

SUBCONTRACTOR INSURANCE REQUIREMENTS
EXHIBIT B

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 with a 30 day firm cancellation notice must be submitted on an ACORD 25 Form and shall be furnished by the Subcontractor to Contractor before any work is commenced hereunder by the Subcontractor. Please include Job Name and Number.
- 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, under withdrawal of the notice or the reinstatement of the canceled policy.
- g) Subcontractor shall ensure that its Subcontractors, truckers, vendors, or 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, or suppliers within ten (10) days of written request from Contractor or Owner.
- 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,
- b) The policy shall stipulate that the insurance afforded the Contractor as additional insureds shall apply as primary insurance. Any other insurance carried by the Contractor 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 after final payment and shall be provided by an endorsement providing coverage at least as broad as Additional Insured endorsement form CG 2010 (10-01) and CG 2037 (10-01) as published by the Insurance Services Office (ISO); or an equivalent.

3) WORKER'S 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:
\$100,000 Each employee for bodily injury by accident;
\$100,000 Each employee for bodily injury by disease
\$500,000 Policy limit for bodily injury by disease.
- b) Waiver of Subrogation endorsement in favor of the Contractor and (if required by the contract documents) in favor of 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;
\$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) Waiver of Subrogation endorsement in favor of the Contractor and (if required by the contract documents) in favor of the Project Owner.
- c) "Claims Made" and "Modified Occurrence" policy forms are not acceptable.
- d) 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.

5) UMBRELLA LIABILITY Insurance: (Excess Liability Policies will not be accepted.)

- a) If higher limits or other forms of insurance are required by either the Owner or the Contractor, the Subcontractor will comply with such requirements. Subcontractors are required to have the following:
 - \$1,000,000 Combined single per occurrence;
 - \$1,000,000 General Aggregate, per Project;
- b) Waiver of Subrogation endorsement in favor of the Contractor and (if required by the contract documents) in favor of the Project Owner.
- c) Follow Form – Primary and non-contributory additional insured requirement in general liability.

6) 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) Waiver of Subrogation endorsement in favor of the Contractor and (if required by the contract documents) in favor of the Project Owner.
- c) \$1,000,000 minimum Combined Single limit for bodily injury and property damage.
- d) Subcontractor shall provide additional insured for the Contractor for auto-liability coverage.

7) PROPERTY Insurance:

- a) Subcontractor shall be responsible for procuring and maintaining at its own expense property and equipment insurance for Subcontractor's tools and equipment.
- 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 bases. 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 per occurrence.

8) 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 start of the project. Coverage must allow for reporting of claims for a minimum of **three (3) years** following completion of the project. However, if Project Owner or Contractor elects to purchase a project specific design policy, Subcontractor's policy will be endorsed to provide coverage once the design policy has been exhausted.

9) 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 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.

10) HAZARDOUS MATERIALS AND POLLUTION LIABILITY INCLUDING EIFS:

- a) **IF** Subcontractor or their Subcontractor 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 for operations and completed operations. 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 subcontractor or suppliers Automobile Liability Policy pursuant to Paragraph 6 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.
- c) **IF** EIFS is included in the scope of work: Subcontractor will provide limits of liability insurance - \$1,000,000 per occurrence and not less than 2,000,000 aggregate for bodily injury and property damage naming contractor as an additional insured for both operations and completed operations coverage. Subcontractor required to carry completed operations coverage for three years from final payment and provide additional insured status for contractor for the same period and shall be provided for three (3) years following completion as noted in Section 2 of this Agreement.

11) RIGGERS Liability:

IF Subcontractor's work involves the moving, lifting, 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.

12) 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 to 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.

13) 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 and charge the expense to Subcontractor's work 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 type or amounts of insurance it may need beyond these requirements to protect itself from loss, damage, or liability.

ACORD ™	CERTIFICATE OF LIABILITY INSURANCE	DATE (MM/DD/YYYY) DATE
PRODUCER Agents Name and Address		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURED Subcontractors Complete Business Name Must be the same as the name on the Subcontract Agreement Address, City, State and Zip		
		INSURERS AFFORDING COVERAGE
		INSURER A: Insurance company listed here
		INSURER B:
		INSURER C:
		INSURER D:
		INSURER E:
		NAIC #
		NAIC#

COVERAGES

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

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YR)	POLICY EXPIRATION DATE (MM/DD/YR)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR Business Owners Contractual Liability GENL AGGREGATE LIMIT APPLIES PER Policy <input checked="" type="checkbox"/> Project <input type="checkbox"/> LOC	Y	Y	NUMBER	DATE	DATE	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						Y
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO						AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$ AUTO ONLY: \$
		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> UMBRELLA <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	Y	Y	NUMBER	DATE	DATE	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Any Proprietor/Partner/Executive Officer Y/N Excluded from Coverage? N		Y	NUMBER	DATE	DATE	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$100,000 E.L. DISEASE - EA EMPLOYEE \$100,000 E.L. DISEASE - POLICY LIMIT \$500,000
		OTHER						

**EXHIBIT B
 SAMPLE
 MUST HAVE THE EXACT
 LANGUAGE IN DESCRIPTION**

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Re: All Projects - Kyburz-Carlson Construction, it's officers, directors and employees are included as additional insureds on a primary and non contributory basis as respects general liability including ongoing & completed operations as well as auto liability and umbrella liability. A Waiver of Subrogation is included for general liability, auto liability, umbrella liability and workers compensation.

CERTIFICATE HOLDER	CANCELLATION
Kyburz-Carlson Construction 729 Circle Drive Aberdeen, SD 57401	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