurer of said contractor may acquire against the District by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.
Appendix 5-Suppliers and/or Vendors

Minimum Scope of Insurance

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01) and including products coverage.

Minimum Limits of Insurance

1. **General Liability:**
   - $1,000,000
   - Per occurrence for bodily injury, personal and advertising 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 project/location 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.

3a. **Workers’ Compensation:**
   - Statutory
   - As required by the State of California.

3b. **Employer’s Liability:**
   - $1,000,000
   - Each accident, $1,000,000 policy limit bodily injury by disease, $1,000,000 each employee bodily injury by disease

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Vendor shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The policy or policies are to contain, or be endorsed to contain, the following provisions:

1. To the fullest extent permitted by law, The District, its officers, officials, employees and volunteers are to be covered as insureds as respects any and all liability arising out of, or pertaining to, products of the Vendor; and with respect to liability arising out of automobiles owned, leased, hired or borrowed by Vendor.

2. The Vendor’s insurance coverage shall be primary insurance as respects the District, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees or volunteers shall be excess of the Vendor’s insurance and shall not contribute with it.

3. Any insurance proceeds available to Vendor that are broader than or in excess of the specified minimum insurance coverage and/or limits shall be available to the District as an additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in the Contract or Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured, whichever is greater.
Notice of Cancelation

Coverage required under this agreement shall not be canceled or non-renewed without 30 days prior written notice from contractor to the District.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII, unless otherwise acceptable by District and admitted to do business in the state of California, or accepted by the Surplus Lines Association to do business in California.

Verification of Coverage

Vendor shall furnish the District with certificates and endorsements affecting coverage required by the agreement/contract. The endorsements are to be signed by the person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

Waiver of Subrogation

Vendor hereby grants to District a waiver of any right to subrogation which any insurer of said contractor may acquire against the District by virtue of the payment of any loss under such insurance. Vendor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Subcontractors

Vendor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein. Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII, unless otherwise acceptable by District.

Vendor Exceptions

There are a number of organizations/companies that provide services to your District that will not have formal contracts in place. These include but are not limited to, United Parcel Service, Federal Express, United States Mail, and for-hire interstate truck lines as examples. Although each of these companies may provide vendor services to you, you typically will not require formal contracts and will not require evidence of insurance. All of the companies listed above are required to be licensed under the Department of Transportation rules and regulations which also require specific limits of insurance.
Appendix 6-Bus Contractor and/or Charter Bus

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).
2. Insurance Services Office Form Number CA 00 01 covering Automobile Liability, Symbol 1 (any auto).
3. Workers’ Compensation insurance as required by the State of California and Employer’s Liability Insurance.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

1. **General Liability:**
   (Including products and completed operations) $1,000,000 Per occurrence for bodily injury, personal and advertising 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 project/location or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability:** $5,000,000 Per accident for bodily injury and property damage.

3a. **Workers’ Compensation:** Statutory As required by the State of California.

3b. **Employer’s Liability:** $1,000,000 Per accident for bodily injury or disease.

4. **Sexual Abuse or Molestation:** $3,000,000 Per occurrence.

*Applicable when consultants are working with minors.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
Other Insurance Provisions

1. The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

   a. To the fullest extent permitted by law, the District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and 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. General Liability coverage shall be provided in the form of an Additional Insured endorsement (CG 20 10 11 85 or equivalent) to the contractor’s insurance policy, or as a separate owner’s policy.

   b. For any claims related to this project, the Contractor’s insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor’s insurance and shall not contribute with it.

2. Any insurance proceeds available to Contractor that are broader than or in excess of the specified minimum insurance coverage and/or limits shall be available to the District as an additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in the Contract or Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured, whichever is greater

Notice of Cancelation

Coverage required under this agreement shall not be canceled or non-renewed without 30 days prior written notice from contractor to the District.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII, unless otherwise acceptable by District and admitted to do business in the state of California, or accepted by the Surplus Lines Association to do business in California.

