This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the « » day of « » in the year «2020 »

(In words, indicate day, month and year.)

for the following PROJECT:

(Name and location or address)

«New Lawrence Fire Station 38 »

« »

THE OWNER:

(Name, legal status, and address)

«City of Lawrence »« »

«9901 East 59th Street

Indianapolis, Indiana 46256 »

THE CONSTRUCTION MANAGER:

(Name, legal status, and address)

« »« »

« »

TABLE OF ARTICLES

B.1 GENERAL

B.2 OWNER’S INSURANCE

B.3 CONSTRUCTION MANAGER’S INSURANCE AND BONDS

B.4 SPECIAL TERMS AND CONDITIONS

# ARTICLE B.1   GENERAL

The Owner and Construction Manager shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term General Conditions refers to AIA Document A201™–2017, General Conditions of the Contract for Construction.

# ARTICLE B.2   OWNER’S INSURANCE

§ B.2.1 General

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article B.2 and, upon the Construction Manager’s request, provide a copy of the property insurance policy or policies required by Section B.2.3. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

§ B.2.2 Liability Insurance

The Owner shall be responsible for purchasing and maintaining the Owner’s usual general liability insurance.

§ B.2.3 Required Property Insurance

§ B.2.3.1 Unless this obligation is placed on the Construction Manager pursuant to Section B.3.3.2.1, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk “all-risks” completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner’s property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion and thereafter as provided in Section B.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Construction Manager, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees. Such property insurance shall not cover any tools, apparatus, machinery, scaffolding, hoists, forms, staging, shoring and other similar items commonly referred to as construction equipment, which may be on the site and the capital value of which is not included in the Work. The Construction Manager, at its own expense, shall make its own arrangement for any insurance it may require on such construction equipment, and shall require all Subcontractors to do the same.

§ B.2.3.1.1 Causes of Loss. The insurance required by this Section B.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:

(Indicate below the cause of loss and any applicable sub-limit.)

|  |  |
| --- | --- |
| Cause of Loss | Sub-Limit |
|  |  |

§ B.2.3.1.2 Specific Required Coverages. The insurance required by this Section B.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect’s and Construction Manager’s services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are as follows:

(Indicate below type of coverage and any applicable sub-limit for specific required coverages.)

|  |  |
| --- | --- |
| Coverage | Sub-Limit |
|  |  |

§ B.2.3.1.3 Unless the parties agree otherwise, upon Substantial Completion, the Owner shall continue the insurance required by Section B.2.3.1 or, if necessary, replace the insurance policy required under Section B.2.3.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Work set forth in Section 12.2.2 of the General Conditions.

§ B.2.3.1.4 Deductibles and Self-Insured Retentions. If the insurance required by this Section B.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions.

§ B.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner’s occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section B.2.3.1 have consented in writing to the continuance of coverage. The Owner and the Construction Manager shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.

§ B.2.3.3 Insurance for Existing Structures

If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner shall purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, “all-risks” property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section B.2.3.1, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

**§ B.2.4 Optional Extended Property Insurance.**

The Owner shall purchase and maintain the insurance selected and described below.

*(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. For each type of insurance selected, indicate applicable limits of coverage or other conditions in the fill point below the selected item.)*

[ « » ] **§ B.2.4.1 Loss of Use, Business Interruption, and Delay in Completion Insurance**, to reimburse the Owner for loss of use of the Owner’s property, or the inability to conduct normal operations due to a covered cause of loss.

« »

[ « » ] **§ B.2.4.2 Ordinance or Law Insurance**, for the reasonable and necessary costs to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of the Project.

« »

[ « » ] **§ B.2.4.3 Expediting Cost Insurance**, for the reasonable and necessary costs for the temporary repair of damage to insured property, and to expedite the permanent repair or replacement of the damaged property.

« »

[ « » ] **§ B.2.4.4 Extra Expense Insurance**, to provide reimbursement of the reasonable and necessary excess costs incurred during the period of restoration or repair of the damaged property that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred.

