

## **USNH INSURANCE AND BONDS REQUIREMENTS FOR CONSTRUCTION CONTRACTS**

### **1 GENERAL INSURANCE REQUIREMENTS**

- 1.1** The Contractor shall not commence the Work, nor shall the Contractor permit any Subcontractor or Sub-subcontractor to commence any part of the Work, until the insurance required by this Article 11 has been obtained and such insurance has been approved by the Owner. Insurance required under this article shall be carried during the life of the Contract and for not less than one year thereafter
- 1.2** The Contractor shall require all Subcontractors and Sub-subcontractors to carry the insurance required by this Article 11 for all of their activities in connection with the Project, or the Contractor shall provide all such coverage under the Contractor's own insurance policies. The Contractor shall provide to the Owner a list of all Subcontractors and Sub-subcontractors who are providing their own insurance as required by these documents and Contractor shall certify that Subcontractors or Sub-subcontractors not on this list are insured by the Contractor.
- 1.3** Certificates of Insurance on Acord 25 form or other comparable form shall be filed with the Owner for all policies. Any such Certificate found incomplete or not according to form will be rejected as unsatisfactory. Rejected Certificates and copies of policies shall be corrected as necessary and resubmitted until approved.
- 1.4** All required insurance shall be provided by a company licensed to do business in the State of New Hampshire or on the New Hampshire Insurance Department's approved List of Non-Admitted Carriers.
- 1.5** The University System of New Hampshire, its trustees, officers, agents, and employees shall be listed as additional insureds on all certificates and policies, except workers' compensation and professional liability.
- 1.6** Every policy shall contain an endorsement stating that the insurance company will not cancel the policy, or allow it to expire, or change any coverage therein without first mailing by registered mail written notice of such action to the Treasurer of the University System, 5 Chenell Drive, Suite 301, Concord, NH 03301, at least seven (7) days prior to termination for nonpayment of premium, and at least thirty (30) days prior to termination or change for any other cause.
- 1.7** The Contractor agrees to assist in every manner possible in reporting and investigation of any accident, and to cooperate with all interested insurance carriers in handling any claim, by securing and giving evidence, and obtaining attendance of witnesses, as required for the settlement of any claim, arbitration or suit.
- 1.8** Title to all buildings and equipment not comprising part of the Work shall remain with the University System of New Hampshire, and property insurance therefore will be the responsibility of the University System. The Contractor shall be responsible for loss or damage to all personal property brought on University System premises.
- 1.9** The Contractor shall assume full responsibility and liability for losses, expenses, damages, demands and claims in connection with any injury or alleged injury, including death, or damage or alleged damage to property, sustained or alleged to have been sustained in connection with or arisen out of the performance of the Work by the contractor, its agents, employees, Subcontractors and Sub-subcontractors, including losses, expenses, damages, demands and claims sustained by the University System, its trustees, officers, agents and employees. In addition, the Contractor shall indemnify and hold harmless the University System, its trustees, officers, agents and employees from any and all such losses, expenses, damages, demands and claims.

**Remainder of Page Intentionally Left Blank**

## 2 REQUIRED COVERAGE

Insurance limits may vary by project.

| Insurance (X indicates required coverage)                                      |  | Limits of Liability  |             |
|--|--|--|-------------|
| <b>a. Commercial General Liability (must be location and project specific)</b> |  |  |             |
| X  | Premises-Operations  | General Aggregate  | \$2,000,000 |
| X  | Products/Completed Operations  | Products-Comp. Ops Aggregate                               | \$2,000,000 |
| X  | Explosion, Collapse and Underground Hazard   | Personal & Advertising Injury                              | \$1,000,000 |
| X  | Contractual Insurance  | Each Occurrence  | \$1,000,000 |
| X  | Broad Form Property Damage   | Fire Damage (any one fire)                                 | \$50,000    |
| X  | Independent Contractors  | Medical Expense (any one person)                           | \$5,000     |
| X  | Personal Injury with Advertising Injury  |  |             |
| <b>b. Other – Liability (Required limits may vary by project)</b>              |  |  |             |
|  | Contractors Pollution Legal Liability<br>(must be location and project specific)       | per Occurrence   | \$1,000,000 |
|  |  | Aggregate  | \$2,000,000 |
|  | Owner’s Protective Liability   | per Occurrence   | \$1,000,000 |
|  |  | Aggregate  | \$2,000,000 |
| <b>c. Excess Liability (Required limits may vary by project)</b>               |  |  |             |
| X  | Umbrella Form or Other Form  | Each Occurrence  | \$2,000,000 |
|  |  | General Aggregate  | \$2,000,000 |
| X  | Umbrella Form or Other Form<br>(required for projects over \$10,000,000)               | Each Occurrence  | \$5,000,000 |
|  |  | General Aggregate  | \$5,000,000 |
| <b>d. Automobile Liability</b>   |  |  |             |
| X  | Owned  | Bodily Injury and Property Damage<br>Combined Single Limit | \$1,000,000 |
| X  | Hired  |  |             |
| X  | Non-owned  |  |             |
| <b>e. Workers’ Compensation</b>  |  |  |             |
| X  | Workers’ Compensation  |  | Statutory   |
| X  | Employer’s Liability   | Each Accident  | \$500,000   |
|  |  | Disease, Policy Limit                                      | \$500,000   |
|  |  | Disease, Each Employee                                     | \$500,000   |
| <b>f. Property</b>   |  |  |             |
|  | Builder’s Risk/Renovation Risk or<br>Comparable Coverage in an Installation<br>Floater | Replacement Cost   | by Owner    |
| <b>g. Architect &amp; Engineer Professional Liability</b>                      |  |  |             |
| X  | Professional Liability   | Each Claim   | \$1,000,000 |
|  |  | Aggregate  | \$2,000,000 |
| X  | Professional Liability<br>(required for projects over \$10,000,000)                    | Each Claim   | \$3,000,000 |
|  |  | Aggregate  | \$3,000,000 |

