

# DRAFT AIA® Document A102™ – 2017

## Exhibit A

### ***Insurance and Bonds***

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Contractor, dated the \_\_\_\_ day of \_\_\_\_\_ in the year 2023.  
(In words, indicate day, month and year.)

for the following **PROJECT**:  
(Name and location or address)

See Exhibit B.

**THE OWNER:**  
(Name, legal status and address)

Laborers Training & Retraining Trust Fund  
1385 W. Sierra Madre Ave.  
Azusa, CA 91702  
Attention: Scott Gordon  
Telephone: (626) 610-1700  
Email: dsg@laborersjac.com

**THE CONTRACTOR:**  
(Name, legal status and address)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

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### **ARTICLE A.1 GENERAL**

The Owner and Contractor shall purchase and maintain insurance, and Contractor shall provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term General Conditions refers to the modified AIA Document A201™-2017, General Conditions of the Contract for Construction.

### **ARTICLE A.2 OWNER'S INSURANCE**

#### **§ A.2.1 General**

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article A.2 and, upon the Contractor's request, provide a copy of the property insurance policy or policies required by Section A.2.3. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

**ADDITIONS AND DELETIONS:** The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is intended to be used in conjunction with AIA Document A201™-2017, General Conditions of the Contract for Construction. Article 11 of A201™-2017 contains additional insurance provisions.

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## **§ A.2.2 [Intentionally Deleted]**

### **§ A.2.3 Required Property Insurance**

**§ A.2.3.1** Unless this obligation is placed on the Contractor by this Contract, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk "all-risks" or "causes of loss-special form" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner's property insurance coverage shall be no less than the amount of the initial Guaranteed Maximum Price, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion and thereafter as provided in Section A.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the Owner as the first named insured, and the Contractor, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees. Notwithstanding anything in the Contract Documents to the contrary, to the extent the descriptions or requirements of the property insurance coverage required in this Section A.2.3 conflict with the property insurance policy procured by the Owner, the provisions of the actual insurance policy shall govern. The Contractor acknowledges and agrees that it assumes the responsibility to determine the nature and amount of the coverage and the terms, conditions and all other aspects of the builder's risk insurance and the adequacy and suitability of such insurance for the needs of the Contractor, the Subcontractors, the Sub-subcontractors and the suppliers, including, but not limited to, the amount of the "all other perils" deductible, per occurrence, as provided in the builder's risk policy. The Contractor further acknowledges and agrees that the builder's risk policy will contain deductibles and waiting periods and will contain definitions, terms, conditions, exclusions, limitations, limits of liability and sublimits of liability with respect to coverage provided under the policy. It shall be the Contractor's sole responsibility, and the Contractor has had the opportunity, to evaluate the coverage afforded by such policy and, if it so elects, to obtain and maintain its own insurance against all property losses not covered by the builder's risk insurance, without additional cost to the Owner.

**§ A.2.3.1.1 Causes of Loss.** To the extent commercially reasonably available, the insurance required by this Section A.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, or windstorm. To the extent commercially reasonably available, the insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are set forth in the policy documents.

**§ A.2.3.1.2 Specific Required Coverages.** To the extent commercially reasonably available, the insurance required by this Section A.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. To the extent commercially reasonably available, the insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Contractor's services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are set forth in the policy documents.

#### **§ A.2.3.1.3 [Intentionally Deleted]**

**§ A.2.3.1.4 Deductibles and Self-Insured Retentions.** If the insurance required by this Section A.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions, unless the loss arose out of the Work or the operation of Contractor or its Subcontractors, Sub-subcontractors or suppliers.

## **§ A.2.3.2 [Intentionally Deleted]**

### **§ A.2.3.3 Insurance for Existing Structures**

If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner may, in its sole discretion, purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, "all-risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section A.2.3.1, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

**§ A.2.4 [Intentionally Deleted]**

**§ A.2.5 [Intentionally Deleted]**

**ARTICLE A.3 CONTRACTOR'S INSURANCE AND BONDS**

**§ A.3.1 General**

**§ A.3.1.1 Certificates of Insurance.** The Contractor shall provide certificates of insurance and endorsements acceptable to the Owner evidencing compliance with the requirements in this Article A.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section A.3.2.1 and Section A.3.3.1. The certificates and endorsements shall include the Owner and other parties required herein, as additional insureds, to the extent required by the Contract Documents.

**§ A.3.1.2 Deductibles and Self-Insured Retentions.** All deductibles and self-insured retentions shall be subject to the Owner's prior written approval.

**§ A.3.1.3 Additional Insured Obligations.** See Exhibit A-1, attached hereto.

**§ A.3.2 Contractor's Required Insurance Coverage**

**§ A.3.2.1** The Contractor shall purchase and maintain the types and limits of insurance set forth in Exhibit A-1, from an insurance company or insurance companies acceptable to the Owner and lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Contractor shall maintain the required insurance for the durations set forth in Exhibit A-1.