« »

[ « » ] **§ B.2.4.5 Civil Authority Insurance**, for losses or costs arising from an order of a civil authority prohibiting access to the Project, provided such order is the direct result of physical damage covered under the required property insurance.

« »

[ « » ] **§ B.2.4.6 Ingress/Egress Insurance**, for loss due to the necessary interruption of the insured’s business due to physical prevention of ingress to, or egress from, the Project as a direct result of physical damage.

« »

[ « » ] **§ B.2.4.7 Soft Costs Insurance**, to reimburse the Owner for costs due to the delay of completion of the Work, arising out of physical loss or damage covered by the required property insurance: including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional interest on loans, realty taxes, and insurance premiums over and above normal expenses.

« »

**§ B.2.5 Other Optional Insurance.**

The Owner shall purchase and maintain the insurance selected below.

*(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance.)*

[ « » ] **§ B.2.5.1 Cyber Security Insurance** for loss to the Owner due to data security and privacy breach, including costs of investigating a potential or actual breach of confidential or private information.

*(Indicate applicable limits of coverage or other conditions in the fill point below.)*

« »

[ « » ] **§ B.2.5.2 Other Insurance**

*(List below any other insurance coverage to be provided by the Owner and any applicable limits.)*

|  |  |
| --- | --- |
| **Coverage** | **Limits** |
|  |  |

# ARTICLE B.3   CONSTRUCTION MANAGER’S INSURANCE AND BONDS

§ B.3.1 General

§ B.3.1.1 Certificates of Insurance. The Construction Manager shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article B.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner’s written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section B.3.2.1 and Section B.3.3.1. The certificates will show the Owner as an additional insured on the Construction Manager’s Commercial General Liability and excess or umbrella liability policy or policies.

§ B.3.1.2 Deductibles and Self-Insured Retentions. The Construction Manager shall be responsible for any deductible or self- insured retentions applicable to any insurance required to be provided by the Construction Manager.

§ B.3.1.3 Additional Insured Obligations. To the fullest extent permitted by law, the Construction Manager shall cause the commercial general liability coverage to include (1) the Owner, the Architect, and the Architect’s consultants as additional insureds for claims caused in whole or in part by the Construction Manager’s negligent acts or omissions during the Construction Manager’s operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Construction Manager’s negligent acts or omissions for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of the Owner’s general liability insurance policies and shall apply to both ongoing and completed operations. To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect’s consultants, CG 20 32 07 04. Coverage afforded the additional insureds shall not exclude claims asserted by the Construction Manager’s employees. If the additional insureds have other insurance that is applicable to the loss, such other insurance will be on an excess or contingent basis and the amount of the Construction Manager's insurance company's liability under the insurance policy will not be reduced by the existence of such other insurance.

§ B.3.2 Construction Manager’s Required Insurance Coverage

§ B.3.2.1 The Construction Manager and its Subcontractors (unless the Owner approves in writing different coverages for a specific Subcontractor) shall purchase and maintain the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located and having an A.M. Best financial strength rating not lower than ‘A.’. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

(If the Construction Manager is required to maintain insurance for a duration other than the expiration of the period for correction of Work, state the duration.)

« The duration for maintaining the required insurance is two (2) years after the Substantial Completion Date. »

§ B.3.2.2 Commercial General Liability

§ B.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits of not less than «One Million Dollars » ($ «1,000,000 » ) each occurrence, «Two Million Dollars » ($ «2,000,000 » ) general aggregate, and «Two Million Dollars » ($ «2,000,000 » ) aggregate for products-completed operations hazard, providing coverage for claims including

.1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;

.2 personal injury and advertising injury;

.3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property and including the X, C, and U coverages as applicable (coverage shall include and not delete the exception to the “Your Work” exclusion which applies if the damages work or the work out of which the damage arises was performed by a subcontractor);

.4 bodily injury or property damage arising out of completed operations; and

.5 the Construction Manager’s indemnity obligations under Section 3.18 of the General Conditions.

