

**ATTACHMENT 1**  
**ATLANTIC COUNTY UTILITIES AUTHORITY**  
**GENERAL INSURANCE AND INDEMNITY REQUIREMENTS**

**INSURANCE:** (Review this section carefully with your insurance agent prior to bid or proposal submissions. See "Insurance Check List" for specific coverage applicable to this contract.

**1. - General Insurance Requirements**

1.1 - The Contractor shall not start Work until the Contractor has obtained at the Contractor's own expense all of the insurance as required hereunder and such insurance has been approved by the Authority; nor shall the Contractor allow any Subcontractor to start work on any subcontract until all insurance required of the Subcontractor has been so obtained and approved by the Contractor. Approval of insurance required of the Contractor and subcontractors will be granted only after submission to the Authority of original, certificates of insurance signed by authorized representatives of the insurers, policy endorsements as specified or, at the Authority's request, certified copies of the required insurance policies

1.2 - Insurance as required hereunder shall be in force throughout the term of the Contract and for two years after final acceptance of the work by the Authority in accordance with 2.1.1.iv.. Certificates, endorsements, and certified copies of insurance policies, evidencing that the required insurance is in effect, as required in 1.1 shall be maintained with the Authority throughout the term of the Contract and for two years after final acceptance.

1.3 - The Contractor shall require all Subcontractors to maintain during the term of the Contract commercial general liability insurance, business auto liability insurance, and workers compensation and employers' liability insurance to the same extent required of the Contractor in 2.1 unless any such requirement is expressly waived or amended by the Authority in writing. The Contractor shall furnish Subcontractors' certificates of insurance to the Authority immediately upon request.

1.4 - All insurance policies shall be endorsed to provide that the policy is not subject to cancellation, non-renewal or material reduction in coverage until forty-five (45) days prior written notice has been given to the Authority. A copy of the endorsement shall be furnished to the Authority.

1.5 - No acceptance and/or approval of any insurance by the Authority shall be construed as relieving or excusing the Contractor or the Contractor's Surety from any liability or obligation imposed upon either or both of them by the provisions of this Contract.

1.6 If the Contractor does not meet the insurance requirements of the specifications, alternate insurance coverage, satisfactory to the Authority, may be considered. Written requests for consideration of alternate coverages must be received by the Authority at least ten working days prior to the date set for receipt of bids or proposals; if a deadline for submission of questions or interpretations is set forth in the Instructions to Bidders, requests must be received by that deadline. If the Authority denies the request for alternate coverages, the specified coverages will be required to be submitted. If the Authority permits alternate coverage, an amendment to the Insurance Requirements will be prepared and distributed as an addendum prior to the time and date set for receipt of bids or proposals.

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1.7 - All required insurance coverages must be underwritten by insurers allowed to do business in the State of New Jersey and acceptable to the Authority. The insurers must also have a policyholders' rating of "A-" or better, and a financial size of "Class VII" or better in the latest evaluation by A. M. Best Company, unless the Authority grants specific approval for an exception as described above.

1.8 - Any insurance deductibles or retentions in excess of \$10,000 shall be disclosed by the Contractor, and are subject to the Authority's written approval. Any deductible or retention amounts elected by the Contractor or imposed by the Contractor's insurer(s) shall be the sole responsibility of the Contractor.

1.9 – The Contractor shall provide insurance as specified in the "Insurance Coverage Check List" attached to this section.

1.10 - If the Authority is damaged by the failure or neglect of the Contractor to purchase and maintain insurance as described and required herein, without so notifying the Authority, then the Contractor shall bear all reasonable costs properly attributable thereto.

