



# City of Mission Viejo

## DEPARTMENT OF PUBLIC WORKS

### ENGINEERING DIVISION

## INSURANCE REQUIREMENTS

The permittee shall maintain and provide proof of insurance coverages in a form and an amount acceptable to City but not less than the coverages outlined below. Depending on the work to be performed, the City may increase the minimum limits of insurance required.

**General liability insurance.** Permittee shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage, and a \$2,000,000 completed operations aggregate. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO “insured contract” language will not be accepted. The policy shall name City of Mission Viejo, its officers, officials, employees, agents, and volunteers as additional insureds.

**Automobile liability insurance.** Permittee shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Permittee arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned, or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

**Umbrella or excess liability insurance.** [If required to meet higher limits]. Permittee shall obtain and maintain an umbrella liability insurance policy with limits that will provide bodily injury, personal injury, and property damage liability coverage, including commercial general liability, automobile liability, and employer’s liability. Such policy or policies shall include the following terms and conditions:

- A drop-down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason, other than bankruptcy or insolvency of said primary insurer;
- “Pay on behalf of” wording as opposed to “reimbursement”;
- Concurrency of effective dates with primary policies.

Should Permittee obtain and maintain an excess liability policy, such policy shall be excess over commercial general liability, automobile liability, and employer’s liability policies. Such policy or policies shall include wording that the excess liability policy follows the terms and conditions of the underlying policies.

**Workers’ compensation insurance.** Permittee shall maintain Workers’ Compensation Insurance (Statutory Limits) and Employer’s Liability Insurance (with limits of at least \$1,000,000).

Permittee shall submit to the City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of the City of Mission Viejo, its officers, agents, employees, and volunteers.

**OTHER INSURANCE COVERAGES THAT MAY BE REQUIRED:**

**Contractor's pollution liability insurance.** Coverage shall provide for liability arising out of sudden, accidental, and gradual pollution, and remediation. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. All activities contemplated under the Permit shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for remediation of the site in the event of an environmental contamination event arising out of the materials, supplies, products, work, operations, or workmanship.

**OTHER PROVISIONS/REQUIREMENTS:**

**Proof of insurance.** Permittee shall provide certificates of insurance and required endorsements to the City as evidence of the insurance coverage required herein. Insurance certificates and endorsements must be approved by the City's Risk Management prior to commencement of performance. Current certification of insurance shall be kept on file with the City for the contract period and any additional length of time required thereafter. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Permittee shall procure and maintain for the period of the permit/length of the Project, and any additional length of time required thereafter, insurance against claims for injuries to persons or damages to property, or financial loss which may arise from or in connection with the performance of the Work hereunder by Permittee, their agents, representatives, employees, subcontractors, or subconsultants.

**Primary/non-contributing.** Coverage provided by Permittee shall be primary and any insurance or self-insurance procured or maintained by the City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

**The City's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by the City will be promptly reimbursed by Permittee or the City will withhold amounts sufficient to pay premium from Permittee payments. In the alternative, the City may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with a "Best's" insurance Rating of A- (or higher) and Financial Size Category Class VII (or larger), unless otherwise approved by City.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against the City of Mission Viejo, its elected or appointed officers, agents, officials, employees, and volunteers or shall specifically allow Permittee or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Permittee hereby waives its own right of recovery against the City and shall require similar written express waivers and insurance clauses from each of its subcontractors/subconsultants.

**Enforcement of contract provisions (non estoppel).** Permittee acknowledges and agrees that any actual or alleged failure on the part of the City to inform Permittee of noncompliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits on other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Permittee maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Permittee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

**Notice of cancellation.** Permittee agrees to oblige its insurance agent or broker and insurers to provide the City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage. If any of the Permittee's insurers are unwilling to provide such notice, then Permittee shall have the responsibility of notifying the City immediately in the event of Permittee's failure to renew any of the required insurance coverages or insurer's cancellation or non-renewal.

**Additional insured status.** General liability, automobile liability, and umbrella/excess liability insurance policies shall provide or be endorsed to provide that the City of Mission Viejo and its officers, officials, employees, agents, and volunteers shall be additional insureds under such policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to the City and approved of in writing.

**Separation of insureds.** A severability of interests provision must apply for all additional insureds ensuring that Permittee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass through clause.** Permittee agrees to ensure that its subconsultants, subcontractors, and any

other party who is brought onto or involved in the project/service by Permittee (hereinafter collectively “subcontractor”), provide the same minimum insurance coverage and endorsements required of Permittee. Permittee agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. However, in the event Permittee’s subcontractor cannot comply with this requirement, which proof must be submitted to the City, Permittee shall be required to ensure that its subcontractor provide and maintain insurance coverage and endorsements sufficient to the specific risk of exposure involved with subcontractor’s scope of work and services, with limits less than required of the Permittee, but in all other terms consistent with the Permittee’s requirements under this agreement. This provision does not relieve the Permittee of its contractual obligations under the agreement and/or limit its liability to the amount of insurance coverage provided by its subcontractors. This provision is intended solely to provide Permittee with the ability to utilize a subcontractor who may be otherwise qualified to perform the work or services but may not carry the same insurance limits as required of the Permittee under this agreement given the limited scope of work or services provided by the subcontractor. Permittee agrees that upon request, all agreements with subcontractors, and others engaged in the project, will be submitted to the City for review.

**The City’s right to revise specifications.** The City reserves the right at any time during the term of the agreement/permit to change the amounts and types of insurance required by giving the Permittee ninety (90) days advance written notice of such change.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible, or require proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention through confirmation from the underwriter.

**Timely notice of claims.** Permittee shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Permittee’s performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Permittee shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.