

TERREBONNE PARISH CONSOLIDATED GOVERNMENT
INSURANCE REQUIREMENTS
CONTRACTORS

ARTICLE 5 - Bonds and Insurance

5.0 TERREBONNE PARISH CONSOLIDATED GOVERNMENT, DEFINED.

For the purposes of this Article, the terms "Terrebonne Parish Consolidated Government," "TPCG," and "OWNER" shall include, but may not be limited to, all of the following entities and persons: the Terrebonne Parish Consolidated Government (a political subdivision of the State of Louisiana); the Terrebonne Parish Council (the governing body of Terrebonne Parish); their elected and appointed officials, all parish departments, districts, agencies, councils, boards, and commissions, officers, agents, servants, employees and volunteers; and the elected and appointed officials, departments, officers, agents, servants, employees and volunteers of those departments, districts, agencies, councils, boards, and commissions.

5.1 PERFORMANCE AND OTHER BONDS

5.1.1 Unless otherwise provided for in the Louisiana Public Bid Law, CONTRACTOR shall furnish performance and payment Bonds, each in an amount at least equal to the Contract Price as security for the faithful performance and payment of all CONTRACTOR'S obligations under the Contract Documents. These Bonds shall remain in effect at least until one year after the date of final payment, except as otherwise provided by Law or Regulation or by the Contract Documents. CONTRACTOR shall also furnish such other Bonds when required by the Supplementary Conditions. All Bonds shall be in the forms prescribed by Law or Regulation or by the Contract Documents and be executed by such Sureties as are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Audit Staff Bureau of Accounts, U.S. Treasury Department. All Bonds signed by an agent must be accompanied by a certified copy of such agent's authority.

Any bond prescribed by the contract documents shall be written by a surety or insurance company currently on the U.S. Department of the Treasury Financial Management Service list of approved bonding companies which is published annually in the federal Register, or by a Louisiana domiciled insurance company currently possessing a rating of no less than A- in the latest printing of the A.M. Best's Key Rating Guide, to write individual bonds up to the percent of policyholders' surplus as shown in the A.M. Best's Key Rating Guide.

In addition, any surety bond written for a public works project shall be written by a surety or insurance company that is currently licensed and approved to do business in the state of Louisiana.

For any public works project, no surety or insurance company shall write a bond which is in excess of the amount indicated as approved by the U.S. Department of the Treasury Financial Management Service list or by a Louisiana domiciled insurance company with an A- rating by A.M. Best up to a limit of ten percent of policyholders' surplus as shown

by A.M. Best; companies authorized by this Paragraph who are not on the treasury list shall not write a bond when the penalty exceeds fifteen percent of its capital and surplus, such capital and surplus in the amount by which the company's assets exceed its liabilities as reflected by the most recent financial statements filed by the company with the Department of Insurance.

5.1.2 If the Surety on any Bond or any insurance company providing any insurance coverages furnished by CONTRACTOR is declared bankrupt, becomes insolvent, or its right to do business is terminated in any state where any part of the Project is located, or it ceases to meet the requirements of this Article, CONTRACTOR shall within five (5) days thereafter, substitute another Bond and Surety and/or insurance company, both of which shall be acceptable to OWNER. The OWNER reserves the right to mandate the cessation of all work on the Project until the receipt of evidence of acceptable replacement Bonds and/or insurance.

5.1.3 If, at any time during the Contract Period, the CONTRACTOR fails to provide satisfactory evidence of all Bond and insurance requirements or fails to take all corrective action required by the OWNER, the OWNER reserves the right to mandate the cessation of all work on the Project until receipt of acceptable evidence of Bonds and insurance and/or corrective action undertaken.

