



## EXHIBIT "B" SUBCONTRACTOR INSURANCE REQUIREMENTS

Please have your Agent / Broker comply immediately.

### REQUIREMENTS:

#### 1. Insurance Companies and Certificates of Insurance:

- a) Insurance Coverage shall be provided by admitted carriers having at least an A.M. Best rating of no less than A-VIII (except for State Fund for Workers' Compensation coverage), or in the case of a non-admitted carrier, an A.M. Best rating of A or better and a financial capacity of X or better.
- b) Certificates of Insurance must be submitted on an ACORD 25-S Form and shall be furnished by the Subcontractor to Contractor before any work is commenced hereunder by the Subcontractor. Please include McLarney Construction Inc. Job Name and Number or All Operations/All CA.
- c) All coverage must be Occurrence Basis and so stated on the certificate. Claims Made or Modified Occurrence coverage is not acceptable.
- d) The Certificates of Insurance shall be subject to approval of Contractor, but any acceptance of insurance certificates by the Contractor shall in no way limit or relieve the Subcontractor of the duties and responsibilities assumed by the Subcontractor in this Contract. Failure of Contractor to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Contractor to identify deficiencies from evidence that is provided shall not be construed as a waiver of Subcontractor's obligation to maintain such insurance.
- e) Allowance of any additional exclusions or coverage limiting endorsements is at the discretion of Contractor, and Subcontractor's bid shall be subject to adjustment to compensate for the existence of such exclusions.
- f) Payment may be withheld, at the option of the Contractor, until such certificates have been furnished, or, if upon receipt of a cancellation notice on a policy, until withdrawal of the notice or the reinstatement of the canceled policy.
- g) Subcontractor shall ensure that its subcontractors, truckers, vendors and suppliers of any tier shall maintain insurance in like form and amounts, including the Additional Insured requirements set forth below, and will, if requested, provide Contractor evidence of sub-subcontractors, truckers, vendors and suppliers insurance prior to their starting work.
- h) Failure of Subcontractor or its subcontractors, truckers, vendors or suppliers to maintain the required insurance may result in termination of this subcontract agreement at Contractor's option.
- i) Copies of policies shall be furnished by Subcontractor, its subcontractors, truckers, vendors or suppliers within ten (10) days of written request from Contractor or Owner.

#### 2. Additional Insured and Primary Insured Endorsements:

- a) Under the Commercial General Liability policy the Subcontractor shall add the Contractor, its officers, directors and employees and, if required in this Agreement, the Project Owner, as additional insured.
- b) The policy shall stipulate that the insurance afforded the Contractor (and Project Owner if required) as additional insureds shall apply as primary insurance. Any other insurance carried by the Contractor or Project Owner will be excess only and will not contribute with this insurance.
- c) The additional insured coverage as required herein shall include coverage for completed operations and shall be provided for three years following completion and shall be provided by an endorsement providing coverage at least as broad as Additional Insured (Form B) endorsement form CG 2010 1185 (1985 version) as published by the Insurance Services Office (ISO); or an equivalent combination to include CG 2037 1001 (2001 version) as published by the ISO (or equivalent). CG 201010/93 additional insured form "ongoing operations" will be accepted for vendors or suppliers that deliver materials or goods to the jobsite.

#### 3. **WORKERS' COMPENSATION** and Employers Liability Insurance as required by any applicable law or regulation.

- a) Employers Liability Insurance shall be provided in amounts not less than:
  - \$1,000,000 each employee for bodily injury by accident;
  - \$1,000,000 each employee for bodily injury by disease;
  - \$1,000,000 policy limit for bodily injury by disease.
- b) Waiver of Subrogation endorsement in favor of the Contractor and (if required) the Project Owner.

