



CONTRACT INSURANCE REQUIREMENTS

Contractor Requirements

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 Contractors 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. THE 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 overages 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

5.3.1 All policies of the Contractor/Subcontractor shall provide the following:

5.3.1.1 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.

5.3.1.2 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.

5.3.1.3 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.

5.3.2 The following other required terms and conditions apply:

5.3.2.1 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.

5.3.2.2 Any and all deductibles and/or self-insured retentions in the below described insurance policies shall be assumed, 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.

5.3.2.3 All Owner property losses shall be made payable to and adjusted with Owner, TPCG.

5.3.2.4 All certificates of insurance shall be approved by the contracting Owner, TPCG, prior to the inception of any work.

5.3.2.5 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.

5.3.2.6 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.**

5.3.2.7 SUBCONTRACTOR Contractor shall include all subcontractors as insured 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.

5.3.2.8 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.

5.3.2.9 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.

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

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 rating 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.

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, 2017 Edition) is to be provided by the Contractor with the following minimum limits:

- 5.4.1.1 Workers' Compensation and Employers Liability Insurance – The Contractor shall purchase in its name, and maintain during the life of this contract, Worker's Compensation Insurance for all his employees in any way engaged in this project. If any Subcontractor does not carry Workers' Compensation Insurance, such coverage must be included under the Contractor's policy. The policy shall provide coverage at least equal to the requirements of the State of Louisiana and shall include Employer's Liability Coverage.
- a. State Act - Louisiana Statutory Requirements; Provide Other States coverage, if applicable;
 - b. Employer's Liability with Minimum limits of \$1,000,000/\$1,000,000/\$1,000,000;
 - c. Waiver of Subrogation to include written contracts in favor of Terrebonne Parish Consolidated Government, its elected and appointed officials, agents, directors, servants, employees, and volunteers; and
 - d. Thirty (30) days prior written notice of cancellation, non-renewal or adverse



material changes to Terrebonne Parish Consolidated Government by specific endorsement to the applicable policy.

5.4.1.2 USL&H Insurance - If the project or any work involves wharves, piers, docks, decking, floodwalls, levees, battures, other structures or construction near, over, contiguous to or alongside any body of water the policy shall also include and. The policy shall provide:

- a. USL&H coverage with minimum limits of \$1,000,000;
- b. Maritime Employers' Liability insurance with minimum limits of \$1,000,000;
- c. Waiver of Subrogation to include written contracts in favor of Terrebonne Parish Consolidated Government, its elected and appointed officials, agents, directors, servants, employees, and volunteers; and
- d. Thirty (30) days prior written notice of cancellation, non-renewal or adverse material changes to Terrebonne Parish Consolidated Government by specific endorsement to the applicable policy.

5.4.1.3 Commercial General Liability Insurance

- a. Commercial General Liability Form CG 00 01 or pre-approved equivalent;
- b. Minimal acceptable limits: \$1,000,000 per occurrence; \$2,000,000 general aggregate, and \$2,000,000 products/completed operations aggregate;
- c. Amendment-Aggregate limits of insurance (per project), the most recent edition of ISO form CG 25 03 (Ed. 05-09) in use in Louisiana or pre-approved equivalent;
- d. If any crane operations are involved, the policy shall provide riggers liability (lift risk) coverage with minimum limits of \$1,000,000;
- e. Additional Insured endorsement in favor of Terrebonne Parish Consolidated Government, its elected and appointed officials, agents, directors, servants, employees, and volunteers on CG 20 10 (Ed. 07 04) or approved equivalent;
- f. Waiver of Transfer of Rights of Recovery Against Others to Us to include written contracts in favor of Terrebonne Parish Consolidated Government, its elected and appointed officials, agents, directors, servants, employees, and volunteers; and
- g. Thirty (30) days prior written notice of cancellation, non-renewal or adverse material changes to Terrebonne Parish Consolidated Government by specific endorsement to the applicable policy.

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.

Note: On the certificate of insurance, evidence of a Per Project Aggregate is required.

The Contractor shall continue to maintain in its name Commercial General Liability 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/\$2,000,000 products/completed operations aggregate, and, if applicable, Commercial Umbrella Liability insurance 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.

5.4.1.4 Business Automobile Liability Insurance The Contractor shall purchase in its name, and maintain during the life of this contract, Commercial Automobile Liability Insurance to protect the Owner, Contractor and Subcontractors performing work under this contract from claims arising from any operations or work in connection with this contract. The Commercial Automobile Liability Insurance coverage is to be on an occurrence basis, with minimum limits and endorsements as follows:

- a. Minimal acceptable limit: \$1,000,000 Combined Single Limit;
- b. Liability coverage to be provided for Any Auto OR for All Owned Autos and Hired and Non-owned Autos. If Contractor owns no vehicles, then a Hired and Non-owned Auto Liability policy is required;
- c. If transporting any pollutants, the policy is to include the Broad Form Transportation Pollution Form CA 99 48, or the most current form available.
- d. Additional Insured endorsement in favor of Terrebonne Parish Consolidated Government, its elected and appointed officials, agents, directors, servants, employees, and volunteers on CA 20 26 (edition 07 04) or approved equivalent;
- e. Waiver of Transfer of Rights of Recovery Against Others to Us to include written contracts in favor of Terrebonne Parish Consolidated Government, its elected and appointed officials, agents, directors, servants, employees, and volunteers; and
- f. Thirty (30) days prior written notice of cancellation, non-renewal or adverse material changes to Terrebonne Parish Consolidated Government by specific endorsement to the applicable policy.

