

# Insurance Requirements

1. **Designer's Insurance:** Upon execution of this Agreement, the Designer shall procure the insurance coverages identified below at the Designer's own expense, and to evidence that such insurance coverages are in effect, the Designer shall furnish and attach to this Agreement insurance certificate(s) acceptable to the Owner and listing the Owner as the certificate holder. The Board of Trustees of the University of Alabama shall also be named as an additional insured and shall be indicated on the certificate.

**(A) Policy Providers:** Each of the insurance coverages required below shall be issued by an insurer licensed by the Insurance Commissioner to transact the business of insurance in the State of Alabama for the applicable line of insurance, and such insurer must have a Best Policyholders Rating of "A-" or better and a financial size rating of Class VII or larger. The Designer may elect to participate in a group self-insured workers' compensation program or to qualify with the State of Alabama Department of Industrial Relations as an individual self-insured employer, as long as the self-insurance program is in good standing with the Department of Industrial Relations and the Designer has excess workers' compensation insurance to cover all statutory obligations above the amount they have been authorized to self-insure.

**(B) Notification Endorsement:** Each policy shall be endorsed to provide that the insurance company agrees that the policy shall not be canceled, changed, allowed to lapse or allowed to expire for any reason until thirty days after the Owner has received written notice by certified mail as evidenced by return receipt or until such time as other insurance coverage providing protection equal to protection called for herein shall have been received, accepted and acknowledged by the Owner. Such notice shall be valid only as to the project as shall have been designated by Project Name and Number in said notice.

**(C) Insurance Certificates:** Insurance certificate must provide the following information:

- (1) Name and address of authorized agent of the insurance company.
- (2) Name and address of insured (Must be same as the Designer on the contract with the University System.).
- (3) Name of insurance company or companies.
- (4) Description of policies.
- (5) Policy Number(s).
- (6) Policy Period(s).
- (7) Limits of liability.
- (8) Project Name and Number, if any.
- (9) Signature of authorized agent of the insurance company.
- (10) Telephone number of authorized agent of the insurance company.
- (11) Mandatory thirty day notice of cancellation / non-renewal / change.
- (12) **The certificate of insurance must include the following language:**

*The Board of Trustees of the University of Alabama, its individual trustees, officers, directors, employees, agents and representatives, the Alabama Department of Mental Health, its directors officers, directors, employees, agents and representatives and the Architect/Engineer are included as additional insureds with respect to the Commercial General Liability and Commercial Excess/Umbrella policy. Unless precluded by law, or restricted, or modified by contract, all policies waive the right to recovery or subrogation against the Board of Trustees of the University of Alabama, its individual trustees, officers, directors, employees, agents and representatives and Alabama Department of Mental Health, its directors, officers, employees, agents and representatives.*

(13) If applicable, the certificate shall identify any policy(s) with an aggregate limits on a "per job" or "per project" basis.

**(D) Designer's Insurance Coverages:** Unless otherwise provided in the Special Provisions of the Agreement, the Designer shall purchase the types of insurance coverages with liability limits not less than as follows:

(1) **Workers' Compensation** coverage shall be provided in accordance with the statutory coverage required in Alabama. A group insurer must submit a certificate of authority from the Alabama Department of Industrial Relations approving the group insurance plan. A self-insurer must submit a certificate from the Alabama Department of Industrial Relations stating the Designer qualifies to pay its own worker's compensation claims. The Designer must provide evidence of statutory excess insurance to cover any obligation in excess of the amount allowed to be self-insured by the State of Alabama.

(2) **Employer's Liability Insurance** limits shall be at least:

- (a) Bodily Injury by Accident - \$1,000,000 each accident
- (b) Bodily Injury by Disease - \$1,000,000 each employee

(3) **Commercial General Liability Insurance**, written on an ISO Occurrence Form (current edition as of the date of this Agreement) or equivalent, which shall include, but need not be limited to, coverage for bodily injury and property damage arising from premises and operations liability, products and completed operations liability, personal injury liability and contractual liability.