**§ A.3.2.2 Commercial General Liability**

**§ A.3.2.2.1** Commercial General Liability insurance for the Project written on an occurrence form with policy limits as set forth in Exhibit A-1, providing coverage for claims including, without limitation:

- .1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;
- .2 personal injury and advertising injury;
- .3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
- .4 bodily injury or property damage arising out of completed operations; and
- .5 the Contractor's indemnity obligations under Section 3.18 of the General Conditions.

**§ A.3.2.2.2** Without limitation to Exhibit A-1, Contractor's Commercial General Liability policy under this Section A.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

- .1 Claims by one insured against another insured, if the exclusion or restriction is based on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.
- .2 Claims for property damage to the Contractor's Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.
- .3 Claims for bodily injury other than to employees of the insured.
- .4 Claims for indemnity under Section 3.18 of the General Conditions arising out of injury to employees of the insured.
- .5 Claims or loss excluded under a prior work endorsement, a prior or pre-existing defect or damage endorsement or other similar exclusionary language.
- .6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.
- .7 Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.
- .8 Claims related to roofing, if the Work involves roofing.
- .9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such systems, coatings or surfaces.
- .10 Claims related to earth subsidence or movement, where the Work involves such hazards.
- .11 Claims related to explosion, collapse and underground hazards, where the Work involves such hazards

or such exposures exist in connection with the Work.

§ A.3.2.3 Automobile Liability. See Exhibit A-1.

§ A.3.2.4 Umbrella or Follow Form Excess Liability Insurance. See Exhibit A-1.

§ A.3.2.5 Workers' Compensation at statutory limits. See Exhibit A-1.

§ A.3.2.6 Employers' Liability. See Exhibit A-1.

§ A.3.2.7 Jones Act, and the Longshore & Harbor Workers' Compensation Act, as required, if the Work involves hazards arising from work on or near navigable waterways, including vessels and docks.

§ A.3.2.8 Professional Liability Insurance. See Exhibit A-1.

§ A.3.2.9 [Intentionally Deleted]

§ A.3.2.10 [Intentionally Deleted]

§ A.3.2.11 Insurance for maritime liability risks associated with the operation of a vessel, if the Work requires such activities, with policy limits acceptable to the Owner.

§ A.3.2.12 [Intentionally Deleted]

§ A.3.3 Contractor's Other Insurance Coverage [See Exhibit A-1]

§ A.3.4 Performance Bond and Payment Bond

**[Option 1: IF BONDS ARE REQUIRED AND INCLUDED IN THE GMP:** Contractor shall furnish bonds, in a form acceptable to Owner, covering the faithful performance of the Contract and payment of obligations arising thereunder. The cost of such bonds are included in the Guaranteed Maximum Price. The Owner shall have the right to require those Subcontractors so designated in writing to furnish bonds covering the faithful performance of their subcontracts and payment of obligations arising thereunder. The cost of such bonds shall be the proper subject of a Change Order. The Owner and Lender shall be dual obligees on any such bonds. All bonds shall cover the faithful and full performance of the Contract, the payment of all obligations arising thereunder, and the lien-free completion of the Contract and the Work. The Surety Company issuing such bonds shall be licensed in the State where the Project is located. Such bonds shall provide "Any alterations which may be made in the terms of the Contract Documents or in the Work to be done thereunder, or the giving by the Obligee of any extension of time for the performance of the Contract Documents, or any other forbearance on the part of either the Obligee or Principal to the other, shall not in any way release the Surety or the Principal from the obligations of the Bond, notice to Surety of any such alteration, extension or forbearance being waived by Surety."]

**[Option 2: IF BONDS ARE NOT REQUIRED:** The Owner shall have the right to require the Contractor and those Subcontractors so designated in writing, to furnish bonds, in a form acceptable to Owner, covering the faithful performance of the Contract and payment of obligations arising thereunder. The cost of such bonds shall be the proper subject of a Change Order. The Owner and Lender shall be dual obligees on any such bonds. Such bonds shall cover the faithful and full performance of the Contract, the payment of all obligations arising thereunder, and the lien-free completion of the Contract and the Work. The Surety Company issuing such bonds shall be licensed in the State where the Project is located. Such bonds shall provide "Any alterations which may be made in the terms of the Contract Documents or in the Work to be done thereunder, or the giving by the Obligee of any extension of time for the performance of the Contract Documents, or any other forbearance on the part of either the Obligee or Principal to the other, shall not in any way release the Surety or the Principal from the obligations of the Bond, notice to Surety of any such alteration, extension or forbearance being waived by Surety."]

ARTICLE A.4 [Intentionally Deleted]