

## **EXHIBIT "L"**

### **TEAL CONSTRUCTION COMPANY INSURANCE REQUIREMENTS FOR SUBCONTRACTORS**

## EXHIBIT “L”

Teal Construction Company requires all subcontractors working on construction projects to carry a minimum insurance requirements for the duration of contract (as a minimum).

Attached are two “sample” ACORD Certificates of Insurance with coverages and limits required by Teal Construction Company.

### PLAN “A”

The first “sample” Certificate of Insurance requires a \$1,000,000 per occurrence limit for Commercial General Liability, Automobile Liability and Employer’s Liability (Worker’s Compensation) Policies.

### OR

### PLAN “B”

The second “sample” Certificate of Insurance requires a \$500,000 per occurrence limit for the Commercial General Liability, Automobile Liability and Employer’s Liability (Worker’s Compensation) Policies **plus** a \$1,000,000 Commercial Umbrella Policy.

### **REQUIRED** Endorsements to the Certificate “A” or “B”

Instructions: In order to be in compliance with our subcontract agreement the following endorsements listed below are required and must be attached to your Certificate of Insurance “A” or “B”. Please review, each item and send in with your Certificate of Insurance “A” or “B”.

***Additional Insured (CG 2010-11-85) or both (CG 2010-07-04 and CG 2037-07-04)*** and must be attached. Adds another individual or entity (Teal and all Contractor’s Indemnitees) to the subcontractor’s policy which extends coverage to that individual or entity. (Teal and all Contractor’s Indemnitees). Additional Insured endorsement must have completed operations coverage.

***Waiver of Subrogation (CG 2404-4-85)*** is afforded under all policies in favor of indemnities except for Professional Liability. Relinquishes the right of an insurance company to collect claim expenses from Teal for damages paid on behalf of the subcontractor.

***Notice of Cancellation 30 Days*** – Provisions in the policy mandating that the sub’s insurance company is to provide (Teal) advance notice of cancellation or non-renewal of a policy. Insurance certificate must state that the insurance carrier is to give (Teal) 30 days prior written cancellation, changes to insurance policy, or non-renewal.

### ***Primary Wording and Non Contributory Endorsement***

Primary Wording makes the Sub’s policy pay first when a claim occurs.

Non Contributory means Teal’s policy will not contribute to the claim.

***(Subcontractor with Leased Employees)***

### ***Alternate Employer Endorsement***

Worker’s Compensation endorsement for an employee leasing company that leases employees to a subcontractor to protect the subcontractor against claims of the leased employees. Subcontractor should be required to provide Teal with evidence that the sub is included on the Leasing Company’s Worker’s Compensation Policy as an “Alternate Employer”.

## **MINIMUM INSURANCE REQUIREMENTS**

1. Subcontractor shall promptly obtain insurance for the Work as specified in this Subcontract Agreement. Subcontractor must use Contractor's standard insurance certificate form. Subcontractor shall provide the required insurance certificate(s) to Contractor prior to commencing the Work and shall be liable to Contractor for the consequences of Subcontractor's failure or delay in obtaining the required insurance policies and coverages. Subcontractor acknowledges that it may not enter the jobsite ***unless and until*** Contractor ***receives and approves*** the specified insurance certificate(s).
2. Each insurance certificate must state that the insurance carrier is required to give Contractor thirty (30) days prior written notice of cancellation, material change that reduces or restricts the coverages or liability limits of any insurance policy provided hereunder, or non-renewal. Subcontractor's insurance certificate(s) shall also include the Project name in a conspicuous location. The insurance requirements described in this Agreement are not intended to and shall not in any way limit or qualify the liabilities and obligation's Subcontractor assumes pursuant to this Subcontract Agreement.
3. The insurance policies required Articles 4.1 (B) and (C) and 4.2(B), (C) and (D) below shall (1) name PRIMARY CONTRACT-OWNER, PROPERTY OWNER, CONTRACTOR, CONTRACTORS SURETY, ARCHITECT, DESIGN CONSULTANTS, INCLUDING ALL ENGINEERS AND ALL OF CONTRACTOR'S OTHER INDEMNITEES (AND THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, JOINT VENTURERS, CO-VENTURERS, AFFILIATES, SUBSIDIARIES, SUCCESSORS, ASSIGNS, AGENTS AND EMPLOYEES) (HEREINAFTER COLLECTIVELY REFERRED TO AS "INDEMNIFIED PARTIES" (Collectively "Indemnified Parties") as additional insureds in regard to both ongoing and completed operations. (2) contain a waiver of subrogation in favor of Indemnified Parties, and (3) state that such policies are primary and non-contributory with any insurance carried by Indemnified Parties. Subcontractor shall be responsible for all deductibles. In addition, the insurance policies required Articles 4.1(A) and 4.2(A) below shall contain a waiver of subrogation in favor of Indemnified Parties. The following endorsement forms shall be incorporated into each such policy:
  - (a) Additional Insured (CG 2010 (11-85) or both (CG 2010-07-04 and CG 2037-07-04)
  - (b) Waiver of Subrogation (CG 2404 (11-85))
4. During the full term of the Work and of this Agreement, Subcontractor shall at all times maintain the following insurance coverage (either option "A" or "B" below) in primary and/or excess form, with limits not less than those described below, with insurers licensed to do business in the State and in forms or policies acceptable to Owner and Contractor:

### **4.1 Option "A":**

#### *A. Worker's Compensation Insurance:*

Worker's Compensation: Statutory

Employer's Liability: \$1,000,000.00

The Worker's Compensation Policy shall cover all Subcontractor's jobsite employees and include a waiver of subrogation in favor of Indemnified Parties executed on endorsement form required at paragraph 3 above.

