

TOWNSHIP OF ABINGTON
OWNER OCCUPIED REHABILITATION PROGRAM
CONTRACTOR INSURANCE REQUIREMENTS

1 - General Insurance Requirements

1.1 - The Contractor shall not commence Work until the Contractor has obtained at the Contractor's own expense all of the insurance as required hereunder and such insurance has been approved by the Township; nor shall the Contractor allow any Subcontractor to commence work on any subcontract until all insurance required of the Subcontractor has been so obtained and approved by the Contractor. Approval of insurance required of the Contractor will be granted only after submission to the Township of original certificates of insurance signed by authorized representatives of the insurers or, at the Township's request, certified copies of the required insurance policies.

1.2 - Insurance as required hereunder shall be in force throughout the term of the Contract and for two years after final payment for the Work by the Township in accordance with 3.1.1.iv. Original certificates signed by authorized representatives of the insurers or, at the Township's request, certified copies of insurance policies, evidencing that the required insurance is in effect, shall be maintained with the Township throughout the term of the Contract and for two years after final payment for the Work by Township.

1.3 - The Contractor shall require all Subcontractors to maintain during the term of the Contract commercial general liability insurance, business auto liability insurance, and workers compensation and employers liability insurance to the same extent required of the Contractor in 3.1.1, 3.1.2, and 3.1.3 unless any such requirement is expressly waived or amended by the Township in writing. The Contractor shall furnish Subcontractors' certificates of insurance to the Township immediately upon request.

1.4 - No acceptance and/or approval of any insurance by the Township shall be construed as relieving or excusing the Contractor or the Contractor's Surety from any liability or obligation imposed upon either or both of them by the provisions of this Contract.

1.5 - If the Contractor does not meet the insurance requirements of this Contract, the Contractor shall forward a written request to the Township for a waiver in writing of the insurance requirement(s) not met or approval in writing of alternate insurance coverage, self-insurance, or group self-insurance arrangements. If the Township denies the request, the Contractor must comply with the insurance requirements as specified in this Contract.

1.6 - All required insurance coverages must be underwritten by insurers allowed to do business in the Commonwealth of Pennsylvania and acceptable to the Township. The insurers must also have a policyholders' rating of "A-" or better, and a financial size of "Class VII" or better in the latest evaluation by A. M. Best Company, unless Township grants specific approval for an exception. The Township hereby grants specific approval for the acquisition of workers compensation and employers liability insurance from the State Workers' Insurance Fund (SWIF) of Pennsylvania.

1.7 - Any deductibles or retentions in excess of \$10,000 shall be disclosed by the Contractor, and are subject to Township's written approval. Any deductible or retention amounts elected by the Contractor or imposed by the Contractor's insurer(s) shall be the sole responsibility of the Contractor.

1.8 - Any and all return premiums and/or dividends for insurance or coverage directly charged to the Township by the Contractor in connection with this Contract shall belong to and be payable to the Township.

1.9 - If the Township is damaged by the failure or neglect of the Contractor to purchase and maintain insurance as described and required herein, without so notifying the Township, then the Contractor shall bear all reasonable costs properly attributable thereto.

2 – Township's Liability Insurance

2.1 - The Township shall be responsible for purchasing and maintaining the Township's usual liability insurance, or solely at the Township's option, the Township may self-insure the Township's liability exposures.

3 - Contractor's Liability Insurance

3.1 - The Contractor shall purchase and maintain the following insurance coverages which shall be written for not less than the limits specified below or required by law, whichever is greater.

3.1.1 - Commercial general liability insurance or its equivalent for bodily injury, personal injury and property damage including loss of use, with minimum limits of:

- \$ 1,000,000 each occurrence;
- \$ 1,000,000 personal and advertising injury;
- \$ 2,000,000 general aggregate; and
- \$ 2,000,000 products/completed operations aggregate.

This insurance shall include coverage for all of the following:

- i. General aggregate limit applying on a per project basis (if Contractor is a construction contractor);
- ii. Liability arising from premises and operations;
- iii. Liability arising from the actions of independent contractors;
- iv. Liability arising from products and completed operations with such coverage to be maintained for two years after completion of the Work;
- v. Contractual liability including protection for the Contractor from bodily injury and property damage claims arising out of liability assumed under this Contract; and
- vi. Liability arising from the explosion, collapse, or underground (XCU) hazards.

3.1.2 - Business auto liability insurance or its equivalent with a minimum limit of \$1,000,000 per accident and including coverage for all of the following:

- i. Liability arising out of the ownership, maintenance or use of any auto (if no owned autos, then hired and non-owned autos); and
- ii. Automobile contractual liability.

3.1.3 - Workers compensation insurance or its equivalent with statutory benefits as required by any state or Federal law, including standard "other states" coverage; employers liability insurance or its equivalent with minimum limits of:

- \$ 100,000 each accident for bodily injury by accident;
- \$ 100,000 each employee for bodily injury by disease; and
- \$ 500,000 policy limit for bodily injury by disease.

3.1.4 - Umbrella excess liability or excess liability insurance or its equivalent with minimum limits of:

- \$ 1,000,000 per occurrence;
- \$ 1,000,000 aggregate for other than products/completed operations and auto liability; and
- \$ 1,000,000 products/completed operations aggregate

and including all of the following coverages on the applicable schedule of underlying insurance:

- i. Commercial general liability;
- ii. Business auto liability; and
- iii. Employers liability.

3.1.5 - Contractors pollution liability insurance or its equivalent for bodily injury, property damage, including loss of use, and clean up costs on and off the Project site, with minimum limits of:

- \$ 1,000,000 each pollution incident; and
- \$ 1,000,000 annual aggregate.