Verification of Coverage

Contractor shall furnish the District with certificates and endorsements affecting coverage required by the agreement/contract. The endorsements are to be signed by the person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

Waiver of Subrogation

Contractor hereby grants to District a waiver of any right to subrogation which any insurer of said contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all of the requirements stated herein.
Appendix 7-Use of Facilities

Minimum Scope of Insurance

Coverage shall be at least as broad as: Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).

Minimum Limits of Insurance

Lessee/Applicant shall maintain limits no less than:

**General Liability:** $1,000,000  
Per occurrence for bodily injury, personal and advertising 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 event/location or the general aggregate limit shall be twice the required occurrence limit.

Other Insurance Provisions

The General Liability policy is to contain, or be endorsed to contain, the following provisions:

1. To the fullest extent permitted by law, the District, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of ownership, maintenance or use of that part of the premises leased to the Lessee.

2. The Lessee’s/Applicant’s insurance coverage shall be primary insurance as respects the District, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees or volunteers shall be excess of the Lessee’s/Applicant’s insurance and shall not be required to contribute with it.

3. Any insurance proceeds available to Lessee/Applicant that are broader than or in excess of the specified minimum insurance coverage and/or limits shall be available to the District and ASCIP as additional insureds. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in the Contract or Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured, whichever is greater.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII, unless otherwise acceptable by District and admitted to do business in the state of California, or accepted by the Surplus Lines Association to do business in California.
Verification of Coverage

Lessee/Applicant shall furnish the District with certificates and endorsements affecting coverage required by the agreement/contract. The endorsements are to be signed by the person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

Other Facilities Use Provisions

1. All activities conducted on District property by Lessee/Applicant shall be at the risk of the Lessee/Applicant exclusively. To the fullest extent permitted by law, Lessee/Applicant shall indemnify and hold District, its officers, officials, agents, employees and volunteers harmless against any and all losses, damages, liability, claims, demands and causes of action arising out of or in any way connected with the use by the Lessee/Applicant of District property, including premises liability. Lessee/Applicant shall owe this indemnity obligation to District, its officers, agents and employees even if loss, damage, liability, claim, demand or cause of action resulted from District’s alleged or actual negligent act or omission, regardless of whether such act or omission is active or passive. However, Lessee/Applicant shall not be obligated under this agreement to indemnify District with respect to the sole negligence or willful misconduct of District, its officers, agents or employees.

2. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days prior written notice has been provided to the District.
Appendix 8-Charter Schools

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).

2. Insurance Services Office Form Number CA 00 01 covering Automobile Liability, code 1 (any auto).

3. Workers’ Compensation insurance as required by the State of California and Employer’s Liability Insurance.

Minimum Limits of Liability

Charter School shall maintain no less than:

1. General Liability: $5,000,000 Per occurrence for bodily injury, personal and advertising 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 project/location 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.

3a. Workers’ Compensation: Statutory As required by the State of California.

3b. Employer’s Liability: $1,000,000 Per accident for bodily injury or disease.

4. Property Insurance Replacement Value

5. Sexual Abuse or Molestation: $3,000,000 Sexual Abuse or Injury Limit Insurance

*Applicable when consultants are working with minors.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Charter School shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.
**Other Insurance Provisions**

The commercial General Liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

a. To the fullest extent permitted by law, the District, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.

b. The District, its officers, officials, employees and volunteers are to be covered as insureds as respects to liability arising out of operations performed by or on behalf of the Charter School.

c. The Charter School’s insurance coverage shall be primary insurance as respects the District, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees or volunteers shall be excess of the Charter School’s insurance and shall not contribute with it.

d. Any insurance proceeds available to the Charter School that are broader than or in excess of the specified minimum insurance coverage and/or limits shall be available to the District as an additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in the Contract or Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured, whichever is greater.