1.11 - The Contractor covenants to save, defend, keep harmless and indemnify the Authority and all of its elected or appointed officials, agents and employees (collectively the "Authority") from and against any and all claims, loss, damage, injury, cost (including court costs and attorney's fees), charge, liability or exposure, however caused, resulting from or arising out of or in any way connected with the Contractor's performance or non-performance of the terms of the Contract Documents or its obligations under the Contract. This indemnification shall continue in full force and effect until the Contractor completes all of the work required under the Contract, except that indemnification shall continue for all claims involving completed operations after completion of the work by the Contractor for which the Authority gives notice to the Contractor after the completion of the work.

1.12 - The Contractor shall be responsible for the work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any and all description used in connection with the work, subject to Builder's Risk or Installation Floater insurance requirements, if any, contained in these documents. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted work, until final completion of the work by the Contractor.

1.13 - Insurance coverage required in the Contract Documents shall be in force throughout the contract term. Should the Contractor fail to provide acceptable evidence of current insurance within seven (7) days of written request from the Authority at any time during the contract term, the Authority shall have the absolute right to terminate the Contract without any further obligation to the Contractor, and the Contractor shall be liable to the Authority for the entire additional cost of procuring performance and the cost of performing the uncompleted portion of the Contract at time of termination.

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1.14 - Nothing contained in the Contract Documents shall be construed as creating any contractual relationship between any subcontractor and the Authority. The Contractor shall be as fully responsible to the Authority for the acts and omissions of the subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

1.15 - All precautions shall be exercised by the contractor at all times for the protection of persons, ( including employees ) and property., All existing structures, utilities, roads, services, trees, and shrubbery shall be protected against damage or interruption of service at all times by the Contractor and its subcontractors during the term of the contract, and the Contractor shall be held responsible for any damage to property and utility service interruption expenses occurring by reason of its operation on the Authority's property.

**2. - Contractor's Insurance**

2.1 - The Contractor shall purchase and maintain the following insurance coverages which shall be written for not less than the limits specified in the "Insurance Check List" or required by law, whichever is greater.

2.1.1 - Commercial general liability insurance or its equivalent for bodily injury, personal injury and property damage including loss of use.

This insurance shall include coverage for all of the following:

- i. General aggregate limit applying on a per project basis;
- ii. Liability arising from premises and operations;
- iii. Liability arising from the actions of independent contractors;
- iv. Liability arising from products and completed operations with such coverage to be maintained for two years after completion of the Work;
- v. Contractual liability including protection for the Contractor from bodily injury and property damage claims arising out of liability assumed under this Contract; and
- vi. Liability arising from the explosion, collapse, or underground (XCU) hazards.

2.1.2 - Business auto liability insurance or its equivalent including coverage for the following:

- i. Liability arising out of the ownership, maintenance or use of any auto (or hired and non-owned autos only if no owned autos);
- ii. Automobile contractual liability;
- iii. Motor Carrier Act endorsement, if applicable.

2.1.3 - Workers compensation insurance with statutory benefits as required by any state or Federal law, or as required by union labor agreements, including standard "other states" coverage; employers liability insurance.

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2.1.4 - Umbrella excess liability or excess liability insurance or its equivalent including all of the following coverage as underlying insurance:

- i. Commercial general liability;
- ii. Business auto liability; and
- iii. Employers' liability.

2.1.5 – By endorsement, the Authority and Authority's elected and appointed officials, agents and employees shall be named as additional insureds on the Contractor's commercial general liability insurance, and umbrella excess or excess liability insurance if required, with respect to liability arising out of the Contractor's products, installation, and/or services provided under this Contract.

2.1.6 - Insurance provided to the Authority and Authority's elected and appointed officials, agents and employees under the Contractor's liability insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of insurance. (Any cross suits or cross liability exclusion shall be deleted from Contractor's liability insurance policies required herein.)

2.1.7 - Insurance provided to the Authority and Authority's elected and appointed officials, agents and employees as specified herein shall be primary, and any other insurance, self-insurance, coverage or indemnity available to the Authority and its elected and appointed officials, agents and employees shall be excess of and non-contributory with insurance as specified herein.