5.2 INDEMNIFICATION AGREEMENT

To the fullest extent permitted by law, the CONTRACTOR shall protect, defend, indemnify, save and hold harmless the OWNER from and against any and all claims, demands, expense, losses, suits, costs, actions, fines, penalties, and liability, whether actual or alleged, arising out of or resulting from injury, sickness, disease or death to any person or the damage, loss, expense or destruction of any property, including loss of use resulting therefrom, which may occur, be caused by, or in any way result from any actual or alleged act, omission, negligence, misconduct, or strict liability of CONTRACTOR, its agents, its sub-contractors, partners, servants, officers, employees, volunteers, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, related to the performance or non-performance of the contract herein entered into, including any and all costs, fines, penalties, expense and/or attorney fees, including but not limited to expert witness fees, incurred by the OWNER as a result of any such claims, demands, losses and/or causes of action including any costs associated with the enforcement of this indemnity provision except those arising out of the sole negligence of OWNER. This indemnification does not apply to any strict liability of the Terrebonne Parish Consolidated Government. The CONTRACTOR shall investigate, adjust, settle, contest to resolution, resist claims, handle, respond to, provide defense for and defend any such claims, demands, proceedings, judgments, or suits at its sole expense related thereto, even if such claim, proceeding, judgment, demand or suit is groundless, false or fraudulent.

5.3 POLICIES AND CERTIFICATES

All policies and certificates of insurance of the Contractor/Subcontractor shall contain the following clauses:

- 5.3.1 The Contractor/ Subcontractor's insurer will have no right of recovery or subrogation against the OWNER, Terrebonne Parish Consolidated Government (TPCG), it being the intention of the parties that the insurance policies so affected shall protect both parties and shall be primary coverage for any and all losses covered by the below described insurance. Contractor's insurers shall waive all rights against Terrebonne Parish Consolidated Government.
- 5.3.2 The OWNER, Terrebonne Parish Consolidated Government, shall be named as an additional insured as respects to liability arising out of activities performed by or on behalf of the Contractor: products and completed operations of the Contractor, premises owned, occupied or used by Contractor. The Commercial General Liability Policy shall include ISO Forms CG 20 10 or its equivalent.
- 5.3.3 The insurance companies issuing the policy or policies shall have no recourse against the OWNER, TPCG, for payment of any premiums or for assessments under any form of policy.
- 5.3.4 Any and all deductibles and/or self insured retentions in the below described insurance policies shall be assumed and be for the account of, and shall be borne solely by the Contractor/Subcontractor and at his sole expense without any right of reimbursement from the OWNER, and shall not exceed \$10,000 per policy.

5.4 INSURANCE

The Contractor/Subcontractor, prior to commencing work, shall provide at his own expense, proof to the OWNER of the following insurance coverages required by the contract. Insurance is to be placed with insurance companies authorized to do business and approved in the State of Louisiana with an A.M. Best's rating of no less than A-:VI. This requirement will be waived for workers' compensation coverage only for those contractors whose workers' compensation coverage is placed with companies who participate in the State of Louisiana Workers' Compensation Assigned Risk Pool or the Louisiana Workers' Compensation Corporation. Policies are to be on an Occurrence basis, Claims Made policies are not acceptable. Contractor shall provide an "All-Risk" Builder's Risk Insurance Policy covering all perils typically found and which shall include coverage for wind damage and flood.

- 5.4.1 All notices will name the Contractor/Subcontractor and identify the contract number. Insurance coverage specified in the GENERAL CONDITIONS (*AIA Document A 201, 1987 Edition*) is to be provided by the Contractor with the following minimum limits:
- 5.4.1.1 Workers' Compensation-Statutory in compliance with the Compensation Law of the State of Louisiana. Employer's liability to be \$1,000,000. Alternate Employer Endorsement in favor of OWNER; Waiver of Subrogation in favor of OWNER; and Thirty (30) days prior written notice of cancellation, non-renewal, and adverse material change to OWNER. Terrebonne Parish Consolidated Government and the Contractor mutually agree that it is their intention to recognize Terrebonne Parish Consolidated Government as the statutory employer

of the contractor's employees (whether direct employees or statutory employees of the contractor) when any of the contractor's employees are doing work and/or providing service under this agreement.

