

IR 3.1 – Professional Services: \$2M Umbrella
City of Appleton
Insurance Requirements

Project: _____

The contract or purchase order is not considered approved and the Contractor shall not commence work until proof of the required insurance has been provided to the applicable department for the City of Appleton.

It is hereby agreed and understood that the insurance required by the City of Appleton is primary coverage and any insurance or self-insurance maintained by the City of Appleton, its officers, council members, agents, employees or authorized volunteers will not contribute to a loss. All insurance shall be in full force prior to commencing work and remain in force until the entire job is completed or the length of time specified in the contract or listed below, whichever is longer.

- **Professional Liability**
 - Limits
 - Each claim..... \$1,000,000
 - Annual aggregate..... \$1,000,000
 - Must continue coverage for 2 years after final acceptance for service/job

- **General Liability Coverage**
 - Commercial General Liability
 - Each occurrence limit \$1,000,000
 - Personal liability and advertising injury \$1,000,000
 - General aggregate \$2,000,000
 - Products/completed operations aggregate \$2,000,000
 - Claims made form of coverage is not acceptable.
 - Insurance must include:
 - Premises and Operations Liability
 - Contractual Liability
 - Personal Injury
 - Explosion, collapse and underground coverage
 - Products/Completed Operations must be carried for 2 years after acceptance of completed work
 - **The general aggregate must apply separately to this project/location**

- **Business Automobile Coverage**
 - Combined single limit for bodily injury and property damage
 - Each incident \$1,000,000
 - Must cover liability for Symbol #1 – “Any Auto” – including owned, non-owned, and hired automobile liability

- **Workers Compensation and Employers Liability:** IF required by Wisconsin State Statute or any workers compensation statute of a different state.
 - Must carry coverage for Statutory Workers Compensation and an Employers Liability limit of:
 - Each accident \$100,000
 - Disease policy limit \$500,000
 - Disease – each employee \$100,000

- **Umbrella Liability:** IF exposure exists, provide coverage at least as broad as the underlying commercial general liability, automobile liability and employers liability, with a minimum limit of
 - Each occurrence \$2,000,000
 - Aggregate \$2,000,000
 - Maximum self-insured retention \$10,000

- **Additional Provisions**
 - **Primary and Non-Contributory requirement:** All insurance must be primary and non-contributory to any insurance or self-insurance carried by City of Appleton.
 - **Acceptability of Insurers:** Insurance is to be placed with insurers who have an *A.M. Best* rating of no less than A- and a Financial Size Category of no less than Class VI, and who are authorized as an admitted insurance company in the state of Wisconsin.
 - **Additional Insured Requirements:** The following must be named as **additional insureds** on the General Liability and Business Automobile Liability Policies for liability arising out of project work: **City of Appleton, and its officers, council members, agents, employees and authorized volunteers. On the Commercial General Liability Policy, the additional insured coverage must be ISO form CG 20 10 07 04 and also include Products/Completed Operations equivalent to ISO form CG 20 37 07 04 or their equivalents for a minimum of 2 years after acceptance of work. This does not apply to Workers Compensation Policies.**
 - Certificates of Insurance acceptable to the City of Appleton shall be submitted prior to commencement of the work to the applicable department. **In addition form CG 20 10 07 04 for ongoing work exposure and form CG 20 37 07 04 for products-completed operations exposure must also be provided or its equivalent.** These certificates shall contain a provision that coverage afforded under the policies will not be canceled or non renewed until at least 30 days’ prior written notice has been given to the City of Appleton.

REQUIREMENTS CONTINUE ON FOLLOWING PAGE

Insurance Requirements for Sub-Contractors, all sub-contractors shall be required to obtain Commercial General Liability, Automobile Liability, Worker's Compensation, Employer's Liability and if applicable, Watercraft Liability, Aircraft Liability and Unmanned Aircraft Liability Insurance. This insurance shall be as broad as and with the same coverage limits as those required of the Contractor.

