

## **Sample Insurance Specifications**

*Disclaimer: The following is a draft of suggested language for incorporation into construction specifications. This is provided at for training and discussion purposes. It is not intended to be a final document. February 2010*

### **For Contractors Pollution Liability**

Maintaining the insurance coverage's below are a material part of our decision to engage the services of the Contractor. The Contractor shall, at its sole expense, purchase and maintain insurance as outlined below.

1. Contractors Pollution Liability or a equivalent coverage extension within the General Liability policy. This policy shall provide coverage for:
  - a. Bodily injury, sickness, disease, sustained by any person, including death;
  - b. Property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof; clean up costs, and the loss of use of tangible property that has not been physically injured or destroyed including diminution of value and Natural Resources damages.
  - c. Defense costs including costs, charges and expenses incurred in the investigation, adjustment or defense of claims;
  - d. Contractual liability coverage, e.g. coverage for liability assumed by the named insured under a written contract or agreement.
  - e. The full scope of the named insureds operations as described within the scope of work for this contract.
  - f. The policy must provide coverage for claims arising from owned and non owned disposal sites utilized in the performance of this contract.
  - g. This coverage can be provided on either claims made or occurrence based policy form.
  - h. The policy must insure contractual liability, be Primary and Non Contributory and name Site owner as an Additional Insured.
  - i. The policy must waive subrogation for the additional insured.
  - j. The insured pollutants shall specifically include fungus, mold, bacteria and viruses.

The policy may not contain separate restrictions for:

- a. Insured versus insured actions. However exclusions for claims made between insureds within the same economic family are acceptable.
- b. For completed operations in any coverage part of the policy for either the insured or the additional insured certificate holder.
- c. Damage to property that cannot be used or is less useful because of the operations of the insured. (Most Impaired Property exclusions are not acceptable.)
- d. Work performed by subcontractors.
- e. Chinese or other contaminated drywall
- f. Habitational construction
- g. Property Damage to Your Work
- h. Impaired Property

Completed Operations coverage shall be maintained through the purchase of renewal policies to protect the insured and additional insured for at least 2 years after the property owner accepts the project or this contract is terminated. The purchase of an extended discovery period or an extended reporting period on a Claims Made policy or the purchase of occurrence based Contractors Environmental Insurance will not be sufficient to meet the terms of this provision. The purchase of a completed operations coverage endorsement under a claims made or occurrence based policy form will be acceptable if insurance is not continuously renewed.

B. Minimum Limits of Insurance for Contractor

Contractor shall maintain limits no less than:

- 1. Contractors Pollution Liability: \$1,000,000 per loss; \$2,000,000 annual aggregate.

C. Acceptability of Insurers

Unless otherwise agreed to in writing by Owner, insurance is to be placed with insurers, who have a *Best's Insurance Reports* rating of no less than "A" and a financial size of no less than Class "VII",

D. Additional Insureds

The following parties shall be named as additional insured's on the Contractors Pollution Liability for liability arising out of the project work:

1. Site owner

The Additional Insured endorsement on the CPL policy shall be provided under both – Insurance Services Office Form #CG 20 10 and #CG 20 37 07 04 or their equivalent

G. Additional Insurance Requirements

1. Any and all deductibles or other forms of retention are the responsibility of the Contractor. All deductibles or other forms of retention are subject to the approval of Owner. Contractor will disclose to the Owner in writing the amounts of any deductibles or self-insured retentions on the insurance required under this contract.

Technical support regarding these insurance specifications please call American Risk Management Resources Network, LLC. 1-877- 735- 0800