5.4.1.5 Umbrella / Excess Liability Coverage. The Contractor shall purchase in its name, and maintain during the life of this contract, a policy of Umbrella / Excess Liability Coverage in excess of the General Liability, Automobile Liability, Employer's Liability, and, if applicable, Maritime Liability coverages, above, following form thereof including the required Additional Insured and Waiver of Subrogation endorsements. An Umbrella Policy may be used to meet minimum requirements.

- a. If contract is \$1,000,000 or under, Excess Liability is not required;
- b. If contract is over \$1,000,000 up to \$3,000,000, minimal acceptable limit is \$1,000,000;
- c. If contract is over \$3,000,000 up to \$6,000,000, minimal acceptable limit is \$2,000,000;
- d. If contract is over \$6,000,000 up to \$10,000,000, minimal acceptable limit is \$3,000,000; an
- e. If contract is over \$10,000,000, minimal acceptable limit is \$5,000,000



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.

5.5 INFORMATION TO BIDDERS

5.5.1 Additional insurance may be required by Owner on an individual basis, based on specific needs, for extra hazardous contracts and specific service agreements. If any of the following additional insurance is required for this specific contract, that requirement will be described in the "Special Conditions" section of the contract specifications.

5.5.1.2 Owner and Contractor Protective Liability Insurance, if applicable:

If the construction project requires an Owner Contractor Protective Liability policy, as described in the "Special Conditions," this section applies:

The Owner Contractor Protective Liability policy shall be furnished by the Contractor and shall name Owner, Terrebonne Parish Consolidated Government and the Architect or ENGINEER as Named Insured. Minimal acceptable limits: \$1,000,000 per occurrence; \$2,000,000 general aggregate, \$2,000,000 products/completed operations aggregate.

5.5.1.3 Contractors Pollution Insurance, if applicable:

If the Work involves pollutants of any kind, in any manner, including cleanup, this section applies. The Contractor shall purchase in its name, and maintain during the life of this contract, a pollution liability policy covering losses caused by pollution conditions that arise from the operations of the Contractor. The policy shall provide the following limits and endorsements:

- a. Minimum acceptable limits: \$1,000,000 each incident; \$2,000,000 aggregate;
- b. Broad Form Named Insured endorsement;
- c. Fines, penalties and punitive damages to be included;
- d. Clean up costs to be included;
- e. If claims-made coverage is accepted, the retroactive date, if any, must precede the commencement of the performance of the contract;
- f. Any retrospective date applicable to coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning when the Contract is completed or terminated;
- g. Additional Insured endorsement in favor of Terrebonne Parish Consolidated Government, its elected and appointed officials, agents, directors, servants, employees, and volunteers;
- h. Waiver of Transfer of Rights of Recovery Against Others to Us to include written contracts in favor of Terrebonne Parish Consolidated Government, its elected and appointed officials, agents, directors, servants, employees, and volunteers; and



- i. Thirty (30) days prior written notice of cancellation, non-renewal or adverse material changes to Terrebonne Parish Consolidated Government by specific endorsement to the applicable policy.

5.5.1.4 Builders Risk Insurance, if applicable:

If the construction project involves a structure of any kind, and is described in the "Special Conditions," this section applies:

If Applicable, 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.

The Contractor shall purchase and maintain Builder's Risk insurance upon the entire Work, which is the subject of the Contract, at the site, to the full insurable value thereof. The Contractor shall purchase the policy with the Owner as the Named Insured and maintain an "all risk" builder's risk insurance on the entire Work. If the Contractor has a blanket Builder's Risk policy, it shall be endorsed to include the Work, with the Owner listed as a Named Insured with regard to the Work. These policies must at a minimum cover for such amount of the Work as is determined by Terrebonne Parish Consolidated Government or its Engineer and/or Architect. This insurance shall include, as Named Insureds, the Contractor, any Subcontractors, any Sub-Subcontractors, and/or any vendors deemed appropriate by the Contractor.

The policy shall insure against the perils of fire, flood, and extended coverage and shall include "all risk" insurance for physical damage, including, without duplication of coverage:

- theft,
- testing as appropriate for the type of project,
- debris removal,
- damage to any Work-related property stored in the open, resulting from a non-excluded peril, and
- vandalism.

If not covered under the "all risk" insurance or otherwise provided in the Contract, the Contractor shall affect and maintain similar insurance on portions of the Work stored off the site when such portions of the Work are to be included in any applications for payment and such procedures have been approved by the Owner.

The Builder's Risk insurance shall be written and provided such that any portions of a building or site vacated by the Owner to accommodate the Work are protected and covered by the terms of the insurance. The insurance shall not be cancelled or permitted to lapse because of such vacancy.

Coverage is to provide for use and/or occupancy, without qualification, of any and all portions of the Work, or the premises where the Work is being conducted, whether the



Work has been accepted by the Owner or not. The policy shall remain in full force and effect until all work has been accepted by the Owner and no repairs, remediation or operations of any type are required from the Contractor, as determined by the Owner.

Coverage for Builder's Risk Soft Costs is to be included.

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 a "sunset clause".

5.6.1.2 Insurance Services Office form number CA 00 01 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 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.

5.6.3 OTHER INSURANCE PROVISIONS: The policies are to provide, or be endorsed to provide, the following provisions:

5.6.3.1 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.

5.6.3.2 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 ACCEPTABILITY OF INSURERS Insurance is to be placed with insurers with A.M. BESTS 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 paragraphs under 14.1.; provided that no such use or occupancy shall commence before the Owner's insurers providing the property insurance have acknowledged notice thereof and in writing effected the changes in coverage necessitated thereby. The insurers providing the Owner's property insurance shall consent by endorsement on the policy or policies, but the Owner's 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 5.4.1.3, and 5.5.1.4 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.