

## **CONTRACTOR REQUIREMENTS: SUPPLEMENT TO INSURANCE REQUIREMENTS FOR RIGHT OF WAY CONTRACTOR and/or CONTRACTING WITH THE CITY**

### **INSURANCE VERIFICATION REQUIREMENT**

Contractors working in the Public Right of Way, employed by the City of West St Paul, or working on any City owned property shall not commence work until they have obtained all the insurance described below and the City has approved such insurance.

#### **1. Commercial General Liability Insurance**

Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the Contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the contract. Insurance **minimum** limits are as follows:

- \$1,000,000 – per occurrence
- \$2,000,000 – annual aggregate
- \$2,000,000 – annual aggregate – Products/Completed Operations

The following coverages shall be included:

- Premises and Operations Bodily Injury and Property Damage
- Personal and Advertising Injury
- Blanket Contractual Liability
- Products and Completed Operations Liability

City must be named as an Additional Insured.

#### **2. Commercial Automobile Liability Insurance**

Contractor is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all autos which may arise from operations under this contract, and in case any work is subcontracted the contractor will require the subcontractor to maintain Commercial Automobile Liability insurance. Insurance **minimum** limits are as follows:

- \$1,000,000 – per occurrence Combined Single Limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

- Owned, Hired, and Non-owned Automobiles

### **3. Workers' Compensation Insurance**

Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** limits are as follows:

- \$100,000 – Bodily Injury by Disease per employee
- \$500,000 – Bodily Injury by Disease aggregate
- \$100,000 – Bodily Injury by Accident

If Minnesota Statute 176.041 exempts Contractor from Workers' Compensation insurance or if the Contractor has no employees in the City, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota Workers' Compensation requirements.

If during the course of the contract the Contractor becomes eligible for Workers' Compensation, the Contractor must comply with the Workers' Compensation insurance requirements herein and provide the City with a certificate of insurance.

### **4. Professional/Technical (Errors and Omissions) Liability Insurance**

This policy will provide coverage for all claims the contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the contract. This coverage is only required of design-build contractors, professional consultants working for/on-behalf of the city, and of contractors who provide construction management services as the City's agent. Note that umbrella/excess coverage cannot be used to supplement a Professional Liability policy.

Contractor is required to carry the following **minimum** limits:

- \$1,000,000 – per claim or event
- \$2,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of the City. If the Contractor desires authority from the City to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that the City can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract and Contractor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If such insurance is discontinued, extended reporting period coverage must be obtained by Contractor to fulfill this requirement.



## **5. Additional Insurance Conditions**

- Contractor's policies shall be primary insurance to any other valid and collectible insurance available to the City with respect to any claim arising out of Contractor's performance under this contract.
- Contractor's policies and Certificate of Insurance shall contain a provision that coverage afforded under the policies shall not be cancelled without at least thirty (30) days advanced written notice to the City.
- Contractor is responsible for payment of Contract related insurance premiums and deductibles.
- If Contractor is self-insured, a Certificate of Self-Insurance must be attached.
- Contractor's policies shall include legal defense fees in addition to its liability policy limits, with the exception of the professional liability insurance.
- Contractor shall obtain insurance policies from insurance companies having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and
- An Umbrella or Excess Liability insurance policy may be used to supplement the Contractor's policy limits on a follow-form basis to satisfy the full policy limits required by the Contract.
- The City reserves the right to immediately terminate the contract if the Contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor.
- All insurance policies must be open to inspection by the City, and copies of policies must be submitted to the City's authorized representative upon written request.
- The Contractor is required to submit a Certificates of Insurance acceptable to the City as evidence of the required insurance coverage requirements.
- The City reserves the right to adjust the insurance minimums commensurate with project risk on a case by case basis.