4. **GENERAL LIABILITY** Insurance, either Comprehensive General Liability or Commercial General Liability on coverage forms at least as broad as ISO occurrence form CG 0001.
- a) General Liability Insurance shall be provided in amounts not less than:
    - \$1,000,000 each occurrence Bodily Injury and Property Damage combined;
    - \$1,000,000 for Personal Injury Liability
    - \$2,000,000 Products & Completed Operations aggregate, per Project;
    - \$2,000,000 General Aggregate, per Project;If either defense costs are included in the General Liability Aggregate limit, or if the General Aggregate limit is not per project, then the required General Liability Aggregate limit shall be \$3,000,000. This additional limit can be provided by an excess/umbrella policy.
  - b) "Claims Made" and "Modified Occurrence" policy forms are not acceptable.
  - c) Any self-insured retention or deductible greater than \$25,000 must be declared to Contractor at time of bid and approved by Contractor in writing.
  - d) Subcontractor shall maintain primary and excess products liability and completed operations coverage through the expiration of the patent deficiency in construction statute of repose set forth in Section 337.1 of the California Civil Code.
5. **AUTOMOBILE LIABILITY** Insurance on a coverage form at least as broad as ISO form CA 0001, including:
- a) Coverage on all owned, non-owned and hired automobiles;
  - b) \$1,000,000 minimum Combined Single Limit for bodily injury and property damage;
6. **PROPERTY** Insurance
- a) Subcontractor shall be responsible for procuring and maintaining at its own expense property and equipment insurance for Subcontractor's tools, equipment, temporary structures, work in progress, work in transit and/or in temporary storage.
  - b) IF Builders' Risk insurance is not provided by Project Owner or Contractor, Subcontractor shall purchase and maintain installation floater coverage written to cover all risks of physical loss except those specifically excluded in the policy, and shall insure at least against the perils of fire and extended coverage, theft, vandalism, malicious mischief and collapse. This insurance shall be written in an amount to provide full protection for Subcontractor's work on a replacement cost basis. Any deductible shall be the full responsibility of Subcontractor. Subcontractor waives all rights against Project Owner and Contractor for recovery of damages pursuant to section c) below.
  - c) IF Builders' Risk insurance purchased by the Project Owner(s) or Contractor provides coverage for Subcontractor for loss or damage to Subcontractor's work, Subcontractor shall be responsible for the insurance policy deductible amount, up to \$5,000.
  - d) Contractor and Subcontractor waive all rights against each other and against all other Subcontractors and Project Owner(s) for loss or damage to the extent reimbursed by Builder's Risk, Installation Floater, or any other property or equipment insurance applicable to the work, except such rights as they may have to the proceeds of such insurance.
7. **PROFESSIONAL LIABILITY** Exposure:  
**IF** work under this subcontract includes professional or design-build services, a \$1,000,000 Professional Liability Insurance Policy shall be carried by Subcontractor or its design professional. Evidence of coverage in the form of a Certificate of Insurance shall be provided prior to the start of the project. Coverage must allow for the reporting of claims for a minimum of 3 years following completion of the project. However, if Project Owner or Contractor elects to purchase a project design policy, Subcontractor's policy will be endorsed to provide coverage once the design policy has been exhausted.
8. **AIRCRAFT / HELICOPTER** Insurance:  
**IF** the Subcontractor or their subcontractors use any owned, leased, chartered or hired aircraft of any type in the performance of this contract, they shall maintain aircraft liability insurance in an amount of not less than \$10,000,000 per occurrence including Passenger Liability. Evidence of coverage in the form of a certificate of insurance shall be provided prior to the start of the project.

9. **HAZARDOUS MATERIALS and POLLUTION LIABILITY:**

- a) **IF** Subcontractor or their subcontractors or Suppliers of any tier are either required to perform remediation of hazardous materials as those terms are defined in federal, state or local law or if their operations create an exposure to hazardous materials, they must, in addition to the above requirements, carry a "Contractor's Pollution Liability" policy with limits not less than \$1,000,000 per occurrence and not less than \$2,000,000 aggregate for Bodily Injury, Personal Injury and Property Damage, naming Contractor as Additional Insured. The status of Project Owner as an insured under a CGL policy obtained in compliance with section 2 of this Agreement shall not restrict coverage under such CGL with respect to the escape or release of pollutants at or from a site owned or occupied by or rented or loaned to Project Owner.
- b) **IF** Subcontractor or their subcontractors haul hazardous material (including, without limitation, waste), the policy must extend pollution coverage to the transportation of hazardous materials or pollutants by waste hauling vehicles. Such coverage requirement may be met through Subcontractor's or its subcontractors or suppliers Automobile Liability Policy pursuant to paragraph 5 by providing coverage equivalent to that provided under the ISO pollution liability-broadened coverage for covered autos endorsement (CA 99 48). If Subcontractor is subject to the Motor Carrier Act of 1980, the Motor Carrier Act endorsement MCS-90 must be obtained and attached to the policy.

10. **RIGGERS Liability**

**IF** Subcontractor's work involves the moving, lifting, lowering, rigging or hoisting of property or equipment, Subcontractor shall carry Rigger's Liability Insurance to insure against physical loss or damage to the property or equipment.

11. **Work Near RAILROADS**

**IF** Subcontractor (including any lower tier subcontractor or supplier) performs any work or conducts any operations within fifty feet of any railroad (including any light rail, fixed rail or other rail system), Subcontractor shall obtain an endorsement of its Commercial General Liability Policy to delete any exclusion, including the "Contractual Liability" exclusion, for work performed within fifty feet of a railroad. A copy of such endorsement shall be provided to Contractor prior to any work or operations by Subcontractor within fifty feet of any railroad.

12. **OTHER Requirements**

- a) Any acceptance of insurance certificates by Contractor shall in no way limit or relieve Subcontractor of its duties and responsibilities under this Agreement including the duty to indemnify and hold harmless Contractor under other provisions hereof. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Subcontractor for liability in excess of such coverage nor shall it preclude Contractor from taking such other actions as is available to it under any other provision of the Agreement or law.
- b) Subcontractor shall be responsible for any deductible amount or any loss arising out of coverage denials by its insurance carrier(s).
- c) Should any insurance policy lapse or be canceled during the contract period, Subcontractor shall, prior to the effective expiration or cancellation date, furnish Contractor with evidence of renewal or replacement of the policy. Failure to continuously satisfy insurance requirements as herein provided is a material breach of contract. In the event Subcontractor fails to maintain any insurance coverage required, Contractor may, but is not required to, maintain such coverage at a charge the expense to Subcontractor or terminate this contract.
- d) Subcontractor's obligations for loss or damage arising out of Subcontractor's work is in no way limited to the types or amounts of insurance set forth above. To the extent Subcontractor maintains insurance greater than these minimum requirements, Subcontractor agrees that such insurance shall be applicable to any of Subcontractor's liability obligations hereunder. In specifying minimum insurance requirements herein, neither Contractor nor Project Owner assert or recommend this insurance as adequate to Subcontractor's requirements. Subcontractor is solely responsible to inform itself of types or amounts of insurance it may need beyond these requirements to protect itself from loss, damage, or liability.

