



KEMP BROS
CONSTRUCTION

SUBCONTRACT BOND REQUIREMENTS

Kemp Bros. Construction, Inc. may request a bond from a Subcontractor. Kemp will assist with the bond premium up to 1.5% of the original contract amount for the duration of the project. Kemp may at its sole discretion waive the requirement of bonds.

The following conditions apply:

1. Minimum A.M. Best's Rating (A- VII)
2. Federal Treasury List. Bond Amounts not to exceed Surety's Underwriting Limitation
3. Admitted in the State of California
4. Subcontractor Surety shall use Kemp standard bond form only.

SUBCONTRACT INSURANCE REQUIREMENTS

General Terms & Conditions: Certificates of insurance, as evidence of the insurance required by this Contract and including the required "additional insured" endorsement(s) shall be furnished by Subcontractor to Contractor. Certificates shall set forth deductible amounts in excess of \$5,000 applicable to each policy and all exclusions or limitations not set forth in ISO Commercial General Liability Form CG 00 01. Standard ISO Form CG 0001 exclusions will also be allowed. Allowance of any additional exclusions or coverage limiting endorsements is at the discretion of the Contractor.

Regardless of the consent to exclusions, coverage limitations or deductibles by the Contractor, the Subcontractor shall be responsible for any deductible amount or any loss arising out of coverage denials by Subcontractor's insurance carrier(s).

Subcontractor's certificates of insurance shall provide that there will be no cancellation or reduction of coverage without an unqualified, thirty (30) day, prior written notice to Contractor.

Contractor may take whatever actions are necessary to assure Subcontractor's compliance with its obligations under this section of the Agreement. Should any insurance policy lapse or be canceled during the period of this Agreement, the Subcontractor shall, prior to the effective expiration or cancellation date, furnish the Contractor with evidence of renewal or replacement of the policy. Failure to continuously satisfy the insurance requirements herein is a material breach of this Agreement. In the event Subcontractor fails to maintain any part of the insurance coverage required, Contractor may, but is not required to, maintain such coverage and charge the expense to Subcontractor or may pursue its remedies under Section 14 of the Standard Subcontract Agreement, Recourse by Contractor.

Any acceptance of insurance certificates by Contractor shall in no way limit or relieve Subcontractor of its duties and responsibilities under this Contract including the duty to indemnify and hold harmless Contractor as set forth in Section 15 of the Standard Subcontract Agreement, Indemnification.



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Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve the Subcontractor for liability in excess of such coverage nor shall it preclude the Contractor from taking such other actions as is available to it under any other provision of this Agreement or by law. If higher limits or other forms of insurance are required in the Contract Documents, Subcontractor will comply with such requirements.

Failure of Contractor to enforce in a timely manner any of the provisions of this Section shall not act as a waiver to enforcement of any of these provisions at a later date in the performance of this Contract.

Insurer Rating: All insurers shall have and maintain at all times a minimum A. M. Best rating of A-VIII.

Insurance must be in compliance for one year from the date of substantial completion of the project.

Additional Insured:

Kemp Bros. Construction, Inc., their officers, employees, representatives, volunteers and agents and **Owner**, their officers, employees, representatives, volunteers and agents

Workers' Compensation Insurance & Employers Liability:

Coverage of not less than: Statutory \$1,000,000;
Certificate of Insurance for each Additional Insured;
Waiver of Subrogation rights against all additional insured listed above and with applicable endorsements;

Automobile:

Subcontractor shall carry automobile liability insurance, including coverage for all owned hired and non-owned automobiles. The limits of liability shall be not less than \$1,000,000 combined single limit each accident for bodily injury and property damage.

Additional Insured with applicable endorsements;
Deductible amount listed on certificate of insurance

General Liability Insurance:

Commercial General Liability for the following shall not be less than:
\$1,000,000 each occurrence (combined single limit for bodily injury and property damage);
Not less than \$1,000,000 per occurrence
\$1,000,000 for personal injury liability;
\$2,000,000 General Aggregate;
\$2,000,000 aggregate for products-completed operations;
Additional Insured and Waiver of Subrogation rights against all additional insured's including related endorsement;
Primary Coverage must be supplied and additional insured's must be named including related endorsement;



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Designated Per Project General Aggregate Endorsement
Deductible amount listed on certificate of insurance

Subcontractor shall carry primary Commercial General Liability insurance (Insurance Services Office, Form CG 20 10 11 85 or equivalent) covering your work by or on behalf of Subcontractor providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including but not limited to coverage for:

- (1) premises and operations
- (2) products and completed operations
- (3) contractual liability
- (4) broad form property damage (including completed operations)
- (5) explosion, collapse and underground hazards (including subsidence and any other earth movement)
- (6) personal injury liability
- (7) independent contractors

The general aggregate limit shall apply separately to Subcontractor's work under this Contract. For subcontracts in excess of \$1,000,000, an additional \$4,000,000 Excess Liability Insurance policy shall be maintained over the General Liability coverage. Such excess coverage shall, at a minimum, include the items set forth in 1-7 above. Higher limits of liability may be required for hazardous work. Any such requirement is set forth in Section 25 of the Standard Subcontract Agreement, Special Provisions.

In addition, Subcontractor shall maintain primary and excess products liability and completed operations coverage through the expiration of the patent deficiency in construction statute of repose set forth in Section 337.1 of the California Code of Civil Procedure.

Coverage for the Contractor, its officers, directors and employees and the Owner as additional insureds shall be provided by an endorsement providing coverage at least as broad as Insurance Services Office, Form CG 20 10 11 85 or equivalent.

Umbrella / Excess Liability:

\$4,000,000 Umbrella "following form" coverage for both Commercial General Liability and Automobile Liability Insurance;

Deductible amount listed on certificate of insurance

Insurance Requirements for Sub-Subcontractor's:

Each Sub-Subcontractor shall provide Certificates of Insurance evidencing compliance with all insurance requirements as stipulated **prior** to the start of the Sub-Subcontractor's work on this project. Contractor may also require that the sub-subcontractor name all additional insured's as noted above. Such naming shall be provided at no additional cost or expense to Contractor or Owner.

Please note for any OCIP project insurance requirements may vary.