### **3 CONTRACTOR'S POLLUTION LEGAL LIABILITY**

**3.1** Contractor's Pollution Legal Liability, if required as defined in the solicitation documents, shall be at the minimum limits set by Subparagraph 11.2 above, and may be higher based on project risk.

### **4. OWNER'S PROTECTIVE LIABILITY INSURANCE**

**4.1** Owner's Protective Liability coverage, if required, shall be at limits set by Subparagraph 11.2 above, and shall include as additional insureds all architects, engineers and other agents of the Owner engaged in the Project.

**4.2** Owner's Protective Liability will be required in the following circumstances:

- .1 The Owner has reason to question the financial stability/reputation of a contractor
- .2 The contractor is unable to obtain general liability insurance on a per project basis

### **5 PROPERTY INSURANCE (provided by Owner)**

**5.1** Builders Risk coverage or comparable coverage if required by Subparagraph 11.2 shall insure all parts of the Work comprising new buildings, structures, paths, roadways, utility and landscape structures, utility distribution systems and the like, and all additions to or extensions of existing buildings, structures and systems. If the Contract Work also includes renovation within an existing structure, then this portion of the Work shall also be insured and so described and endorsed to the policy. Renovation coverage shall also insure all parts of existing buildings, structures, paths, roadways, utility and landscape structures, utility distribution systems and the like within or in connection with which the Work is performed on an agreed amount/no coinsurance basis. Coverage shall be written on a "Special Form" basis for the full value of the Insured Structure. The policy or policies shall be in the name of the Owner. The Contractor, Subcontractors, Sub-subcontractors and others employed on the premises will be added as loss payee(s) as their interests may appear with respect to all work in place and stored on the site. The Contractor shall cover or cause to be covered all Materials off site or while in transit. Where allowable by law, the policy or policies shall stipulate that the insurance company or companies shall have no right of subrogation against any of the insureds for any portion of the Work.

**5.2** It will be the decision of the Owner in regard to the deductible or any increase in coverage such as Flood or Earthquake, however, the Owner will be responsible for the Direct Physical Damage to the property if insured or not.

**5.3** Partial occupancy or use in accordance with Paragraph 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

**5.4** If during the period between the date of commencement of construction and one year after the Date of Substantial Completion of the Work the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after the end of such period property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during such period, the Owner shall waive all rights in accordance with the terms of Subparagraph 11.4.6 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

**5.5** **Mutual Waivers of Subrogation.** The Owner and Contractor mutually waive all rights against (1) each other and any of their Subcontractors, Sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their

Subcontractors, Sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Paragraph 11.4 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Contractor as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the Subcontractors, Sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise, separate policies shall provide this waiver of subrogation by endorsement or otherwise.

This waiver of subrogation shall not apply to any of the following claims by the Owner: (1) a claim for any uninsured loss or damage in connection with any part of the Work regardless of when the claim accrues, (2) a claim for reimbursement of any deductible amount applied to any first party property claim by the Owner under any policy of insurance for any loss or damage to the Work regardless of when the claim accrues, and (3) any claim seeking recovery of the amount of any self-insured retention maintained by the Owner with respect to any loss or damage to the Work regardless of when the claim accrues.

- 5.6** A loss insured under this property insurance shall be adjusted by the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Subparagraph 11.4.8. The Owner shall pay the Contractor, their just share of insurance proceeds, from which the Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.
- 5.7** If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Contractor's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or in accordance with an arbitration award in which case the procedure shall be as provided in Paragraph 4.6. If after such loss no other special agreement is made and unless the Owner terminated the Contract for convenience, replacement of damaged property shall be performed by the Contractor, after notification of a Change in the Work in accordance with Article 7.
- 5.8** The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved as provided in Paragraph 4.6. The Owner as fiduciary shall, in the case of arbitration, make settlement with insurers in accordance with directions of the arbitrators. If distribution of insurance proceeds by arbitration is required, the arbitrators will direct such distribution.

## **6 PERFORMANCE BOND AND PAYMENT BOND**

- 6.1** The Contractor shall furnish bonds covering faithful performance of the Contract and payment of obligations arising there under as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract. The surety company providing these bonds shall be licensed to do business in the State of New Hampshire and listed on the Federal Register for the Department of the Treasury as an approved surety company.
- 6.2** Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall permit a copy to be made.