

IRMA

RECOMMENDED CONTRACTUAL INSURANCE GUIDELINES

I. INSURANCE REQUIREMENTS

Contractor/Service Provider shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

- A. Insurance Services Office (ISO) Commercial General Liability occurrence form CG 0001 with the **(insert Member name)** named as additional insured on a primary and non-contributory basis. This primary, non-contributory additional insured coverage shall be confirmed through the following required policy endorsements: Additional Insured Endorsements CG 20 10 – Additional Insured: Owners, Lessees or Contractors - Scheduled Person or Organization (Exhibit A) or CG 20 26 Additional Insured – Designated Person or Organization (Exhibit B) and CG 20 01 (Exhibit C) – Primary and Non-Contributory, and **CG 20 37 - Completed Operations – (Exhibit D) Required if box is checked** ; and
- B. Owners and Contractors Protective Liability (OCP) Policy with the **(insert Member name)** as insured. **Required if box is checked** (*Note: Typically recommended for very large construction projects involving many subcontractors. Only provides coverage for two risks: vicariously liability for hiring contractor and general supervision on the job site.*); and
- C. Insurance Service Office Business Auto Liability coverage form number CA 0001, Symbol 01 "Any Auto."
- D. Workers' Compensation as required by the Workers' Compensation Act of the State of Illinois and Employers' Liability insurance. **Coverage required for employee exposure to lead, if box is checked .**
- E. Builder Risk Property Coverage with **(insert Member name)** as loss payee **Required if box is checked .** (*Note: Recommended if general contractor is responsible for construction of a large property structure.*)
- F. Environmental Impairment/Pollution Liability Coverage for pollution incidents as a result of a claim for bodily injury, property damage or remediation costs from an incident at, on or migrating beyond the contracted work site. Coverage shall be extended to Non-Owned Disposal sites resulting from a pollution incident at, on or mitigating beyond the site; and provide coverage for incidents occurring during transportation of pollutants. **Required if box is checked .** (*Note: Recommended for projects which contain an exposure to risks of environmental impairment/pollution liability arising from the project.*)

- G. Cyber Liability/Response Coverage to respond to the duties and obligations as is undertaken by Contractor/Service Provider shall include, but not limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. **Required if box is checked .** (Note: Recommended for projects with an exposure to risks of computer information systems breaches and damages.)

MINIMUM LIMITS OF INSURANCE

Contractor/Service Provider shall maintain limits no less than the following. (if required under above Scope of Insurance).

- A. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, and property damage and \$1,000,000 per occurrence for personal injury. The general aggregate shall be twice the required occurrence limit. Minimum General Aggregate shall be no less than \$2,000,000 or a project/contract specific aggregate of \$1,000,000.
- B. Owners and Contractors Protective Liability (OCP): \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
- C. Business Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- D. Workers' Compensation and Employers' Liability: Workers' Compensation coverage with statutory limits and Employers' Liability limits of \$500,000 per accident.
- E. Builder's Risk: Shall insure against "All Risk" of physical damage, including water damage (flood and hydrostatic pressure not excluded), on a completed replacement cost basis.
- F. Environmental Impairment/Pollution Liability: \$1,000,000 combined single limit per occurrence for bodily injury, property damage and remediation costs.
- G. Cyber Liability Insurance, with limits not less than \$1,000,000 per occurrence and breach response services of not less than \$250,000.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the (insert Member name). At the option of the (insert Member name), either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the (insert Member name), its officials, employees, agents and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigation, claim administration and defense expenses.

OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

A. General Liability and Automobile Liability Coverages

1. The **(insert Member name)**, its officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of the Contractor's/Service Provider's work, including activities performed by or on behalf of the Contractor/Service Provider; products and completed operations of the Contractor/Service Provider; premises owned, leased or used by the Contractor/Service Provider; or automobiles owned, leased, hired or borrowed by the Contractor/Service Provider. The coverage shall contain no special limitations on the scope of protection afforded to the **(insert Member name)**, its officials, agents, employees and volunteers.
2. The Contractor's//Service Provider's insurance coverage shall be primary and non-contributory as respects the **(insert Member name)**, its officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the **(insert Member name)**, its officials, employees, agents and volunteers shall be excess of Contractor's//Service Provider's insurance and shall not contribute with it.
3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the **(insert Member name)**, its officials, employees, agents and volunteers.
4. The Contractor's/Service Provider's insurance shall contain a Severability of Interests/Cross Liability clause or language stating that Contractor's/Service Provider's insurance shall apply separately to each insured against who claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. If any commercial general liability insurance is being provided under an excess or umbrella liability policy that does not "follow form" or provide the same coverage and the underlying policy, then the Contractor/Service Provider shall be required to name the **(insert Member name)**, its officials, employees, agents and volunteers as additional insureds.
6. All general liability coverages shall be provided on an occurrence policy form. Claims-made general liability policies will not be accepted.
7. The Contractor/Service Provider and all subcontractors hereby agree to waive any limitation as to the amount of contribution recoverable against them by **(insert Member name)**. This specifically includes any limitation imposed by any state statute, regulation, or case law including any Workers' Compensation Act provision that applies a limitation to the amount recoverable in contribution such as Kotecki v. Cyclops Welding.

B. Workers' Compensation and Employers' Liability Coverage

The insurer shall agree to waive all rights of subrogation against the **(insert Member name)**, its officials, employees, agents and volunteers for losses arising from work performed by Contractor for the municipality.

NCCI Alternate Employer Endorsement (WC 000301) in place to ensure that workers' compensation coverage applies under contractor's coverage rather than **(insert Member name)**'s, if the **(insert Member name)** is borrowing, leasing or in day to day control of Contractor's /Service Provider's employee.

Required if box is checked .

C. Professional Liability (Required if box is checked)

1. Professional liability insurance with limits not less than \$1,000,00 each claim with respect to negligent acts, errors and omissions in connection with professional services to be provided under the contract, with a deductible not-to-exceed \$50,000 without prior written approval.
2. If the policy is written on a claims-made form, the retroactive date must be equal to or preceding the effective date of the contract. In the event the policy is cancelled, non-renewed or switched to an occurrence form, the Contractor shall be required to purchase supplemental extending reporting period coverage for a period of not less than three (3) years.
3. Provide a certified copy of actual policy for review.
4. **Recommended Required Coverage (architect, engineer, surveyor, consultant):** Professional liability insurance that provides indemnification and defense for injury or damage arising out of acts, errors, or omissions in providing the following professional services, but not limited to the following:
 - a. Preparing, approving or failure to prepare or approve maps, drawings, opinions, report, surveys, change orders, designs or specifications;
 - b. Providing direction, instruction, supervision, inspection, engineering services or failing to provide them if that is the primary cause of injury or damage.

D. All Coverages

1. No Waiver. Under no circumstances shall the **(insert Member name)** be deemed to have waived any of the insurance requirements of this Contract by any act or omission, including, but not limited to:
 - a. Allowing work by Contractor/Service Provider or any subcontractor to start before receipt of Certificates of Insurance and Additional Insured Endorsements.
 - b. Failure to examine, or to demand correction of any deficiency, of any Certificate of Insurance and Additional Insured Endorsement received.
2. Each insurance policy required shall have the **(insert Member name)** expressly endorsed onto the policy as a Cancellation Notice Recipient. Should

any of the policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with an A.M. Best rating of no less than A-, VII and licensed to do business in the State of Illinois.

VERIFICATION OF COVERAGE

Contractor/Service Provider shall furnish the **(insert Member name)** with certificates of insurance naming the **(insert Member name)**, its officials, employees, agents and volunteers as additional insureds, and with original endorsements affecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the **(insert Member name)** before any work commences. The following additional insured endorsements should be utilized: ISO Additional Insured Endorsements CG 20 10 – Additional Insured: Owners, Lessees or Contractors - Scheduled Person or Organization (Exhibit A) or CG 20 26 Additional Insured – Designated Person or Organization (Exhibit B) and CG 20 01 (Exhibit C) – Primary and Non-Contributory, and CG 20 37 (Exhibit D) – Completed Operations, where required. The **(insert Member name)** reserves the right to request full certified copies of the insurance policies and endorsements.