3.1.6 – Township and its elected and appointed officials, officers and employees shall be named as additional insureds on the Contractor's commercial general liability insurance and umbrella excess or excess liability insurance policies with respect to liability arising out of the Contractor's products, installation, and/or services provided under this Contract. Such coverage shall extend to cover the additional insured(s) for liability arising out of the following:

- i. On-going operations; and
- ii. Products and completed operations.

The commercial general liability policy and the umbrella excess liability or excess liability policies, if required herein, must include additional insured language, which shall afford liability coverage for the exposures listed above in i. and ii.

Special Note: Policies endorsed with the following combinations of ISO forms shall be acceptable:

- **CG 2010** entitled “Additional Insured - Owners, Lessees or Contractors – Scheduled Person or Organization” and **CG 2037** entitled “Additional Insured - Owners, Lessees or Contractors – Completed Operations”;

OR

- **CG 2033** entitled “Additional Insured - Owners, Lessees or Contractors - Automatic Status When Required in Construction Agreement With You” and **CG 2037** entitled “Additional Insured - Owners, Lessees or Contractors – Completed Operations”.

Both endorsements are required to afford coverage to the additional insured for both on-going operations and products and completed operations. Additionally, the schedules on these endorsements must properly reference Township’s elected and appointed officials, officers and employees.

3.1.7 - Insurance or self-insurance provided to Township and its elected and appointed officials, officers and employees under any Contractor's liability insurance or self-insurance required herein, including, but not limited to, umbrella and excess liability or excess liability policies, shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of insurance or self-insurance. *(Any cross suits or cross liability exclusion shall be deleted from Contractor's liability insurance policies required herein.)*

3.1.8 - Insurance or self-insurance provided to Township and its elected and appointed officials, officers and employees as specified herein shall be primary, and any other insurance, self-insurance, coverage or indemnity available to Township and its elected and appointed officials, officers and employees shall be excess of and non-contributory with insurance or self-insurance provided to Township and its elected and appointed officials, officers and employees as specified herein.

3.2 - If any liability insurance purchased by the Contractor has been issued on a "claims made" basis, the Contractor must agree to comply with the following additional conditions:

- i. The Contractor shall maintain each such “claims made” coverage and shall provide certificate(s) of insurance evidencing each such “claims made” coverage for a period of two years after final payment for the Contract. Such certificate(s) shall evidence a retroactive date no later than the beginning of the Work under this Contract; **or**
- ii. The Contractor shall purchase an extended (minimum two years) reporting period endorsement for each such "claims made" policy in force as of the date of final acceptance and evidence the purchase of this extended reporting period endorsement by means of a certificate of insurance or a copy of the endorsement itself. Such certificate or copy of the endorsement shall evidence a retroactive date no later than the beginning of the Work under this Contract.

4 - Contractor's Property Insurance

4.1 - Property Lost, Damaged or Destroyed: Any property or work to be provided by the Contractor under this Contract will remain at the Contractor's risk until final written acceptance by the Township. The Contractor will replace, at its expense, all property or work lost, damaged, or destroyed by any cause whatsoever. As such, the Contractor may, at its option, purchase and maintain installation floater or other property insurance covering the Work and the materials going into the Work. Any deductible or retention amounts under such installation floater or other property insurance, which have been elected by the Contractor or imposed by the Contractor's insurer(s), shall be the sole responsibility of the Contractor.

4.2 The Contractor and its Subcontractors shall, at their own expense, purchase and maintain property insurance coverage for their owned, leased or rented machinery, tools or equipment. Any deductible or retention amounts under such property or equipment floater insurance shall be the sole responsibility of the Contractor or its Subcontractors. The Contractor and its Subcontractors hereby waive all rights against the Township and its elected and appointed officials, officers and employees for property damage to or loss of use of such machinery, tools or equipment to the extent that such property damage or loss of use is covered by the Contractor's or Subcontractor's property or equipment floater insurance or other similar property insurance maintained by the Contractor or its Subcontractors. The policies shall provide such waivers of subrogation by endorsement or otherwise.

5 – Indemnification and Other

5.1 - Indemnification: To the fullest extent permitted by law, the Contractor shall protect, hold free and harmless, defend and indemnify the Township (including its elected or appointed officials, officers and employees) from all liability, penalties, costs, losses, damages, expenses, causes of action, claims or judgments (including attorney's fees) resulting from injury to or death of any person or damage to property of any kind, which injury, death of any person or damage arises out of, or is in any way connected with the performance of the work under this Contract. This agreement shall apply to any acts or omissions, willful misconduct or negligent conduct, whether active or passive, including acts or omissions of Contractor's agents or employees, except that this agreement shall not be applicable to injury, death or damage to property arising from the sole negligence or sole willful misconduct of the Township (including its elected or appointed officials, officers and employees). Accordingly, the Township shall notify the Contractor promptly, in writing, of any claim or action brought against the Township in connection with the work under this Contract. Upon such notification, the Contractor shall promptly take over and defend any such claim or action. The Township shall have the right and option to be represented in any such claim or action at its own expense. The Contractor's obligation to defend and indemnify the Township and its elected or appointed officials, officers and employees shall survive the termination of this Contract or completion of the Work.

5.2 - To the fullest extent permitted by law, the Contractor shall be solely responsible for any loss or damage to property of the Contractor or its subcontractors, invitees, employees, officials, volunteers, agents and representatives while such property is on, at or adjacent to the Premises of the Project.

5.3 - Acknowledgment of Service Provider's Independent Contractor Status and No Coverage for Service Provider under Township's Workers Compensation Insurance: The

Contractor hereby acknowledges its status as an independent contractor while performing services on behalf on the Township and that the Township's workers compensation insurance is not intended to and will not respond to cover any medical or indemnity loss arising out of injury to the Contractor or its employees during the Contractor's performance of services for the Township.