#### *B. General Liability Insurance:*

General Aggregate: \$2,000,000 (Endorsed for designated project CG 2503 (03-97)).

Products & Completed Operations Aggregate: \$1,000,000

Personal & Advertising Injury Limit: \$1,000,000

Each Occurrence Limit: \$1,000,000

Fire Damage (any one fire) Limit: \$50,000

Medical Expenses (Any one person) Limit: \$5,000

*C. Auto Liability Insurance (form ISO CA 0001 or equivalent):*

Bodily Injury and Property Damage: \$1,000,000 Combined Single limit. The Auto Liability Policy shall be written on a standard form and cover any automobile, including without limitation, all owned, non-owned and hired automobiles.

*D. Subcontractor's Equipment Insurance:*

At Subcontractor's option, Subcontractor may provide equipment insurance that shall protect Subcontractor against losses caused by physical damage to all Subcontractor's tools, equipment and materials which are used to prosecute the Work but which are not incorporated into the Work. Subcontractor's equipment insurance must include a waiver of subrogation in favor of Indemnified Parties.

**4.2 Option "B":**

*A. Worker's Compensation Insurance:*

Worker's Compensation: Statutory

Employer's Liability: \$500,000

The Worker's Compensation Policy shall cover all Subcontractor's jobsite employees and include a waiver of subrogation in favor of Indemnified Parties executed on endorsement form required at paragraph 3 above.

*B. General Liability Insurance:*

General Aggregate: \$1,000,000 (Endorsed for designated project CG 2503 (03-97)).

Products & Completed Operations Aggregate: \$500,000

Personal & Advertising Injury Limit: \$500,000

Each Occurrence Limit: \$500,000

Fire Damage (any one fire) Limit: \$50,000

Medical Expenses (Any one person) Limit: \$5,000

*C. Auto Liability Insurance (form ISO CA 0001 or equivalent):*

Bodily Injury and Property Damage: \$500,000 Combined Single Limit the Auto Liability Policy shall be written on a standard form and cover any automobile, including without limitation, all owned, non-owned and hired automobiles.

*D. Excess (Umbrella) Insurance:*

Bodily Injury and Property Damage: \$1,000,000 per occurrence and in aggregate The Excess (Umbrella) Policy shall provide coverage that is as broad as and for the same term as the primary policy and the limits shall be in addition to those provided by the coverages required in 4.2(A), (B) and (C).

*E. Pollution Liability:*

Subcontractors Pollution Liability \$1,000,000 per occurrence (if applicable) with additional endorsement for contract indemnitees.

4.3 The General Liability Policy, whether furnished under either option "A" or "B" above, shall be an occurrence policy and shall include the following minimum coverages: Premises/Operations, Independent Contractors, Products Liability, Completed Operations, and Broad Form Contractual Liability to cover the Indemnity and other applicable sections of this Subcontract Agreement, Broad Form Property Damage, Personal Injury Liability to cover the Indemnity and other applicable sections of this Subcontract Agreement, Broad Form Property Damage, Personal Injury Liability with exclusions related to contractual liability deleted,

and Explosion-Collapse-Underground Liability and pollution liability (if required by Contractor or the Contract Documents). Design responsibility of Subcontractor shall all be covered by the policy. The policy also shall not contain an employer's liability exclusion and/or action-over exclusion for claims made by employees of subcontractor against Owner, Contractor and/or other Indemnified Parties.

4.4 Subcontractor's general liability, auto liability, and umbrella liability policies, whether furnished under either option "A" or "B" above, must include coverage for cross liability and provide for severability of interests.

4.5 If Subcontractor uses an employee leasing service, Leasing Company or Leasing Service shall name Subcontract as an Alternate Employer under its worker's compensation policy with a 30 day advance notice of cancellation, material change or non-renewal.

5. *Subcontractor's Equipment Insurance:*

Subcontractor shall have the option of procuring its own equipment insurance which shall protect Subcontractor against losses caused by physical damage to all Subcontractor's tools, equipment and materials which are used to prosecute the Work but which are not incorporated into the Work. Subcontractor's equipment insurance must include a waiver of subrogation in favor of Indemnified Parties.

6. *Builder's Risk Insurance:*

Owner or Contractor may provide builder's Risk insurance for the entire Project, insuring against all risks of direct physical loss or damage to materials, equipment, machinery and other property incorporated in the Project, subject to policy exclusions and deductibles. Subcontractor shall verify that Builders Risk Insurance has been provided for each Project; if no such insurance is provided Subcontractor assumes all risk of loss of or damage to any materials, equipment, tools, appliances or other items of value provided to the Project by or through Subcontractor, regardless of any transfer of title to same, through the date of final payment to Contractor by Owner. Builder's Risk insurance, if provided, will not provide coverage for tools, equipment or other items which Subcontractor uses in connection with the Work and which are not intended to become a permanent part of the Work. Subcontractor waives its right of subrogation against Owner and Contractor for damage caused by fire or other perils. If Subcontractor makes a claim on the Builder's Risk policy, Subcontractor shall pay its pro rata share of the policy's deductible amount, up to and including one hundred percent (100%) if applicable.

7. Subcontractor agrees that Contractor is not liable for any failure or refusal of any insurance company to perform or to pay any claim submitted by subcontractor.

8. Contractor's minimum requirements are set forth on the attached alternative sample certificates for options "A" and "B". The Subcontract Agreement will not be executed by Contractor until an original Certificate of Insurance, in compliance with the requirements herein, is received directly from your insurance agent.