**Notice of Cancelation**

Coverage required under this agreement shall not be canceled or non-renewed without 30 days prior written notice from Charter School to the District.

**Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII, unless otherwise acceptable by District and admitted to do business in the state of California, or accepted by the Surplus Lines Association to do business in California.

**Verification of Coverage**

Charter School shall furnish the District with certificates and endorsements affecting coverage required by the agreement/contract. The endorsements are to be signed by the person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

**Waiver of Subrogation**

Charter School hereby grants to District a waiver of any right to subrogation which any insurer of said contractor may acquire against the District by virtue of the payment of any loss under such insurance. Charter School agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.
Subcontractors

Charter School shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein. Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII, unless otherwise acceptable by District.
Appendix 9-Security Personnel

Minimum Scope of Insurance

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01) and including products coverage.

Minimum Limits of Insurance

1. General Liability: $1,000,000
   (Including products and completed operations) Per occurrence for bodily injury, personal and advertising 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 project/location 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.

3a. Workers’ Compensation: Statutory
   As required by the State of California.

3b. Employer’s Liability: $1,000,000
   Each accident, $1,000,000 policy limit bodily injury by disease, $1,000,000 each employee bodily injury by disease

4. Professional Liability $1,000,000
   Per occurrence

Deductibles and Self-Insured Retentions

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

Other Insurance Provisions

1. The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

   a. To the fullest extent permitted by law, the District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and 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. General Liability coverage shall be provided in the form of an Additional Insured endorsement (CG 20 10 11 85 or equivalent) to the contractor’s insurance policy, or as a separate owner’s policy.
b. For any claims related to this project, the Contractor’s insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor’s insurance and shall not contribute with it.

2. Any insurance proceeds available to Contractor that are broader than or in excess of the specified minimum insurance coverage and/or limits shall be available to the District as an additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in the Contract or Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured, whichever is greater

Notice of Cancelation

Coverage required under this agreement shall not be canceled or non-renewed without 30 days prior written notice from contractor to the District.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A- VII, unless otherwise acceptable by District and admitted to do business in the state of California, or accepted by the Surplus Lines Association to do business in California.

Verification of Coverage

Contractor shall furnish the District with certificates and endorsements affecting coverage required by the agreement/contract. The endorsements are to be signed by the person authorized by that Insurer to bind coverage on its behalf. All endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements.

Waiver of Subrogation

Contractor hereby grants to District a waiver of any right to subrogation which any insurer of said contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all of the requirements stated herein.
Appendix 10-Sample Insurance forms
Waiver of Subrogation
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

<table>
<thead>
<tr>
<th>Name Of Person Or Organization:</th>
</tr>
</thead>
</table>

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.
Primary and Noncontributory
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY –
OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

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

The following is added to the Other Insurance Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance
This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.
Bond Forms
Bid Bond

CONTRACTOR:
(Name, legal status and address)

SURETY:
(Name, legal status and principal place of business)

OWNER:
(Name, legal status and address)

BOND AMOUNT: Ten Percent of Amount Bid—— (10%)

PROJECT:
(Name, location or address, and Project number, if any)

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or interpretation.

Any singular reference to Contractor, Surety, Owner or otherwise shall be considered plural when applicable.

The Contractor and Surety are bound to the Owner in the amount or both above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such same period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidder or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and materials furnished in the prosecution thereof, or (2) pays to the Owner the difference, not to exceed the amount of this Bond between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply if any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the Bid Documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed day of
2012

(Principal) (Seal)

(Witness)

(Title)

(Surety) (Seal)

(Witness)

(Title)

CAUTION: You should sign an original AIA Contract Document on which this text appears in RED. An original assures that changes will not be obscured.