§ B.3.2.2.2 The Construction Manager’s Commercial General Liability policy under this Section B.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

.1 Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.

.2 Claims for property damage to the Construction Manager’s Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.

.3 Claims for bodily injury other than to employees of the insured.

.4 Claims for indemnity under Section 3.18 of the General Conditions arising out of injury to employees of the insured.

.5 Claims or loss excluded under a prior work endorsement or other similar exclusionary language.

.6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.

.7 Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.

.8 Claims related to roofing, if the Work involves roofing.

.9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such coatings or surfaces.

.10 Claims related to earth subsidence or movement, where the Work involves such hazards.

.11 Claims related to explosion, collapse and underground hazards, where the Work involves such hazards.

§ B.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager, with policy limits of not less than «One Million Dollars » ($ «1,000,000 » ) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage.

§ B.3.2.4 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section B.3.2.2 and B.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ B.3.2.5 Workers’ Compensation at statutory limits.

§ B.3.2.6 Employers’ Liability with policy limits not less than «One Million Dollars » ($ «1,000,000 » ) each accident, «One Million Dollars » ($ «1,000,000 » ) each employee, and «One Million Dollars » ($ «1,000,000 » ) policy limit.

§ B.3.2.7 Jones Act, and the Longshore & Harbor Workers’ Compensation Act, as required, if the Work involves hazards arising from work on or near navigable waterways, including vessels and docks

§ B.3.2.8 If the Construction Manager is required to furnish professional services as part of the Work (including but not limited to any design-build or design-assist services), the Construction Manager shall procure Professional Liability insurance covering performance of the professional services, with policy limits of not less than «One Million Dollars » ($ «1,000,000 » ) per claim and «Two Million Dollars » ($ «2,000,000 » ) in the aggregate.

§ B.3.2.9 If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with policy limits of not less than «Two Million Dollars » ($ «2,000,000 » ) per claim and «Five Million Dollars » ($ «5,000,000 » ) in the aggregate.

§ B.3.2.10 Coverage under Sections B.3.2.8 and B.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than «Two Million Dollars » ($ «2,000,000 » ) per claim and «Five Million Dollars » ($ «5,000,000 » ) in the aggregate.

§ B.3.2.11 Insurance for maritime liability risks associated with the operation of a vessel, if the Work requires such activities, with policy limits of not less than « » ($ « » ) per claim and « » ($ « » ) in the aggregate.

§ B.3.2.12 Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits of not less than « » ($ « » ) per claim and « » ($ « » ) in the aggregate.

§ B.3.3 Construction Manager’s Other Insurance Coverage

§ B.3.3.1 Insurance selected and described in this Section B.3.3 shall be purchased from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

(If the Construction Manager is required to maintain any of the types of insurance selected below for a duration other than the expiration of the period for correction of Work, state the duration.)

« »

**§ B.3.3.2** The Construction Manager shall purchase and maintain the following types and limits of insurance in accordance with Section B.3.3.1.

(Select the types of insurance the Construction Manager is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. Where policy limits are provided, include the policy limit in the appropriate fill point.)

[ « » ] **§ B.3.3.2.1** Property insurance of the same type and scope satisfying the requirements identified in Section B.2.3, which, if selected in this Section B.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section B.2.3.1.3 and Section B.2.3.3. The Construction Manager shall comply with all obligations of the Owner under Section B.2.3 except to the extent provided below. The Construction Manager shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Construction Manager shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:

*(Where the Construction Manager’s obligation to provide property insurance differs from the Owner’s obligations as described under Section B.2.3, indicate such differences in the space below. Additionally, if a party other than the Owner will be responsible for adjusting and settling a loss with the insurer and acting as the trustee of the proceeds of property insurance in accordance with Article 11 of the General Conditions, indicate the responsible party below.)*

« »

[ « » ] **§ B.3.3.2.2 Railroad Protective Liability Insurance**, with policy limits of not less than « » ($ « » ) per claim and « » ($ « » ) in the aggregate, for Work within fifty (50) feet of railroad property.