2.2 - If any liability insurance purchased by the Contractor has been issued on a "claims made" basis, the Contractor must comply with the following additional conditions:

2.2.1 - The Contractor shall agree to provide certificates of insurance evidencing the above coverages for a period of two years after final payment for the Contract. Such certificates shall evidence a retroactive date no later than the beginning of the Work under this Contract; **or**

2.2.2 - The Contractor shall purchase an extended (minimum two years) reporting period endorsement for each such "claims made" policy in force as of the date of final acceptance and evidence the purchase of this extended reporting period endorsement by means of a certificate of insurance or a copy of the endorsement itself. Such certificate or copy of the endorsement shall evidence a retroactive date no later than the beginning of the Work under this Contract.

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**3. - Installation Floater Insurance (Contractor to Purchase)**

3.1 - The Contractor shall purchase and maintain installation floater insurance on a replacement cost basis with a limit equal to or exceeding the full insurable value of the Work, or the maximum exposure to a single occurrence. This insurance must be maintained at least until final acceptance of the Work by the Authority.

3.2 - The interests of the Authority and Subcontractors and sub-subcontractors shall be included by naming them as additional insureds and loss payees.

3.3 - This installation floater insurance shall include coverage for the following types of property:

- i. All materials, equipment, machinery and supplies which are to be incorporated into the Project; and
- ii. If applicable, all underground property, including but not limited to, pumps, pipes, drains, tanks and connections.

3.4 - This installation floater insurance shall be written on an all-risks policy form. Covered causes of loss or covered perils shall include but not be limited to:

- i. Theft;
- ii. Loss or damage that ensues or results from faulty, inadequate or defective design, specifications, construction, materials or workmanship;
- iii. Collapse when caused by a covered cause of loss or peril;
- iv. Explosion;
- v.
- v. Flood, sewer or water back-up, subterranean or ground water; and
- vi. Earthquake, mudslide or earth movement of any kind.

Flood and earthquake coverages may be written with sublimits exceeding or equal to the greater of ten percent of the total Project cost or \$100,000.

3.5 - Recovery is to include the cost of materials, labor, overhead and profits.

3.6 - Coverage shall be written on an agreed value basis. Accordingly, any coinsurance or contribution clause shall be deleted.

3.7 - This insurance shall not exclude or restrict coverage at vacant or unoccupied locations.

3.8 - Losses shall be adjusted with and payable to the Contractor as fiduciary for all other insureds.

3.9 - This installation floater insurance shall include coverage for debris removal and demolition made necessary by covered loss or damage with a minimum sublimit of twenty-five percent of the amount of loss or damage.

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3.10 - This installation floater insurance shall afford coverage for materials and equipment off-site, including while in storage or while at fabrication sites, with a limit exceeding or equal to the greater of ten percent of the total Project cost or \$100,000.

3.11 - Coverage for materials and equipment in transit shall be provided with a limit exceeding or equal to the greater of ten percent of the total Project cost or \$100,000.

3.12 - The Contractor shall be responsible for payment of any deductibles applicable under this insurance or other property insurance applicable to the Work.

3.13 - The Authority and Contractor waive all rights against each other and any of their Subcontractors, Sub-subcontractors, elected and appointed officials, officers, directors, trustees, agents, employees and consultants for property damage to or loss of use of the Work to the extent that such property damage or loss of use is covered by this builders risk insurance, boiler and machinery insurance or other property insurance applicable to the Work. The policies shall provide such waivers of subrogation by endorsement or otherwise.

3.14 - If the Authority is damaged by the failure or neglect of the Contractor to purchase or maintain insurance as described above, without so notifying the Authority, then the Contractor shall bear all reasonable costs properly attributable thereto.