Init. /
Payment Bond

CONTRACTOR:  
(Name, legal status and address)

SURETY:  
(Name, legal status and principal place of business)

OWNER:  
(Name, legal status and address)

CONSTRUCTION CONTRACT  
Date:  
Amount:  
Description:  
(Name and location)

BOND  
Date:  
(Not earlier than Construction Contract Date)  
Amount:  
Modifications to this Bond:  
☐ See Section 18

CONTRACTOR AS PRINCIPAL  
Company:  
(Corporate Seal)

SURETY  
Company:  
(Corporate Seal)

Signature:  
Name:  
Full Title:  
Any additional signatures appear on the last page of this Payment Bond.

FOR INFORMATION ONLY — Name, address and telephone

AGENT or BROKER:  
OWNER'S REPRESENTATIVE:  
(Architect, Engineer or other party)
§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, assigns and assigns to the Owner to pay, for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

§ 2 If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies and holds harmless the Owner from claims, demands, losses or suits by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

§ 3 If there is no Owner default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety of the address described in Section 2 of claims, demands, losses or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract or in connection with the defense of such claims, demands, losses or suits to the Contractor and the Surety.

§ 4 When the Owner has satisfied the conditions in Section 3, the Surety shall promptly and at the Surety's expense defend, indemnify and hold harmless the Owner against any duly tendered claim, demand, loss or suit.

§ 5 The Surety's obligations to a Claimant under this Bond shall arise after the following:

§ 5.1 Claimants, who do not have a direct contract with the Contractor,

1. Have furnished a written notice of non-payment to the Contractor, stating with such accuracy as the amount claimed and the name of the party to whom the materials were, or furnished or supplied or for which the labor was done or performed within thirty (30) days after having last performed labor or had furnished materials or equipment, and have, in the Claim, and

2. Have sent a Claim to the Surety as above described in Section 1.

§ 5.2 Claimants, who are employed by or have a direct contract with the Contractor, have sent a Claim to the Surety (as the address described in Section 1).

§ 6 If a notice of non-payment required by Section 5.1.1 is given to the Owner by the Contractor, that is sufficient to satisfy the Surety's obligation to furnish a written notice of non-payment under Section 5.1.1.

§ 7 When a Claimant has satisfied the conditions of Sections 5.1.1 and 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense, do the following:

7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts which are undisputed and the basis for challenging any amounts that are disputed; and

7.2 Pay or agree for payment of undisputed amounts.

§ 7.3 The Surety's failure to discharge its obligations under Section 7.1 or Section 7.2 shall not be deemed to constitute a default hereunder the Surety or Contractor may have or acquire as a Claim, except as to undisputed amounts to which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Section 7.1 or Section 7.2, the Surety shall indemnify the Contractor for the reasonable attorney's fees the Contractor incurs thereafter to recover any sums found to be due and owing to the Claimant.

§ 8 The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Section 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 9 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.
§ 10 The Surety shall not be liable to the Owner, Claimant or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to, or give notice on behalf of, Claimant or otherwise have any obligations to Claimant under this Bond.

§ 11 The Surety hereby waives notice of any claim, including changes of time, to the Construction Contract or to related subcontracts, purchases orders and other obligations.

§ 12 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Section 5.1.3 or 5.2, or (2) on which the last labor or service was performed by anyone under the Construction Contract, whichever of (1) or (2) first occurs. These provisions of this Paragraph are void or prohibited by law, the minimum period of limitation applicable to suit as a defense in the jurisdiction of the suit shall be applicable.

§ 13 Notice and Claim to the Surety, the Owner or the Contractor shall be mailed and addressed to the address shown on the page on which their signature appears. Actual receipt of notice or Claim, however accomplished, shall be sufficient compliance as of the date received.

§ 14 When this Bond has been furnished to comply with a statutory or other legal requirement, the provision where the construction was to be performed, any provision in this Bond conflicting with the statutory or legal requirement shall be deemed deleted therefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that the Surety shall be construed as a statutory bond and not as a common law bond.

§ 15 Upon request by any person or entity appearing to be a proper beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond to each person so requesting.

