

Insurance Requirements

- 1.) The contractor will maintain a general liability policy with \$1,000,000 combined single limits. Coverage is to be on an occurrence basis with an insurer licensed to conduct business in the Commonwealth of Virginia. The insurer must have an A. M. Best rating of A- or better. The insurer must list the member locality as an additional insured. The endorsement must be issued by the insurance company. The contract must state the insurance provided in the additional insured endorsement is primary without contribution from other insurance available to the additional insured. A notation on the certificate of insurance referencing the additional insured status is not sufficient.
- 2.) The contractor will maintain workers' compensation coverage in compliance with the laws of the Commonwealth of Virginia. The coverage must have statutory limits and be with an insurer licensed to conduct business in the Commonwealth of Virginia. The insurer must have an A. M. Best rating of A- or better. As an alternative, it is acceptable for the contractor to be insured by a group self insurance association that is licensed by the Virginia Bureau of Insurance. The contractor will also carry employers liability insurance with a limit of at least \$1,000,000 bodily injury by accident/\$1,000,000 bodily injury by disease policy limit/\$1,000,000 bodily injury by disease each employee.
- 3.) The contractor will maintain automobile liability insurance with limits of at least \$1,000,000. The coverage is to be written with a symbol "1". The insurer must be licensed to conduct business in the Commonwealth of Virginia. The insurer must have an A. M. Best rating of A- or better.
- 4.) The contractor will maintain professional liability insurance with a limit of at least \$1,000,000. It is preferred that the coverage be on an occurrence basis. If the policy is on a claims made basis, this should be noted. If the contractor has professional liability insurance on a claims made basis, agreement must be made that coverage will be maintained for at least three years beyond the expiration date of the policy in force at the time of this contract. Coverage is to be with a company licensed to conduct business in the Commonwealth of Virginia and have an A. M. Best rating of A- or better. (NOTE: This is only needed when professional services are being conducted by the contractor. For example if the contractor is providing professional advice or design work, the professional liability coverage should be required.)
- 5.) The contractor will maintain builders risk coverage on a replacement cost basis for the duration of the contract. The limit will be the full replacement cost of the building and/or structures being built under this contract. The locality will be listed as an additional insured under this policy to protect any property owned at the construction site. Coverage is to be with a company licensed to conduct business in the Commonwealth of Virginia and have an A. M. Best rating of A- or better. (NOTE: This is not needed when repair work is being conducted. Also the locality may elect to add this exposure to their own property policy in lieu of requiring the contractor to maintain the builders risk policy.)
- 6.) The contractor will maintain a surety bond in an amount not less than the total amount payable to the contractor for the terms of this contract. The bond will be

issued by a company licensed to issue surety bonds in the Commonwealth of Virginia and has an A. M, Best rating of A- or better. (NOTE: A surety bond is not needed for short term or low value contracts.)

With all policies listed above, the insurer or agent of the insurer must issue a certificate of insurance to show evidence of coverage.

NOTE: In all cases we have used \$1,000,000 in liability coverage as a minimum. With larger contracts it is reasonable to require higher limits of coverage.

NOTE: You may want to include language that allows you to make an exception to these requirements. However we would caution against making any exception unless reviewed by the attorney for the locality.



100 Erie Ins. Pl. • Erie, PA 16530

EXAMPLE

CERTIFICATE OF INSURANCE

- THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY -

CERTIFICATE HOLDER COPY

NAME AND NUMBER OF AGENCY	DATE ISSUED ###/###/####
	NAME AND ADDRESS OF CERTIFICATE HOLDER CITY OF RADFORD ATTN: JAY EANES 10 ROBERTSON ST RADFORD VA 24141-
NAME AND ADDRESS OF NAMED INSURED Name Address City	

This is to certify that policies, as indicated by Policy Number below, are in force for the Named Insured at the time that the certificate is being issued.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS OF INSURANCE			
GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY OCCURRENCE FORM GEN'L AGGREGATE LIMIT APPLIES PER: PROJECT	Q#####	###/###/####	###/###/####	EACH OCCURRENCE	\$ 1000000		
				FIRE DAMAGE (Any one premises)	\$ 1000000		
				MED EXP (Any one person)	\$ 5000		
				PERSONAL & ADV INJURY	\$ 1000000		
				GENERAL AGGREGATE	\$ 2000000		
				PRODUCTS-COMP/OP AGG	\$ 2000000		
AUTOMOBILE LIABILITY OWNED	Q#####	###/###/####	###/###/####	BODILY INJURY (EACH PERSON)	\$ 300000		
				BODILY INJURY (EACH ACCIDENT)	\$ 500000		
				PROPERTY DAMAGE	\$ 250000		
				BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$		
				EACH OCCURRENCE			
				AGGREGATE			
				STATUTORY			
				BODILY INJURY BY	ACCIDENT DISEASE DISEASE	\$	EACH ACCIDENT POLICY LIMIT EACH EMPLOYEE

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

THIS CERTIFICATE IS ISSUED FOR INFORMATION PURPOSES ONLY AND CONFERS NO RIGHTS ON THE CERTIFICATE HOLDER. IT DOES NOT AFFIRMATIVELY OR NEGATIVELY LIST, AMEND, EXTEND OR OTHERWISE ALTER THE TERMS, EXCLUSIONS AND CONDITIONS OF INSURANCE COVERAGE CONTAINED IN THE POLICY(IES) INDICATED ABOVE. THE TERMS AND CONDITIONS OF THE POLICY(IES) GOVERN THE INSURANCE COVERAGE AS APPLIED TO ANY GIVEN SITUATION. LIMITS SHOWN MAY HAVE BEEN REDUCED BY CLAIMS PAID. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER AND CERTIFICATE HOLDER.

ERIE INSURANCE

SEE REVERSE SIDE

AUTHORIZED REPRESENTATIVE

Marc Cipriani