5.4.1.2 Commercial General Liability Insurance with a combined single limit of \$1,000,000 per occurrence and \$2,000,000 general aggregate for bodily injury and property damage. This insurance shall include products/completed operations, contractual liability, personal injury, and without written prior approval of the OWNER, the Commercial General Liability coverages shall not exclude any standardized coverage included in the basic form or limit any coverages for this project in any way that would prohibit or limit the reporting of any claim, suit and the subsequent defense and indemnity that would normally be provided by the policy. The Certificate of Insurance shall indicate which of the seven (7) coverage requirements below are not included in the policy, if any:

1. Premises - Operations;
2. Broad Form Contractual Liability;
3. Products and Completed Operations;
4. Use of Contractors and Subcontractors;
5. Personal Injury;
6. Broad Form Property Damage;
7. Explosion, Collapse, and Underground (XCU) Coverage

Note: On the certification of insurance, under the description of operations, the following wording is required: THE AGGREGATE LOSS LIMIT APPLIES TO EACH PROJECT, or a copy of ISO form CG2503 (Ed. 11-85) shall be submitted.

Waiver of Subrogation to cover both oral and written contracts in favor of the OWNER and Thirty (30) days notice of cancellation, non-renewal or material change. If unable to provide and grant 30 days notice of cancellation, this should be brought to the attention of the Risk Management Department for approval.

COMBINED SINGLE LIMIT (CSL)-AMOUNT OF INSURANCE REQUIRED

Type of Construction	Projects Up To \$1,000,000	Projects Over \$1,000,000
NEW BUILDING:		
Each Occurrence/Minimum Limit of	\$ 500,000	\$1,000,000
Aggregate (Applicable to this Contract ONLY)	\$500,000	\$1,000,000

RENOVATION:

Each Occurrence/Minimum Limit of	\$ 500,000*** (Depends on Bldg. Value)	\$1,000,000*** (Depends on Bldg. Value)
Aggregate (Applicable to this Contract ONLY)	\$500,000*** (Depends on Bldg. Value)	\$1,000,000*** (Depends on Bldg. Value)

***While the minimum combined single limit of \$500,000 is required for all renovations, the value of a building shall be multiplied by 10% and insurance requirements will be increased at \$1,000,000 intervals and rounded to the nearest \$1,000,000. Example: Renovation on \$33,000,000 building would require \$3,000,000 minimum combined single limit of coverage.

The Contractor shall continue to maintain in its name Commercial General Liability and, if necessary, Commercial Umbrella Liability insurance that shall be written on ISO Occurrence Form CG 00 01 or an approved alternative, with a limit of not less than \$1,000,000 each occurrence/\$2,000,000 general aggregate and shall, at minimum, cover liability arising from products/completed operations and liability assumed under an insured contract, for at least three (3) years following substantial completion of Work.

5.4.1.3 Business Automobile Liability Insurance with a combined single limit of \$500,000 per occurrence for bodily injury and property damage. This insurance shall include for bodily injury and property damage the following coverages:

1. Any automobiles;
2. Owned automobiles;
3. Hired automobiles;
4. Non-owned automobiles.

5.4.1.4 An Umbrella Policy may be used to meet minimum requirements.

5.4.1.5 All property losses shall be made payable to and adjusted with OWNER, TPCG.

5.4.1.6 All policies of insurance shall be approved by contracting OWNER, TPCG prior to the inception of any work.

5.4.1.7 Other insurance required is as follows:

5.4.1.7.1 Owner's and Contractor's Protective Liability Insurance shall be furnished by the Contractor and shall name OWNER, Terrebonne Parish Consolidated Government and the Architect or ENGINEER as Named Insured.

Project Up To
\$1,000,000

Project Over
\$1,000,000

CSL - Each Occurrence	\$ 500,000	\$1,000,000
General Aggregate	\$1,000,000	\$2,000,000

Designated Project or Premises Form CG 25 11 or equivalent shall be a part of the Policy. This coverage shall be primary and non-contributory from any other insurance available to TPCG, unless that insurance is provided by a different Contractor than the one on the declarations for the same operation and project location.

5.4.1.7.2 Except for those insurance policies which require a "per project" aggregate, all certificates of insurance for policies that contain an aggregate limit must be accompanied by a statement that the aggregate limit is not impaired, or, if the aggregate limit is impaired, to what extent. OWNER may require that any impaired aggregate(s) be replenished in its favor prior to commencement of work and/or during the progress of the work.