§ 16 Definitions

§ 16.1 Claim. A written statement by the Claimant including at minimum:

1. the name of the Claimant;
2. the name of the person for whom the labor was done, or materials or equipment furnished;
3. a copy of the agreement or purchase order pursuant to which labor, materials or equipment was furnished for the performance of the Construction Contract;
4. a brief description of the labor, materials or equipment furnished;
5. the date on which the labor last performed or the last furnished materials or equipment for use in the performance of the Construction Contract;
6. the amount earned by the Claimant for labor, materials or equipment furnished as of the date of the Claim;
7. the total amount of prior payments received by the Claimant; and
8. the total amount due and unpaid to the Claimant for labor, materials or equipment furnished as of the date of the Claim.

§ 16.2 Claimant. An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully assented to any applicable mechanic’s lien and that is statutorily entitled to the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the term “labor, materials or equipment” that part of water, gas, power, light, heat, all, general or special services or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor’s subcontractors, and all other items for which a mechanic’s lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 16.3 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.
§ 16.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 16.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 17 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 18 Modifications to this bond are as follows:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company: ____________________________
(Corporate Seal)
Signature: ____________________________
Name and Title: _______________________
Address: ____________________________

SURETY
Company: ____________________________
(Corporate Seal)
Signature: ____________________________
Name and Title: _______________________
Address: ____________________________

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.

Init. ____________________________

Performance Bond

CONTRACTOR:
(Name, legal status and address)

SURETY:
(Name, legal status and principal place of business)

OWNER:
(Name, legal status and address)

CONSTRUCTION CONTRACT
Date:

Amount:

Description:
(Name and location)

BOND
Date:
(Not earlier than Construction Contract Date)

Amount:

Modifications to this Bond: [ ] None [ ] See Section 16

CONTRACTOR AS PRINCIPAL
Company: [ ]

SURETY
Company: (Corporate Seal)

Signature: ____________________________

Name: _______________________________

Title: ________________________________

FOR INFORMATION ONLY — Name, address and telephone
AGENT or BROKER:

OWNER'S REPRESENTATIVE:
(Architect, Engineer or other party)

This document has important legal consequences and should be consulted with an attorney to ensure legal respect to the completion of modifications. Additional references to the Contractor, Surety, Owner or other party shall be considered plural when applicable.

AIA Document A312-2010
These two separate forms, a Performance Bond and a Payment Bond, into one form. This is not a single combined Performance and Payment Bond.
§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Section 3.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after

.1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor, and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall promptly provide the Owner with a copy of the Owner's notice. If the Owner agrees otherwise, any conference requested under this Section 3 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor, and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, to subsequently declare a Contractor Default;

.2 the Owner declares a Contractor Default, terminates the Construction Contract, and notifies the Surety;

and

.3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected by the Surety to perform the Construction Contract.

§ 4 Failure on the part of the Owner to comply with the notice requirements in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

§ 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one or the following actions:

§ 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

§ 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

§ 5.3 Obtain bids or negotiate proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected by the Owner's Surety, to be secured with performance and payment bonds executed by a qualitatively equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 5.4 and the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default.

§ 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

.1 After application, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or

.2 Defer liability in whole or in part and notify the Owner, citing the reasons for deferral.

§ 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default under this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond; and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refutes the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.
§ 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the limitations imposed by the Surety to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for:

1. The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
2. Additional legal, design, professional and delay costs resulting from the Contractor’s Default, and
3. Liquidated damages, or if no liquidated damages are specifically included in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor;

§ 8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety’s liability is limited to the amount of this Bond.

§ 9 The Surety shall not be liable to the Owner or others for obligations of the Contractor that were unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set aside on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its Indemnitors, successors, and assigns.

§ 10 The Surety hereby waives notice of any change, including changes of time to the Construction Contract or to related subcontracts, agreements, and other obligations.

