

CONTRACTOR

MINIMUM INSURANCE REQUIREMENTS

- (A) Contractor shall maintain or cause to be maintained on its behalf insurance policies of the types required below with insurance companies authorized to do business in the State of Utah, (i) having a Best Insurance Reports rating of "A" or better or (ii) otherwise being acceptable to the City with coverage limits and provisions at least sufficient to satisfy the requirements set forth below.
- (1) Workers' Compensation Insurance: Statutory workers' compensation insurance. Such insurance shall also include employer's liability insurance in a limit of no less than \$1,000,000. No owner or officer may be excluded.
 - (2) General Liability Insurance: Commercial general liability insurance on an occurrence basis arising out of claims for bodily injury (including death) and property damage. Such insurance shall provide coverage for ongoing operations and products-completed operations, blanket contractual, broad form property damage, personal and advertising injury, independent contractors and sudden and accidental pollution liability [pollution liability arising out of a hostile fire] with a **\$2,000,000** minimum limit per occurrence for combined bodily injury and property damage, provided the general policy aggregate shall apply separately to the Contractor on a per project basis. Any aggregate limit that does not apply separately to the premises shall be at **\$3,000,000**. Contractor shall provide a certificate of insurance verifying completed operations coverage for a period of not less than two years after project completion.
 - (3) Automobile Liability Insurance: Automobile liability insurance for the Contractor's liability arising out of the use of owned (if any), leased (if any), non-owned and hired vehicles of the Contractor, with a \$1,000,000 minimum limit per accident for combined bodily injury and property damage and containing appropriate no-fault insurance provisions wherever applicable. All owned and/or leased automobiles shall be covered using symbol "1" (any auto).
 - (4) Excess Liability Insurance: The amounts of insurance required in the foregoing subsections (1), (2), (3), this subsection may be satisfied by the Contractor purchasing coverage in the amounts specified or by any combination of primary and excess insurance, so long as the total amount of insurance meets the required limits specified above.
 - (5) Builder's Risk: Contractor shall provide optional terms for builder's risk insurance. Contractor agrees to have City approve builder's risk insurance program including limits, deductibles, terms, etc. The City shall maintain the right to obtain and implement builder's risk coverage at their discretion.

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(B) Contractor Conditions and Requirements:

- (1) Loss Notification: The Contractor shall promptly notify the City of any single loss or event likely to give rise to a claim for an amount in excess of \$250,000 covered by any of the insurance policies required by this Section 1.00.
- (2) Loss Adjustment and Settlement: A loss under the insurance policies providing operational property damage, business interruption or builder's risk insurance, shall be adjusted with the insurance companies, including the filing in a timely manner of appropriate proceedings, by the Contractor, subject to the approval of the City if such loss is in excess of \$250,000. In addition, the Contractor may, in its reasonable judgment, consent to the settlement of any loss covered by any of the insurance policies required in this Section 1.00, provided that in the event that the amount of the loss exceeds \$250,000 the terms of such settlement is concurred with by the City.
- (3) Compliance With Policy Requirements: The Contractor shall not violate or permit to be violated any of the conditions, provisions or requirements of any insurance policy required by this Section 1.00, and the Contractor shall perform, satisfy and comply with, or cause to be performed, satisfied and complied with, all conditions, provisions and requirements of all insurance policies.
- (4) Waiver of Subrogation: The Contractor hereby waives any and every claim for recovery from the City for any and all loss or damage covered by any of the insurance policies to be maintained under this Contractor agreement to the extent that such loss or damage is recovered under any such policy. To the extent the foregoing waiver would preclude coverage under any insurance required by this Section 1.00, the Contractor shall give written notice of the terms of such waiver to each insurance company which has issued, or which may issue in the future, any such policy of insurance (if such notice is required by the insurance policy) and shall cause each such insurance policy to be properly endorsed, or to otherwise contain one or more provisions that prevent the invalidation of the insurance coverage by reason of such a waiver.
- (5) Evidence of Insurance: On or before the effective date of each policy and on an annual basis at least 10 days prior to each policy anniversary, the Contractor shall furnish the City with (1) certificates of insurance or binders, in a form acceptable to the City, evidencing all of the insurance required by the provisions of this Section 1.00 and (2) a schedule of the insurance policies held by or for the benefit of the Contractor and required to be in force by the provisions of this Section 1.00. Such certificates of insurance/binders shall be executed by each insurer or by an authorized representative of each insurer where it is not practical for such insurer to