The following additional coverages are required where the corresponding box is checked. In addition, Contractor shall be responsible for consulting with its insurance carrier to determine whether any of the other following coverages should be carried based upon the specific project:

- Bond Requirements**
 - **Bid Bond:** The Contractor's Bid Bond equal to 5% of the contract shall accompany the bid for the project.
 - **Payment and Performance Bond:** If awarded the contract, the Contractor will provide to the Owner a Payment and Performance Bond in the amount of the contract price, covering faithful performance of the contract and payment of obligations arising thereunder, as stipulated in bidding requirements, or specifically required in the contract documents on the date of the contract's execution.
 - **Acceptability of Bonding Company:** The Bid, Payment and Performance Bonds shall be placed with a bonding company with an *A.M. Best* rating of no less than A- and a Financial Size Category of no less than Class VI.
 - **License and Permit Bond:** The Contractor will provide to the City a License and Permit Bond in the amount stipulated in Appleton's Municipal Code.

- Property Insurance Coverage (Builder's Risk) to be provided by the Contractor**
 - The property insurance must include engineering or architect fees and must equal the bid amount, plus any change orders.
 - Coverage includes property on the work site/s, property in transit and property stored off the work site/s.
 - Coverage will be on a **Replacement Cost basis**.
 - The City of Appleton, consultants, architects, architect consultants, engineers, engineer consultants, contractors and subcontractors will be added as named insureds to the policy.
 - Coverage must include collapse and be written on a "special perils" or "all risk" perils basis.
 - Coverage must include water damage (including, but not limited to, flood, surface water, hydrostatic pressure) and earth movement.
 - Coverage must include testing and start up.
 - Coverage must include boiler and machinery if the exposure exists.
 - Coverage must include engineers' and architects' fees.
 - Coverage must include building ordinance or law coverage with a limit of 5% of the contract amount.
 - The policy must cover/allow partial utilization by owner.

- Coverage must include a “waiver of subrogation” against any named insureds or additional insureds.
- Contractor is responsible for all deductibles and coinsurance penalties.

Pollution Liability – Contractors; Motor Vehicle/Automobile; Professional; Environmental Consultants/Engineers

- Definition of “Covered Operations” in the policy must include the type of work being done for the City of Appleton
- Limits of Liability:
 - \$500,000 each loss for bodily injury, property damage, environmental damage
 - \$1,000,000 Aggregate for bodily injury, property damage, environmental damage (environmental damage includes pollution and clean-up costs)
- Deductible must be paid by the Contractor, consultants/engineers
- The City of Appleton, its Council members and employees must be Additional Insureds
- The policy must also cover subcontractors
- Specify if “Wrongful Delivery” is covered
- Must cover motor vehicle loading and unloading and show on Certificate of Insurance
- Certificate of Insurance must state:
 - If the policy is an Occurrence or a Claims Made Form
 - If the defense costs reduce the limit of liability
 - If the policy covers motor vehicle loading and unloading claims
 - If there is an underground storage tank or a super fund exclusion
 - If there is a Contractual Liability Exclusion
 - If Bodily Injury includes mental anguish and emotional distress

Aircraft Liability insurance with a limit of \$3,000,000 per occurrence for bodily injury and property damage including passenger liability and slung cargo if the project includes the use or operation of any aircraft or helicopter.

Unmanned Aircraft Liability insurance with a limit of \$1,000,000 per occurrence for bodily injury, property damage liability, and invasion of privacy liability if the project includes the use of or operation of any unmanned aircraft (drones).

Watercraft Liability insurance with a limit of \$1,000,000 per occurrence for bodily injury and property damage if the project includes the use and/or operation of any watercraft.

Cyber Liability and Technology Errors and Omissions Insurance

- Per occurrence..... \$500,000

**Commercial Crime Policy**

- Per occurrence \$100,000

Last Review: 12/2021