

## **Insurance and Bonding Requirements**

### **1. Insurance**

- 1.1 The Contractor shall obtain and maintain, throughout the term of the Agreement, insurance of the types and in the minimum amounts set forth below.
- 1.2 The Contractor shall, upon its execution of this Agreement, furnish certificates of insurance to the Owner evidencing compliance with the insurance requirements hereof. Certificates shall indicate name of the Contractor, name of insurance company, policy number, terms of coverage, and limits of coverage. When any required insurance, due to the attainment of a normal expiration date or renewal date, shall expire, the Contractor will supply the Owner with certificates of insurance and, if applicable, amendatory riders or endorsements that clearly evidence the continuation of all coverage in substantially the same manner, limits of protection and scope of coverage as was provided by the previous policy. The Contractor shall cause its insurance companies to provide the Owner with at least 30 days' prior written notice of any reduction in the limit of liability by endorsement of the policy, cancellation or non-renewal of the insurance coverage required under this Agreement. The Contractor shall obtain such insurance from such companies having a Best's rating of A-/VI or better, licensed or approved to transact business in the state in which the Services shall be performed, and shall obtain such insurance of the following types and minimum limits:
- a. Workers' Compensation insurance in accordance with the laws of the State of Texas, or state of hire/location of Services, and Employer's Liability coverage with a limit of not less than \$1,000,000 each employee for Occupational Disease; \$1,000,000 policy limit for Occupational Disease; and Employer's Liability of \$1,000,000 each accident.
- b. Commercial General Liability insurance including coverage for Products/Completed Operations, Blanket Contractual, Contractors' Protective Liability, Broad Form Property Damage, Personal Injury/Advertising Liability, and Bodily Injury and Property Damage with limits of not less than:
- \$2,000,000 General Aggregate Limit
  - 1,000,000 Each Occurrence, combined single limit
  - 1,000,000 Aggregate Products, combined single limit
  - 1,000,000 Aggregate Personal Injury/Advertising Liability

- c. Business Automobile Liability coverage applying to owned, non-owned and hired automobiles with limits not less than \$1,000,000 each occurrence combined single limit for Bodily Injury and Property Damage combined.
  - d. Umbrella Excess Liability insurance written as excess of Employer's Liability, with limits not less than \$1,000,000 each occurrence combined single limit.
  - e. Professional Liability insurance with limits not less than \$1,000,000 each claim/annual aggregate, which insurance shall be maintained for a period that will cover claims made within three (3) years after the substantial completion of the Project.
- 1.3 The Owner and the Owner's agents, directors, officers and employees shall be added as additional insureds to all coverages required above, except for those requirements in paragraphs "a" and "e." All policies written on behalf of the Contractor shall contain a waiver of subrogation in favor of the Owner and the Owner's agents and employees, with the exception of insurance required under paragraph "e."
- 1.4 If the Contractor fails to furnish and maintain the insurance required by this Agreement, the Owner may purchase such insurance on behalf of the Contractor, and the Contractor shall pay the cost thereof to the Owner upon demand and shall furnish to the Owner any information needed to obtain such insurance. Contractor shall within ten (10) days notify Owner of any change in the insurance coverage amounts or the insurance companies used by Contractor in conjunction with this Agreement.

**2. Bonding (as applicable)**

On all contracts that exceed \$25,000, Contractor shall furnish a Payment Bond. The Payment Bond shall be in the amount of the contract. On all contracts that exceed \$100,000, Contractor shall furnish a Performance Bond in the amount of the contract. The Payment, and Performance bonds shall be issued by a surety company licensed to do business in the State of Texas. Furthermore, the surety company must have maintained an AM Best Rating of at least A- during the two years previous to this Agreement.