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execute the certificate itself. Such certificates of insurance/binders shall identify underwriters, the type of insurance, the insurance limits and the policy term and shall specifically list the special provisions enumerated for such insurance required by this Section 1.00. Upon request, the Contractor will promptly furnish the City with copies of all insurance policies, binders and cover notes or other evidence of such insurance relating to the insurance required to be maintained by the Contractor. The schedule of insurance shall include the name of the insurance company, policy number, type of insurance, major limits of liability, deductibles, retentions and expiration dates of the insurance policies.

- (6) Maintenance of Insurance: The Contractor shall at all times maintain the insurance coverage required under the terms of the Contractor agreement.

- (7) Claims-Made Policies: If any policy is a claims-made policy, the policy shall provide the Contractor the right to purchase, upon cancellation or termination by refusal to renew the policy, an extended reporting period of not less than two years. The Contractor agrees to purchase such an extended reporting period if needed to ensure continuity of coverage. The Contractor's failure to purchase such an extended reporting period as required by this paragraph shall not relieve it of any liability under this Contract. If the policy is a claims-made policy, the retroactive date of any such policy shall be not later than the date this Contract is executed by the parties hereto. If the Contractor purchases a subsequent claims-made policy in place of any prior claims-made policy, the retroactive date of such subsequent policy shall be no later than the date this Contract is executed by the parties hereto.

(C) Insurance Policy Conditions and Requirements

- (1) Control of Loss: All policies of insurance required to be maintained pursuant to this Section 1.00, wherein more than one insurer provides the coverage on any single policy, shall have a clause (or a separate agreement among the insurers) wherein all insurers have agreed that the lead insurer shall have full settlement authority on behalf of the other insurers.

- (2) Waiver of Subrogation: All policies of insurance to be maintained by the provisions of this Section 1.00 shall provide for waivers of subrogation in favor of the City and the Lenders and their respective officers and employees.

- (3) Liability Insurance Endorsements: All policies of liability insurance required to be maintained by the Contractor shall be endorsed as follows:

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- i. To name Clearfield City Corporation as additional insured for ongoing operations and completed operations (except for Workers' Compensation insurance policies) and shall contain the following clauses:
 1. ***"Clearfield City, its officers, agents, employees, representatives and volunteers are added as additional insured with respects to operations or other activities performed under agreement with Clearfield City.";*** and
 2. ***This insurance shall not be canceled, changes, or limited in scope or coverage, until after thirty (30) days prior written notice has been given to the Clearfield City Recorder, 55 South State Street, Clearfield, Utah 84015"***
- ii. That the insurance shall be primary and not excess to or contributing with any insurance or self-insurance maintained by Clearfield City Corporation.

(D) Failure to Maintain Insurance: In the event the Contractor fails, or fails to cause others on their behalf, to take out or maintain the full insurance coverage required by this Section 1.00, the City, upon 30 days' prior notice (unless the required insurance would lapse within such period, in which event notice will be given as soon as reasonably possible) to the Contractor of any such failure, may (but shall not be obligated to) take out the required policies of insurance and pay the premiums on the same. All amounts so advanced thereof by the City shall become an additional obligation of the Contractor to the City, and the Contractor shall pay such amounts to the City, together with interest thereon from the date so advanced.

(E) No Duty to Verify or Review: No provision of this Section 1.00 or any provision of any Document related to this agreement shall impose on the City any duty or obligation to verify the existence or adequacy of the insurance coverage maintained by the Contractor, nor shall City be responsible for any representations or warranties made by or on behalf of the Contractor to any insurance company or underwriter. Any failure on the part of the City to pursue or obtain the evidence of insurance required by this agreement from the Contractor and/or failure of the City to point out any non-compliance of such evidence of insurance shall not constitute a waiver of any of the insurance requirements in this agreement.

(F) Acceptable Policy Terms and Conditions: All policies of insurance required to be maintained pursuant to this Section 1.00 shall contain terms and conditions reasonably acceptable to the City after consultation with the City's Insurance Advisor.