3.15 - The Contractor, Subcontractors and Sub-subcontractors shall, at their own expense, purchase and maintain separate property insurance coverage for machinery, tools or equipment owned or rented by them, which are utilized in the performance of the Work but not incorporated into the permanent improvements. The Contractor, Subcontractors and Sub-subcontractors, hereby waive all rights against the Authority and its elected and appointed officials, officers, agents, employees and consultants for property damage to or loss of use of such machinery, tools or equipment to the extent that such property damage or loss of use is covered by the property or equipment floater insurance or other similar property insurance purchased and maintained by the Contractor, Subcontractors or Sub-subcontractors. The policies shall provide such waivers of subrogation by endorsement or otherwise.

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**INSURANCE COVERAGE CHECK LIST**

REQUIRED FOR ALL BIDS:

1. Forty five (45) Days Cancellation, non-renewal, material change or coverage reduction endorsement required.
2. Best's Rating for all carriers: "A-" VII or better, or its equivalent
3. Certificate must state bid number and bid title
4. ACUA and its officials, agents and employees named as additional insureds on other than W/C and auto. This coverage is primary to all other insurance and/or self-insurance available to ACUA.
5. Workers' Compensation & Employers' Liability: New Jersey statutory limits, employers' liability coverage minimum \$500,000 accident, \$500,000 disease, \$500,000 policy limit disease;
6. USL&H Employment: Statutory - if applicable to the project; and
7. CGL general aggregate is to apply per project.  
Items marked "X" are required to be provided if award is made to your firm.

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**INSURANCE COVERAGE CHECK LIST (Continued)**

<u>Coverage Required</u>	<u>Limits (Figures Denote Minimums)</u>
<u>  X  </u> 1. Workers' Compensation	Statutory limits of the State of New Jersey
<u>  X  </u> 2. Employers Liability	\$500,000 accident; \$500,000 disease each employee \$500,000 policy limit
<u>    </u> 3. USL&H Endorsement	Statutory
<u>  X  </u> 4. Commercial General Liability	Items Nos: 4,5,6,8 &10 require: \$1,000,000.00 combined single limit for bodily injury and property damage each occurrence with \$1,000,000.00 general aggregate per project
<u>  X  </u> 5. Premises/Operations	
<u>    </u> 6.Independent Contractors	
<u>    </u> 7.Products/Completed Operations	<u>Two (2)</u> year(s) \$1,000,000 aggregate
<u>    </u> 8.Contractual Liability	
<u>    </u> 9.Personal Injury Liability	\$1,000,000 each offense
<u>    </u> 10..XCU Coverage	
<u>  X  </u> 11.Automobile Liability Owned, Hired & Non-owned	\$1,000,000 Bodily injury and Property Damage each accident (Items 11 & 12 )
<u>    </u> 12..Motor Carrier Act End.	
<u>  X  </u> 13.Umbrella Liability	\$1,000,000 BI & PD & PERS INJURY unless other limits stated below  \$ _____ BI & PD & Pers Inj
<u>    </u> 14.Other Insurance Required:	
_____	\$ _____
_____	\$ _____



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The Authority and its officials, agents and employees are to be named as additional insureds on Commercial General Liability, and Umbrella if applicable. This coverage is primary to all other coverage the Authority may possess.

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INSURANCE AGENT'S STATEMENT

I CERTIFY that I have reviewed the insurance coverage requirements with the bidder named below and that the bidder can comply with all of those insurance requirements.

Name(s) and address(es) of bonding company(ies) or bank(s) submitting letter of credit, if applicable.

The policy(ies) carry the following deductibles:

Liability policies are (indicate):

Occurrence [ ]  
Claims Made [ ]

\_\_\_\_\_  
NAME OF INSURANCE AGENT

\_\_\_\_\_  
SIGNATURE

Date \_\_\_\_\_, 2004

BIDDER'S STATEMENT

I HEREBY CERTIFY the Insurance Coverage Requirements of these specifications and agree to comply in full if awarded this contract.

\_\_\_\_\_  
NAME OF BIDDER

\_\_\_\_\_  
SIGNATURE

Date \_\_\_\_\_, 2004