SUBCONTRACTORS

Contractor/Service Provider shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all the requirements stated herein.

ASSUMPTION OF LIABILITY

The contractor assumes liability for all injury to or death of any person or persons including employees of the contractor, any sub-contractor, any supplier or any other person and assumes liability for all damage to property sustained by any person or persons occasioned by or in any way arising out of any work performed pursuant to this agreement.

II. INDEMNITY/HOLD HARMLESS PROVISION: *(include as separate section of the contract.)*

To the fullest extent permitted by law, the Contractor/Service Provider hereby agrees to defend, indemnify and hold harmless the **(insert Member name)**, its officials, employees and agents against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, cost and expenses, which may in anywise accrue against the **(insert Member name)**, its officials, agents and employees, arising in whole or in part or in consequence of the performance of this work by the Contractor/Service Provider, its employees, or subcontractors, or which may in anywise result therefore, except that arising out of the sole legal cause of the **(insert Member name)**, its employees or agents, the Contractor/Service Provider shall, at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefore or incurred in connections therewith, and, if any judgment shall be rendered against the **(insert Member name)**, its officials, employees and agents, in any such action, the Contractor/Service

Provider shall, at its own expense, satisfy and discharge the same.

Contractor/Service Provider expressly understands and agrees that any performance bond or insurance policies required by this contract, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the **(insert Member name)**, its officials, employees and agents as herein provided.

Optional Paragraph: The Contractor/Service Provider further agrees that to the extent that money is due the Contractor/Service Provider by virtue of this contract as shall be considered necessary in the judgment of the **(insert Member name)**, may be retained by the **(insert Member name)** to protect itself against said loss until such claims, suits, or judgments shall have been settled or discharged and/or evidence to that effect shall have been furnished to the satisfaction of the **(insert Member name)**.

III. **SAFETY/LOSS PREVENTION**

It is recommended that the following requirements be included in some form in all **(insert Member name)** bid packets and that compliance be confirmed prior to initiation of contract work:

Safety/Loss Prevention Program Requirements

- Successful bidder will provide written confirmation that a safety/loss prevention program was in place at least 90 days prior to submitting the bid proposal.
- Evidence of completed employee safety training can be provided.

Regulatory Requirements

- Successful bidder must comply with all applicable laws, regulations, and rules promulgated by any Federal, State, County, Municipal and/or other governmental unit or regulatory body now in effect or which may be in effect during the performance of the work. Included within the scope of the laws, regulations, and rules referred to in this paragraph but in no way to operate as a limitation, are Occupational Safety & Health Act (OSHA), Illinois Department of Labor (IDOL), Department of Transportation, all forms of traffic regulations, public utility, Intrastate and Interstate Commerce Commission regulations, Workers' Compensation Laws, Prevailing Wage Laws, the Social Security Act of the Federal Government and any of its titles, the Illinois Department of Human Rights, Human Rights Commission, or EEOC statutory provisions and rules and regulations.
- Evidence of specific regulatory compliance will be provided by bidder, if required by owner.

Adopted 1/2002
Revised 2/2005
Revised 1/2011
Revised 6/2011
Revised 5/2013
Revised 2/2015
Revised 6/2018

EXHIBIT A

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 10 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

EXHIBIT B

POLICY NUMBER:

**COMMERCIAL GENERAL LIABILITY
CG 20 26 07 04**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – DESIGNATED
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
SAMPLE
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or
- B. In connection with your premises owned by or rented to you.

EXHIBIT C

COMMERCIAL GENERAL LIABILITY
CG 20 01 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

SAMPLE

**EXHIBIT
D**

POLICY NUMBER:

**COMMERCIAL GENERAL LIABILITY
CG 20 37 07 04**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