§ 11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located, and may be instituted within two years after a dedication of Contractor Default or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever expires first. In the provisions of this Paragraph, words are used or prohibited by law, the minimum period of limitations applicable in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

§ 13 When this Bond is furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed or with the provisions of this Bond, the Surety shall be deemed to be performing in this Bond, and the Surety shall be deemed in compliance with said statutory or other legal requirement.

§ 14 Definitions
§ 14.1 Balance of the Contract Price. The total amount payable by the Owner to the Contractor under the Construction Contract after the payment of sums due hereunder, including allowances to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 14.2 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Addendum Documents and changes made to the agreement and the Addendum Documents.

§ 14.3 Contractor Default. Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

§ 14.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 14.5 Addendum Documents. All the documents that comprise the agreement between the Owner and Contractor:

§ 15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.
§ 16 Modifications to this bond are as follows:

(Space is provided here for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company:

(Signature)
Name and Title:
Address

SURETY
Company:

(Signature)
Name and Title:
Address

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original ensures that changes will not be disclaimed.

Installation Floater Form
INSTALLATION FLOATER FORM

INSTALLATION FLOATER FORM

TERMS IN BOLD HAVE BEEN DEFINED IN THIS POLICY. PLEASE REVIEW ALL DEFINITIONS AS THEY AFFECT THE COVERAGE PROVIDED BY THIS POLICY.

I. INSURING CLAUSE

We will pay for loss to Covered Property from any one occurrence caused by a Covered Cause of Loss, during the coverage period.

II. COVERED PROPERTY

Materials and supplies which are your property or the property of others while in your custody and control, or the custody or control of your contractors or sub-contractors within the 48 contiguous United States, Canada and the District of Columbia for installation, fabrication or erection at a job site.

If a limit of insurance is shown in the Declarations for the applicable coverage, this policy insures:

A. while the covered property is at the job site until acceptance by your customer, or your interest in the work ends, which ever occurs first;
B. while the covered property is in the course of transit;
C. while the covered property is held by you in temporary storage, up to 30 days while awaiting installation, fabrication or erection.

III. PROPERTY NOT COVERED

Covered Property will not include:

A. Automobiles, motorized vehicles or motorcycles intended for road use, aircraft or watercraft;
B. Property while in the course of manufacture;
C. Personal property in or on the covered property;
D. Property while being shipped by U.S. Mail or any express delivery service;
E. Improvements and betterments of buildings;
F. Furniture, fixtures, supplies, equipment or any other personal property used by you in the operation of your business or used by your contractors or subcontractors or their business;
G. Blue prints, designs or other documents or records;
H. Property otherwise covered under this policy will not be covered while the property is waterborne or on a waterborne conveyance.

IV. COVERED CAUSE OF LOSS

Loss caused by any external cause, except as otherwise excluded in paragraph V.

V. PERILS EXCLUDED

This policy does not insure against loss which is caused by, or arises in or from any of the following, whether or not there are any other contributing causes which would otherwise be covered by this policy:

