

ATTACHMENT D: INSURANCE REQUIREMENTS FOR CONSTRUCTION

The following provisions are from Chapter 5: Construction Guidelines, Section XVI.:

H. Insurance Requirements for Construction

Tenant shall include and enforce the following provisions in any construction contracts for work done on the Leased Property or Airport:

1. Contractors' and Subcontractors' Insurance

The contractor shall not commence work under this contract nor shall contractor allow any subcontractor to commence work until all insurance hereinafter required has been procured and such insurance is approved by MAC. Insurance shall be placed with companies rated A- or higher by A.M. Best and licensed or admitted to do business in Minnesota. Insurance as hereinafter provided shall be kept intact and in force throughout the term of this construction contract. The insurance shall be in a form satisfactory to MAC and copies of policies or certificates evidencing such coverage in full effect shall be furnished upon MAC's request during the duration of the construction contract.

The contractor shall furnish four (4) copies of an insurance certificate to MAC or its designated representative before any work is commenced and using the most current standard ACORD form as evidence of the required insurance. The contractor shall be responsible to provide at least fifteen (15) days' prior written notice to MAC in the event of cancellation, nonrenewal or any material change in the policies. The insurance certificate must be signed and dated by an authorized representative of the insurance company and a current copy must be maintained with MAC.

The contractor agrees to obtain, maintain, and pay for all insurance, as set forth below, that will insure for contractual liability and liability for all damages or injury to any person or any property in any manner connected with or resulting from the work provided for in this construction contract or resulting from the use by the contractor, subcontractors, or any of their agents and employees, of materials, equipment, or other property whether owned by MAC, the contractor, subcontractors, or third parties. All of contractor's insurance shall be primary and non-contributory by endorsement or by terms and conditions of the policy(s). MAC shall have all the same coverages as the contractor under the insurance policies by being named as an additional insured by endorsement or by terms and conditions of the policy(s).

The contractor agrees to provide the insurance, as set forth below, for the benefit of MAC, including all liabilities, losses, suits, claims, judgments, fines or demands against MAC (hereinafter "the Claim"), regardless of MAC's fault. The insurance policies shall not limit or delete MAC's coverage in any way based upon MAC's acts or omissions. The insurance shall include coverage for MAC's legal fees and costs for investigation and defense of the Claim and any legal fees and costs incurred by MAC. The contractor shall be responsible for all deductibles. The furnishing of the required insurance shall not be deemed to limit contractor's obligations as set forth in this section. The contractor shall defend, indemnify and hold MAC harmless from any claims or liabilities as a result of the contractor's failure to procure and to keep in force the insurance required as part of this construction contract.

The contractor shall submit insurance renewals to a MAC contract administrator or its designated representative. Renewals must include project name and project location. Renewals submitted without this information will be returned.

The contractor waives any subrogation rights against MAC on all claims and insurance policies by endorsement or by terms and conditions of the policy(s).

Failure to provide insurance as required herein shall be a material breach of this construction contract, which may result in termination of this construction contract for cause.

2. Workers' Compensation Insurance

The contractor shall produce and shall maintain during the life of this construction contract workers' compensation insurance for all employees working on this project as required by statute and employer's liability insurance. The contractor shall also require that all subcontractors and sub-subcontractors maintain the same coverage and limits of workers' compensation insurance for their employees. The policy or policies shall contain a waiver of subrogation by endorsement or by terms and conditions of the policy(s) against MAC.

The contractor shall be responsible for ensuring subcontractors and sub-subcontractors maintain the insurance requirements outlined herein. Upon request, the contractor will be required to provide evidence of such.

3. Contractors' Comprehensive General Liability Insurance

The contractor shall procure and maintain, throughout the term of the construction contract, comprehensive general liability insurance covering contractual liability, personal injury including bodily injury and property damage liability with a combined single limit of \$1,000,000.00 for each occurrence and aggregate. The policy(s) shall contain an endorsement or terms and conditions of the policy(s) for cross liability and severability of interest coverage. All policies shall be primary and non-contributory by endorsement or by terms and conditions of the policy(s).

The comprehensive general liability insurance and umbrella liability insurance, if applicable, shall name the contractor as insured and shall also name MAC as additional insured by an endorsement or by terms and conditions of the policy or policies and shall provide contingent liability for operations of subcontractors and sub-subcontractors. The insurance shall cover completed operations and products liability as well as broad form contractual liability. Completed operations coverage shall be maintained for a minimum of five (5) years.