[ « » ] **§ B.3.3.2.3 Asbestos Abatement Liability Insurance**, with policy limits of not less than « » ($ « » ) per claim and « » ($ « » ) in the aggregate, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.

[ « » ] **§ B.3.3.2.4** Insurance for physical damage to property while it is in storage and in transit to the construction site on an “all-risks” completed value form.

[ « » ] **§ B.3.3.2.5** Property insurance on an “all-risks” completed value form, covering property owned by the Construction Manager and used on the Project, including scaffolding and other equipment.

[ « » ] **§ B.3.3.2.6** **Other Insurance**

*(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)*

|  |  |
| --- | --- |
| **Coverage** | **Limits** |
| Construction Manager shall secure, pay for and maintain whatever fire or extended coverage insurance it may deem necessary to protect itself against loss of owned or rented capital equipment and tools, including any tools owned by mechanics, and any tools, equipment, scaffoldings, staging, towers and forms owned or rented by Construction Manager. The requirement to secure and maintain such insurance is solely for the benefit of Construction Manager. Failure of Construction Manager to secure such insurance or to maintain adequate levels of coverage shall not obligate Owner, Architect or their agents and employees for any losses of owned or rented equipment. If Construction Manager secures such insurance, the insurance policy shall include a waiver of subrogation clause as follows: ‘It is agreed that in no event shall this insurance company have any right of recovery against Owner or Architect.’ |  |

**§ B.3.3.3** Upon the Owner’s request, Construction Manager shall provide a copy of the insurance policy or policies required by Section B.3.2. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

**§ B.3.3.4** The Construction Manager shall obtain an endorsement to its Commercial General Liability policy waiving the carrier’s rights to recover payments made pursuant to the policy from the additional insureds.

§ B.3.4 Performance Bond and Payment Bond

§ B.3.4.1 The Construction Manager shall furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder.

§ B.3.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Construction Manager shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ B.3.4.3 The Construction Manager shall furnish a Performance Bond and Labor and Material Payment Bond to the Owner. The Construction Manager shall use as a surety for the Performance Bond and Labor and Material Payment Bond one of the acceptable companies listed in “Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reimbursing Companies”, Department Circular 570, latest revision, Department of the Treasury. The Construction Manager shall use a surety company that can underwrite the entire amount of the Performance Bond and Labor and Material Payment Bond. Underwriting limitations for the acceptable companies are also contained in Circular 570. Said Performance Bond and Labor and Material Payment Bond shall be in amount at least equal to 100% of the Contract Price as security for: (1) the faithful performance of all provisions of the Contract and satisfactory completion of the work included thereunder; (2) the payment of all persons performing labor and furnishing materials in connection with the Contract; (3) the covering of all guarantees and warranties included herein; and (4) In addition to 1, 2, and 3 above, this Bond shall guarantee the Owner that all workmanship and materials performed and furnished as part of this Contract are in accordance with the Contract Documents and that the Construction Manager shall correct all defects due to faulty workmanship or materials.

§ B.3.4.4 The Performance Bond and Labor and Material Payment Bond shall be AIA Document A312 entitled 'Performance Bond' and Payment Bond', shall be executed by an acceptable surety company licensed to do business in the State of Indiana, and must state that it is for the benefit of the Subcontractors, laborers, material suppliers and those performing services as part of the Work.

§ B.3.4.5 The Performance Bond and Labor and Material Payment Bond must specify that: (1) a modification, omission, or addition to the terms and conditions of the Contract, Drawings, or Specifications; (2) a defect in the Contract; or (3) a defect in the proceedings preliminary to the letting and awarding of the Contract; does not discharge the surety.



# ARTICLE B.4   SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Insurance and Bonds Exhibit, if any, are as follows:

« »