A. Wear and tear, inherent vice, latent defect, gradual deterioration, rust, corrosion, insects, vermin, dampness of atmosphere, humidity, freezing or extremes of temperature, mechanical breakdown;
B. Delay, loss of market, loss of market value, loss of use, interruption of business, any consequential loss beyond the direct physical loss to covered property.
C. Fault, defect, error or omission in design, plan or specifications.
D. Electrical injury or disturbances to electrical appliances, wiring or devices, caused by artificially generated electrical currents unless fire ensues, and then only for loss caused by the ensuing fire.
E. Unexplained loss, mysterious disappearance or any loss where there is no physical explanation of what happened to the covered property, or shortage disclosed upon taking regular and systematic inventory.
F. Criminal acts, infidelity or dishonesty by you, your authorized representatives or any person or persons in your employ or service, or their agents, whether or not such act or acts occurred during the regular hours of employment or service, or any person or persons to whom you or your authorized representatives, including employees and servants, entrusts the property.
G. Earthquake, volcanic eruption, landslide, or other earth movement.
H. Voluntary parting with title or possession of any covered property by the insured or others to whom the covered property may be entrusted whether or not induced to do so by any fraudulent scheme, trick, device or false pretense.
I. Rain, snow, or sleet, whether wind driven or not.
J. Any legal proceeding or order of any civil authority.
K. Water damage caused by, contributed to or aggravated by any of the following:
   1. Flood, surface water, rising waters, waves, tides or tidal waves, storm surge, overflow of any body of water or their spray, all whether driven by rain or not;
   2. Mudslide or mudflow
   3. Water which backs up from any sewer or drain; or Water that seeps, leaks or flows from below the surface of the ground.
L. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
   1. by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces, or
   2. by military, naval or air forces, or
   3. by an agent of any such government, power, authority or forces
M. Use of any weapon of war employing atomic, biological, or radioactive force, whether in time of peace or war.
N. Insurrection, rebellion, revolution, civil war, insurrection, power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulation, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
O. Nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy; however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy.
P. Release or discharge or dispersal of toxic or hazardous substances, contaminants or pollutants, including the cost to remove, dispose, decontaminate or replace covered property which has been or may be contaminated by toxic or hazardous substances, contaminants or pollutants, whether or not required by law or civil authority to be restored, disposed of or decontaminated.
Q. Organic pathogen, meaning any organic irritant or contaminant, including but not limited to fungus, bacteria, virus, or other...
er microorganism of any type including but not limited to their byproducts such as spores or mycotoxin, or any hazardous substances as classified by the EPA.

VI. VALUATION
The value of Covered Property will be the least of the following, subject to the coinsurance provision set forth in paragraph VII:

A. The actual cash value of the Covered Property, including your labor and material costs incurred up to the date of loss.

B. The cost of reasonably restoring the Covered Property to its condition immediately before the loss, not including diminished value.

C. Your cost to replace the Covered Property with substantially identical property.

D. The amount set forth on the Declarations for the Covered Property for the applicable loss.

VII. 100% Coinsurance. We shall not be liable under this policy for loss to covered property for a greater percentage of the loss than the respective limit(s) applicable under this policy bears to the total value of the covered property in due course of transit or at the job site, in temporary storage at the time of the loss, whether or not it is damaged or lost.

VIII. DEDUCTIBLE
Each claim resulting from any one occurrence shall be adjusted separately and from each adjusted claim or the applicable limit, whichever is less, the applicable Deductible Amount shown in Paragraph IV of Declarations shall be deducted. We shall have no obligations under this policy until the claim exceeds the deductible.

IX. SPECIAL CONDITIONS
In addition to the conditions set forth in the Inland Marine Conditions form, the following additional conditions apply to this policy form.

A. Claims Against Others. You must promptly make claim in writing against any other party which had custody of the Covered Property at the time of loss.

B. Released Values. In consideration of the premium paid herein you are authorized to accept, prior to shipment, bills of lading with released valuation

X. DEFINITIONS
A. "Due Course of Transit" - From the time the covered property is placed in a vehicle and the vehicle commences continual movement for direct transportation and continuing while the covered property is actually moving to the job site, including reasonable, ordinary and customary stops.

B. "Job Site" - The physical location where you will install, fabricate or erect the covered property.

C. "Loss" - means direct and accidental physical damage or loss.

D. "Occurrence" - means loss which is attributable, directly or indirectly, to one cause or to one series of similar causes, or continuous or repeated exposure to substantially the same general harmful conditions.

E. "We" "Us" and "Our" - mean the company providing the insurance which is identified on the declarations page.

F. "You" and "Your" and "Insured" - mean the person or organization shown as the named insured in the Declarations.
Additional Insured Endorsements and Certificate Sample
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.
ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s)</th>
<th>Location(s) Of Covered Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

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 location 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.
C. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.
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
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s)</th>
<th>Location And Description Of Completed Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance**:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.
ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designation Of Premises (Part Leased To You):

Name Of Person(s) Or Organization(s) (Additional Insured):

Additional Premium: $

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

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.

2. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

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

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.
## Certificate of Liability Insurance

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFRMS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

### Coversages

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CLAIMS-MADE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OCCUR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>GENL AGGREGATE LIMIT APPLIES PER:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>POLICY</td>
<td>PRO.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LOC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OTHER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Automobile Liability

<table>
<thead>
<tr>
<th></th>
<th>ANY AUTO</th>
<th>ALL OWNED AUTOS</th>
<th>HIRED AUTOS</th>
<th>SCHEDULED AUTOS</th>
<th>NON-OWNED AUTOS</th>
<th>UMBRELLA LIAB</th>
<th>EXCESS LIAB</th>
<th>OCCUR</th>
<th>CLAIMS-MADE</th>
<th>DED</th>
<th>RETENTION $</th>
</tr>
</thead>
</table>

### Workers Compensation and Employers' Liability

<table>
<thead>
<tr>
<th>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?</th>
<th>Y/N</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>If yes, describe under DESCRIPTION OF OPERATIONS below</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Description of Operations / Locations / Vehicles (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**Attachments:** Additional Insured / Waiver of Subrogation

Primary, Non-contributory / Cancellation

**Certificate Holder**

**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**

© 1988-2014 ACORD CORPORATION. All rights reserved.
Guide to Best Ratings

Rating Levels and Categories

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>CATEGORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>A++, A+</td>
<td>Superior</td>
</tr>
<tr>
<td>A-, A</td>
<td>Excellent</td>
</tr>
<tr>
<td>B++, B+</td>
<td>Good</td>
</tr>
<tr>
<td>B, B-</td>
<td>Fair</td>
</tr>
<tr>
<td>C++, C+</td>
<td>Marginal</td>
</tr>
<tr>
<td>C, C-</td>
<td>Weak</td>
</tr>
<tr>
<td>D</td>
<td>Under Regulatory Supervision</td>
</tr>
<tr>
<td>E</td>
<td>In Liquidation</td>
</tr>
<tr>
<td>S</td>
<td>Suspended</td>
</tr>
</tbody>
</table>

Financial Size Categories (in 1000 of Reported Policyholders’ Surplus Plus Conditional Reserve Funds)

| FSC I  | Up to 1,000 |
| FSC II | 1,000 to 2,000 |
| FSC III | 2,000 to 5,000 |
| FSC IV | 5,000 to 10,000 |
| FSC V  | 10,000 to 25,000 |
| FSC VI | 25,000 to 50,000 |
| FSC VII | 50,000 to 100,000 |
| FSC VIII | 100,000 to 250,000 |
| FSC IX  | 250,000 to 500,000 |
| FSC X   | 500,000 to 750,000 |
| FSC XI  | 750,000 to 1,000,000 |
| FSC XII | 1,250,000 to 1,500,000 |
| FSC XIII | 1,500,000 to 2,000,000 |
| FSC XIV | 2,000,000 or more |

Best’s Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best’s Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best’s Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company’s financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best’s Credit Ratings for a disclaimer notice and complete details at http://www.ambest.com/ratings/notice.

Best’s Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best’s Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at http://www.ambest.com. See Guide to Best’s Credit Ratings for explanation of use and charges. Copies of the Best’s Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

Best’s Credit Ratings reproduced herein appear under license from A.M. Best and do not constitute, either expressly or impliedly, an endorsement of (Licensee’s publication or service) or its recommendations, formulas, criteria or comparisons to any other ratings, rating scales or rating organizations which are published or referenced herein. A.M. Best is not responsible for transcription errors made in presenting Best’s Credit Ratings. Best’s Credit Ratings are proprietary and may not be reprinted or distributed without the express written permission of A.M. Best Company.

Gallagher companies use A.M. Best Company’s rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.