The property damage liability portion of the policy shall not contain any exclusions with reference to damage due to blasting, collapse, or underground facilities.

In lieu of MAC being named as additional insured on the contractor's comprehensive general liability insurance, the insurance may provide liability coverage for the benefit of MAC by means of MAC's protective liability policy subject to MAC's review and approval of such policy.

The contractor shall also require that all subcontractors and sub-subcontractors maintain the same coverage and limits of insurance outlined herein.

4. Comprehensive Automobile Liability Insurance

The contractor shall provide comprehensive automobile liability insurance covering bodily injury and property damage with a combined single limit of \$1,000,000.00 for each occurrence.

Comprehensive automobile liability insurance shall provide coverage for all automobiles owned by the contractor and all hired and non-owned vehicles. The contractor shall also require that all subcontractors and sub-subcontractors maintain the same coverage and limits of insurance. The contractor shall also provide contingent automobile liability insurance for the operations of subcontractors and sub-subcontractors to ensure coverage as described in this paragraph. The policy or policies shall name MAC as an additional insured by endorsement or by terms and conditions of the policy(s).

The contractor shall be responsible for ensuring subcontractors and sub-subcontractors maintain insurance requirements outlined herein.

5. Builders Risk Insurance

Contractor shall purchase and maintain property insurance upon the construction at the site in the amount of no less than the greater of (i) seventy-five percent (75%) of the contractor price for the construction or (ii) the amount required by laws and regulations. This insurance shall:

- (i) Include the interests of the MAC, Tenant, contractor, and subcontractors, each of whom is deemed to have an insurable interest, shall list the contractor as the insured, and list the MAC, Tenant, and subcontractors as additional insureds by endorsement or by terms and conditions of the policy or policies;
- (ii) Be written on a Builder's Risk "all risk" or open peril or special causes of loss policy form that shall at least include insurance for physical loss or damage to the construction, temporary buildings, falsework, and construction in transit, and shall insure against at least the following perils: (i) fire; (ii) lighting; (iii) explosion; (iv) windstorm or hail; (v) smoke; (vi) aircraft or vehicles; (vii) riot or civil commotion; (viii) theft; (ix) vandalism and malicious mischief; (x) leakage from fire extinguishing equipment; (xi) earthquake; (xii) sinkhole collapse; (xiii) collapse; (xiv) breakage of building glass; (xv) falling objects; (xvi) debris removal; (xvii) demolition occasioned by enforcement of laws and regulations; (xviii) weight of snow, ice, or sleet; (xix) water-damage; (xx) hidden decay; (xxi) hidden insect or vermin damage; (xxii) weight of people or personal property; (xxiii) weight of rain that collects on a roof; and (xxiv) the use of defective material or methods in construction, remodeling, or renovation if the collapse occurs during the course of construction, remodeling, or renovation;
- (iii) Include damages, losses, and loss of use expenses arising out of or resulting from any incurred loss, or incurred in the repair or replacement of any insured property;
- (iv) Cover materials and equipment stored at the construction site or at another location that was agreed to in writing by the MAC and/or Tenant prior to being incorporated in the construction, provided that such materials and equipment have been included in an application for payment recommended by the MAC's and/or Tenant's engineer(s)/architect(s); and

- (v) Be maintained in effect until final payment is made unless otherwise agreed to in writing by MAC, Tenant, and contractor with thirty (30) days written notice to each other additional insured to whom a certificate of insurance has been issued.

MAC and Tenant shall not be responsible for purchasing or maintaining any property insurance to protect the interests of the contractor, subcontractor, or others in the construction to the extent of any deductible amount. The risk of loss within such deductible amount, will be borne by contractor, subcontractor, or others suffering any such loss, and if any of them wishes property insurance coverage within the limits of such deductible amounts, each may purchase and maintain it at the purchaser's own expense. The policy or policies shall contain a waiver of subrogation by endorsement or by terms and conditions of the policy(s) against MAC.

6. MAC' s Right to Review

MAC, by and through its Insurance Risk Management Department, in cooperation with the contracting entity, reserves the right to review, modify, reject or accept any required policies of insurance, including coverages, endorsements, or raising or lowering limits herein from time to time throughout the life of this construction contract. MAC reserves the right, but not the obligation, to review and reject any insurer providing coverage because of its poor financial condition, or failure to operate legally.