

**IR 1.2 – LARGE EXPOSURE: \$5M UMBRELLA**  
**City of Appleton**  
**Insurance Requirements**

**Contractor’s Insurance with Bond and Property**

**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 that 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.

**1. INSURANCE REQUIREMENTS FOR CONTRACTOR**

**Commercial General Liability** coverage at least as broad as Insurance Services Office Commercial General Liability Form, including coverage for Products Liability, Completed Operations, Contractual Liability, and Explosion, Collapse, Underground coverage with the following minimum limits and coverage:

- Each Occurrence limit ..... \$1,000,000
- Personal and advertising injury ..... \$1,000,000
- General aggregate limit (other than products/completed operations) **per project** ..... \$2,000,000
- Products/Completed Operations aggregate ..... \$2,000,000  
*NOTE: coverage must be carried for two years after acceptance of completed work*
- Fire Damage limit – any one fire ..... \$50,000
- Medical expense limit – per person ..... \$5,000
- Medical Expense limit – per person ..... \$5,000

**Automobile Liability** coverage at least as broad as Insurance Services Office Business Automobile Form, with \$1,000,000 minimum limits combined single limit per accident for bodily injury and property damage, provided on a Symbol #1- “Any Auto” basis.

**Worker’s Compensation** as required by the State of Wisconsin, and employers liability insurance with sufficient limits to meet underlying umbrella liability insurance requirements. If applicable for the work coverage must include Maritime (Jones Act) or Longshoremen’s and Harbor Workers Act coverage.

**Umbrella Liability** coverage at least as broad as the underlying Commercial General Liability, Automobile Liability and Employers Liability:

- Minimum limit each occurrence..... \$5,000,000
- Aggregate ..... \$5,000,000
- Maximum self-insured retention ..... \$10,000

## 2. APPLICABLE TO CONTRACTORS/SUBCONTRACTORS/SUB-SUB CONTRACTORS

- **Builder’s Risk/Installation Floater/Contractor’s Equipment or Property:** Contractors are responsible for loss and coverage for these exposures. The City of Appleton will not assume responsibility for loss, including loss of use, or damage to property, materials, tools, equipment, and items of a similar nature which are being used in the work being performed by the contractor or its subcontractors or are to be built, installed, or erected by the Contractor or subcontractors.
- **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 City of Appleton, and its officers, council members, agents, employees and authorized volunteers** must be named as **additional insureds** on all liability policies for liability arising out of project work. **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 and 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. **In addition form CG 20 10 07 04 for ongoing work exposure and form CG 20 37 07 04 for products-completed operations exposure or its equivalent must also be provided.**

## 3. INSURANCE REQUIREMENTS FOR SUBCONTRACTOR

All subcontractors 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 when 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.
- **License and Permit Bond:** The Contractor will provide to the City a License and Permit Bond in the amount stipulated in the City of Appleton's Municipal Code Section 4.

**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.

**Property Insurance Coverage (Builder's Risk) to be provided by the Contractor**

- The property insurance must include coverage for engineering or architect fees and must equal the bid amount plus any change orders.
- Coverage includes property on the work sites, property in transit and property stored off the work sites.
- 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 coverage for 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 will be 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 of and/or operation of any watercraft.

**Cyber Liability and Technology Errors and Omissions** Insurance per occurrence limit \$500,000.

**Commercial Crime Policy** per occurrence limit \$100,000

Last Review: 12/2021