(a) The Commercial General Liability Insurance shall provide, at minimum, the following limits:

Coverage	Limit
.1 General Aggregate	\$ 2,000,000.00
.2 Products, Completed Operations Aggregate	\$ 2,000,000.00
.3 Personal and Advertising Injury	\$ 1,000,000.00 per Occurrence
.4 Each Occurrence	\$ 1,000,000.00

(b) The Commercial General Liability Insurance policy shall name the Owner and its agents and employees as additional insureds and shall state that this coverage shall be primary insurance for the additional insureds.

(4) **Commercial Business Automobile Liability Insurance** which shall include coverage for bodily injury and property damage arising from the operation of any owned, non-owned or hired automobile. The Commercial Business Automobile Liability Insurance Policy shall provide not less than \$1,000,000 Combined Single Limits for each occurrence and shall name the Owner, and their agents, consultants and employees as additional insureds.

(5) **Professional Liability (Errors & Omissions) Insurance** shall be carried in an amount not less than \$1,000,000 for each claim and \$2,000,000 aggregate.

(6) **Excess/Umbrella Liability:** The required General Liability, Business Auto Liability or Employers Liability limits may be accomplished through a combination of primary and excess/umbrella liability policies written on a follow-form basis. .

The excess/umbrella liability coverage shall be included on the certificate of insurance and the certificate holder shall be included as an additional insured.

**(E) Designer's Consultants' Insurance Coverages:**

**(1) Workers' Compensation and Employer's Liability Insurance.** The Designer shall require each of its consultants who will perform services at the Project site to obtain and maintain Workers' Compensation and Employer's Liability Insurance coverages as described in preceding Paragraph D.

**(2) Automobile and General Liability Insurance.** The Designer shall require each of its consultants who will perform services at the Project site to obtain and maintain Automobile and General Liability, Insurance coverages with the limits described in preceding Paragraph D.

**(3) Enforcement Responsibility.** The Designer shall have responsibility to enforce its consultants' compliance with these insurance requirements; however, the Designer shall, upon request, provide the Owner acceptable evidence of insurance for any consultant.

**(F) Termination of Obligation to Insure:** Unless otherwise expressly provided in the Special Provisions of the Agreement, the obligation of the Designer and its consultants to insure as provided herein shall continue as follows:

**(1) Other Insurance:** The obligation to carry the other insurance coverages of preceding Paragraph D or coverages equal to them, shall remain in effect after the last Date of Substantial Completion of the Construction Contract at any time the Designer, its consultants, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, returns to the Project to perform services required of this Agreement.

**(G) Waivers of Subrogation:** To the extent damages are covered by property insurance during construction, the Owner and Designer waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, except such rights as they may have to proceeds of such insurance held by the Owner, Designer, or Contractor as fiduciary. The Owner or Designer, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties enumerated herein.

**(H) Deductibles and Self-Insured Retentions ("SIR"):** The Designer may elect to secure an insurance program with a deductible or SIR of up to \$25,000 without prior approval from the University System. Any deductible or SIR larger than this amount must be approved by the Owner and audited financials will be required to judge the financial ability to absorb the obligations of a deductible or SIR without a material impact on the solvency of the contractor.

**(I) Impairment of Limits:** In the event the insurance program required by the Owner were to have any pending claim(s), which may limit or exhaust any aggregate limits by more than 20%, the Owner shall be notified within 30 days. The Owner may require additional insurance or reinstatement of the limits of liability, as necessary to protect the financial interest of the Owner.

2. The Designer agrees, at its sole cost and expense, to defend, indemnify and save harmless the Owner and the Owner's trustees, officers, employees and agents against

and from any and all claims by or on behalf of any person, firm, corporation, entity, or governmental authority arising from, attributable to or in connection with any breach or default on the part of Designer in the performance or non-performance of any covenant or obligation on the part of Designer to be performed pursuant to the terms of this Agreement or arising from any willful or negligent act or omission of Designer or any of Designer's contractors, servants, or employees, including, without limitation, any and all claims for injury or death to persons or damage to property. The Designer further agrees to indemnify and hold harmless the Owner and the Owner's trustees, officers, employees and agents against and from all costs, counsel fees, expenses, and other liabilities in connection with any such claim, action, or proceeding brought against the Owner thereon and to resist or defend such claim, action, or proceeding by qualified counsel reasonably satisfactory to the Owner.