

## **Insurance Requirements for Resident Management Corporations**

Resident Management Corporation (RMC) 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 RMC's operation and use of the leased premises or other agreements with Authority. The cost of such insurance shall be borne by the RMC.

### **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*) [*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 RMC employees*).
5. Property insurance against all risks of loss to any tenant improvements, betterments, and RMC-owned business personal property.
6. Crime insurance (or a Fidelity Bond) which shall include Employee Dishonesty coverages.

### **MINIMUM LIMITS OF INSURANCE**

RMC shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for Bodily Injury, Personal Injury, and Property Damage. (*including coverages for discrimination, ADA violations, and sexual molestation*). 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. Property insurance: full replacement cost with no co-insurance penalty provision.
5. Crime/Fidelity coverage: in an amount that exceeds the maximum probable loss that could occur.

**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 RMC 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 insured with respect to liability arising out of maintenance or use of that part of the premises leased to the RMC, or the performance of the RMC under any agreement with Authority; or arising out of automobiles owned, leased, hired, or borrowed by or on behalf of RMC.
2. The RMC's insurance coverage shall be primary insurance as respects the Authority, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Authority, its officers, officials, employees, or volunteers shall be excess of the RMC'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.

## **Exhibit 9**

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 RMC.

### **ACCEPTABILITY OF INSURERS**

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

### **VERIFICATION OF COVERAGE**

RMC 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 agreement commences to permit RMC 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. RMC 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, RMC shall indemnify the Authority for any claims resulting from the performance or non-performance of the RMC's sub-contractors and/or their failure to be properly insured.