5.4.1.8 If, at any time any of the said policies shall be or become unsatisfactory to OWNER, as to form or substance, or if a company issuing any such policy shall be or become unsatisfactory to OWNER, the Contractor/Subcontractor shall promptly obtain a new policy, submit the same to OWNER for approval and submit a certificate thereof as herein above provided. Upon failure of the Contractor/Subcontractor to furnish, deliver and maintain such insurance as above provided, this contract, at the election of OWNER, may be forthwith declared suspended, discontinued or terminated. Failure of the Contractor/Subcontractor to take out and/or to maintain any required insurance shall not relieve the Contractor/Subcontractor from any liability under the contract, nor shall the insurance requirements be construed to conflict with obligations of the Contractor/Subcontractor concerning indemnification.

5.4.2 Thirty (30) days prior notice of cancellation shall be given to OWNER by registered mail, return receipt requested, on all of the required coverage provided to OWNER in the event of cancellation, non-renewal and/or any changes by insurers with regard to limits, terms or conditions (material changes). All notices will name the Contractor/Subcontractor and identify the contract number.

5.5 INFORMATION TO BIDDERS

RISKS AND INDEMNIFICATIONS ASSUMED BY THE CONTRACTOR. Neither the acceptance the completed work nor payment therefore shall release the Contractor/Subcontractor from his obligations from the insurance requirements or indemnification agreement.

5.5.1 Additional insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Special Conditions" section of the

contract specifications.

- 5.5.1.1 The contractor will acquire builders risk coverage for the full value of the project, or in the case of a renovation, for the full value of the renovation which provides all risk coverage for direct physical loss or damage to buildings/contents or structures during the course of construction. This coverage shall not have a deductible higher than a \$5,000 per occurrence. The deductible is the responsibility of the contractor, and should be taken into consideration when determining contract price.
- 5.5.2 If any of the insurance requirements are not complied with at their renewal dates, payments to the Contractor/Subcontractor will be withheld until those requirements have been met, or at the option of OWNER, OWNER may pay the Renewal Premium and withhold such payments from any monies due the Contractor/Subcontractor. However, under no circumstances shall OWNER be responsible for the payment or provision of fees to any Broker, Wholesaler, Agent or Producer involved in the placement or renewal of the policy(ies) in question.
 - 5.5.2.1 The contractor shall purchase and maintain boiler and machinery insurance or additional property insurance as may be required by Laws and Regulations which will include the interest of OWNER, Contractor, Subcontractor, Architect and Architect's Consultants (or ENGINEER and Engineer's Consultants) in the work all of whom shall be listed as insured or additional insured parties.
- 5.5.3 All policies and certificates of insurance SHALL BE APPROVED BY OWNER PRIOR TO THE INITIATION OF ANY WORK. If OWNER has any objection to the coverage afforded by or any other provisions of the insurance required to be purchased and maintained by the Contractor in accordance with the insurance requirements for the work on the basis of non-conformance with the Contract Documents, OWNER shall notify the Contractor in writing within fifteen (15) days after receipt of the certificates. The Contractor shall provide a written response to OWNER with objections within ten (10) days from the date of the letter request.
- 5.5.4 Other coverage may be required by OWNER based on specific needs. If such other coverage is required for this contract, that coverage will be described in the "Special Conditions" of the contract specifications.
- 5.5.6 Contractors Pollution coverage with minimum limits of \$1,000,000.00 naming TPCG as an Additional Insured due to the nature of work being performed.
- 5.5.7 SUBCONTRACTORS - Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein for the Contractor.
- 5.5.8 CERTIFICATE OF INSURANCE AND INDEMNIFICATION AGREEMENT - Contractor shall furnish OWNER with certificates of insurance effecting coverage

required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. THESE CERTIFICATES ARE TO BE RECEIVED AND APPROVED BY OWNER BEFORE WORK COMMENCES, AND THEREAFTER UPON RENEWAL OR REPLACEMENT OF EACH REQUIRED COVERAGE. OWNER reserves the right to require complete, certified copies of all required insurance policies at any time and upon request.

