

# **Insurance Requirements for Property Management Firms Operating at Authority Owned Locations**

Property Manager shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the contracted work by the Property Manager, its employees, agents, or sub-contractors. It is agreed that the Property Manager's Liability insurance shall be primary with respect to property management employee claims (*as defined below*), and not contributing with any other insurance maintained by the Authority unless the Authority is solely negligent.

Property management employee claims shall be defined as: *any and all claims, demands, suits, actions or judgments which actually or allegedly arise from the acts or omissions of the Property Manager or its officers, agents, employees, or sub-contractors, except such as may have been caused solely by the negligence of Authority.* To the extent a claim is brought against the Authority as the result of a property management employee claim, such claim against the Authority shall be deemed to be a property management *employee claim* and will be resolved by the Property Manager.

## **MINIMUM SCOPE OF INSURANCE**

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (*occurrence form CG 0 01 10 01*).
2. Insurance Services Office Additional Insured form (*CG 20 37 or CG 20 26*).
3. Insurance Services Office form number CA 00 01 06 92 covering Automobile Liability, Code 1 (*any auto*) [*require if scope of work includes driving on Authority property or transporting residents or participants*].
4. Workers' Compensation insurance as required by State law and Employer's Liability Insurance (*for property management employees*).
5. Professional Errors and Omissions Liability insurance (*including defense for allegations of discrimination, fair housing, ADA violations, and sexual molestation*).
6. Crime insurance (*or a Fidelity Bond*) which shall include Employee Dishonesty coverages.

## **MINIMUM LIMITS OF INSURANCE**

Property Manager shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for Bodily Injury, Personal Injury, and Property Damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for Bodily Injury and Property Damage.
3. Workers' Compensation (*statutory*) and Employer's Liability: \$1,000,000 per accident for Bodily Injury or Disease.
4. Professional Errors and Omissions Liability insurance: \$1,000,000 per claim (*including coverages for discrimination, fair housing and ADA violations, and sexual molestation*).
5. Crime/Fidelity coverage: sufficient to cover all employees employed by Property Manager who shall be responsible for handling any monies; Employee Dishonesty \$100,000, Forgery or alteration \$100,000, Theft, Disappearance, Destruction, Inside/Outside \$10,000.

**NOTE:** These limits can be attained by individual policies or by combining primary and umbrella policies.

## **DEDUCTIBLES AND SELF-INSURED RETENTIONS**

Any deductibles or self-insured retentions must be declared to and approved by the Authority. At the option of the Authority, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Authority its officers, officials, employees, and volunteers; or the Property Manager shall provide a financial guarantee satisfactory to the Authority guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

## **OTHER INSURANCE PROVISIONS**

The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Authority, its officers, officials, employees and volunteers are to be covered as additional insureds with respect to liability on behalf of the Property Manager including all work and services to be performed in

## **Exhibit 14**

accordance with the terms of the agreement between the Authority and the Property Manager. This includes, but is not limited to, property management employee claims (as defined above). The Authority, its officers, officials, employees, and volunteers are to be covered as additional insured with respect to all liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of the Property Manager.

2. For any claims related to this contract, the Property Manager's insurance coverage shall be primary as respects the Authority, its officers, officials, employees, and volunteers. Any insurance of self-insurance maintained by the Authority, its officers, officials, employees, or volunteers shall be excess of the Property Manager's insurance.
3. Each insurance policy required by these specifications shall be endorsed to state that coverage shall not be cancelled or materially changed, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Authority.
4. Maintenance of the proper insurance for the duration of the contract is a material element of the contract. Material changes in the required coverage or cancellation of the coverage shall constitute a material breach of the contract by the Property Manager.

### **ACCEPTABILITY OF INSURERS**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than B+: VI. Property Managers must provide written verification of their insurer's rating.

### **VERIFICATION OF COVERAGE**

Property Manager shall furnish the Authority with original certificates and amendatory endorsements effecting coverage required by these specifications. The endorsements should conform fully to the requirements. All certificates and endorsements are to be received and approved by the Authority in sufficient time before the lease or agreement commences to permit the Property Manager to remedy any deficiencies. The Authority reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

### **SUB-CONTRACTORS**

Use of sub-contractors must be pre-approved by the Authority. Property Manager shall include all sub-contractors as insureds under its policies or shall furnish separate insurance certificates and endorsements for each sub-contractor in a manner and in such time as to permit the Authority to approve them before sub-contractors' work begins. All coverages for sub-contractors shall be subject to all of the requirements stated herein.

**NOTE:** If a sub-contractor will be hired to perform hazardous material remediation, that sub-contractor will name the Authority, its officers, officials, employees, volunteers and partners as Additional Insureds on its General Liability insurance policy by endorsement. Such policy will provide coverage for the hazardous material work and other hazardous material operations.

Notwithstanding this provision, Property Manager shall indemnify the Authority for any claims resulting from the performance or non-performance of the Property Manager's sub-contractors and/or their failure to be properly insured.