5.5.9 INSURANCE REQUIREMENTS FOR CONTRACTORS - Contractors 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. The cost of such insurance shall be included in the bid.

5.6 MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

5.6.1 COVERAGE:

5.6.1.1 Insurance Services Office Commercial General Liability coverage ("occurrence form CG 00 01"). "Claims Made" form is unacceptable. The "occurrence form" shall not have "sunset clause".

5.6.1.2 Insurance Services Office form number CA0001 covering Automobile Liability. The policy shall provide coverage for any auto or owned, hired, and non-owned coverage. If an automobile is to be utilized in the execution of this contract, and the vendor/contractor does not own a vehicle, then proof of hired and non-owned coverage is sufficient.

5.6.1.3 Workers' Compensation insurance as required by the Labor Code of the State of Louisiana, including Employers Liability insurance.

5.6.2 MINIMUM LIMITS OF INSURANCE: Contractor shall maintain limits no less than:

5.6.2.1 Commercial General Liability: Minimum \$500,000 combined single limit per occurrence for bodily injury, personal injury and property damage (or higher limits depending on size of contract).

5.6.2.2 Automobile Liability: \$500,000 combined single limit per accident, for bodily injury and property damage.

5.6.2.3 Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of Louisiana (Statutory Benefits). Employers Liability limit is to be \$1,000,000.

5.6.3 DEDUCTIBLES AND SELF-INSURED RETENTIONS - Any deductibles or self-

insured retentions must be declared to and approved by OWNER, TERREBONNE PARISH CONSOLIDATED GOVERNMENT. At the option of the OWNER, Terrebonne Parish Consolidated Government, either: The insurer shall reduce or eliminate such deductibles or self-insured retentions as respects OWNER; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

5.6.4 OTHER INSURANCE PROVISIONS: The policies are to contain, or be endorsed to contain, the following provisions:

5.6.4.1 General Liability and Automobile Liability Coverages

- a) OWNER is to be added as "additional insured" as respects liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor, premises owned, occupied or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to OWNER. It is understood that the business auto policy under "Who is an insured" automatically provides liability coverage in favor of OWNER.
- b) Any failure to comply with reporting provisions of the policy shall not affect coverage provided to OWNER.
- c) The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.6.4.2 Workers' compensation and Employer's Liability Coverage - The insurer shall agree to waive all rights of subrogation against OWNER for losses arising from work performed by the Contractor for OWNER.

5.6.4.3 All Coverages - Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, non-renewed, voided, canceled thirty (30) days prior written notice by certified mail, return receipt requested to OWNER.

5.6.5 ACCEPTABILITY OF INSURERS - Insurance is to be placed with insurers with A.M. BEST'S RATING OF NO LESS THAN A-:VI. This requirement will be waived for workers' compensation coverage only for those contractors whose workers' compensation coverage is placed with companies who participate in the State of Louisiana Workers' Compensation Corporation Assigned Risk Pool or Louisiana Workers' Compensation Corporation.

5.7 PARTIAL UTILIZATION - PROPERTY INSURANCE

If OWNER finds it necessary to occupy or use a portion or portions of the Work prior to

Substantial Completion of all the Work, such use or occupancy may be accomplished in accordance with paragraph 14.10; provided that no such use or occupancy shall commence before the insurers providing the property insurance have acknowledged notice thereof and in writing effected the changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be canceled or allowed to lapse on account of any such partial use of occupancy.

5.8 PRIMARY COVERAGE

OWNER and CONTRACTOR intend that any policies provided in response to paragraphs 5.4.1.2, 5.5.1.1, and 5.5.2.1 shall protect all of the parties insured and provide primary coverage for all losses and damages caused by the perils covered thereby. Accordingly, all such policies shall contain provisions to the effect that in the event of payment of any loss or damage the insurer shall have no rights of recovery against any of the parties named as insured or additional insured, and if the insurers require separate waiver forms to be signed by ENGINEER, engineer's consultant or subcontractor, CONTRACTOR will obtain the same.