

Tuttle & Traina Insurance Agency, Inc.

44 Main Street, Post Office Box 489, Sterling, Ma 01564-0489

Phone: (978) 422-7700 Fax: (978) 422-8106

Construction Account Services

Richard C. Traina

Richard@ttiai.com

William B. Tuttle

Bill@ttiai.com

Thomas D. Moylan

Tdmoylan@juno.com

Recommended Minimum Subcontractor's Insurance Requirements

Use of the following document(s) and subcontracting procedures are recommended/required by your Insurance Company and the Tuttle & Traina Insurance Agency, Inc., as a minimum requirement for all contractors. Any sample documents provided with this proposal are provided strictly for illustrative purposes only. We advise you to review all legal requirements and documentation with an appropriate legal council.

For all contractors hiring sub-contractors, the following documentation and procedures are made a condition of providing coverage:

1. All subcontractors must provide the minimum insurance coverages and endorsements shown in "ADENDUM A" of this document;
2. All subcontractor insurance policies must name you (your company), the prime contractor, as "Named Additional Insured," (Form CG 20 10 11 85 or similar form) and evidenced by its written inclusion on a valid insurance certificate. An executed original copy of this insurance certificate(s) must be received prior to commencement of any work by any subcontractor on your job site(s) Also the certificate must clearly state the subcontractor's insurance coverage is "Primary/Non-contributory Liability Coverage";
3. Certificates of Insurance will be required, routinely requested and received prior to the start of the project. Additionally, all Certificates of Insurance will be made available for review by the insurance company at audit*;
4. Contractor needs a written contract with every Subcontractor (an Annual Subcontract Agreement is acceptable), and the contract must state that the additional Insured Coverage is not limited – i.e. not just for general supervision, and the contract must clearly state the subcontractor's insurance coverage is "PRIMARY/NON-CONTRIBUTORY Liability Coverage" to the indemnitee's liability insurance. All executed/signed contracts should be maintained by Contractor for 7 to 10 years.
5. Contractor will include/use a "Hold Harmless Agreement" in all subcontracts or Annual Subcontract — sample attached for your review with legal council--SEE ADDENDUM B.
6. Further, The Tuttle & Traina Insurance Agency, Inc., recommends every contractor subcontracting to any sub-contractors Require each Subcontractor to provide a Certificate of Insurance showing coverage for workers' compensation insurance and ask for a sworn statement from each such sub-contractor similar to the statement shown in ADDENDUM C* if the Subcontractor has "Opted Out" of the Workers Compensation coverage as Sole Proprietor, Partner, Principal, or Member.
7. The Tuttle & Traina Insurance Agency, Inc., strongly recommends all contractors develop and aggressively enforce formal "Job-Safety Standards" to comply and abide with all state and federal laws. We recommend all safety standards be enforced and included within all subcontracts. SEE ADDENDUM D.

***NOTE: You should know the Worker's Compensation Law makes you responsible to employees of sub-contractors doing work under authority from you unless such sub-contractor complies with the law by carrying workers' compensation insurance.** Unless you secure from each such sub-contractor a certificate of insurance or other such satisfactory evidence--see attached addendum #3, showing that such sub-contractor(s) have complied with the law, to be exhibited to the company's auditor when your books are audited, you will be charged for such sub-contractor's insurance. In such cases, if the actual remuneration of employees of such sub-contractors cannot be ascertained, the contract price shall be considered as such remuneration. You may also be liable to the sub-contractor himself, if he is an individual/partner, if your agreement permits you to control his activities and, unless you establish by satisfactory evidence that the sub-contractor is independent and entirely free of your control, it may be necessary to charge premium as though he were an employee.

Addendum A
AIA Document A401-1997
Insurance Requirements

Every Subcontractor shall purchase and maintain insurance of the following types of coverage and limits of liability:

Commercial General Liability (CGL)

1. Limits of Insurance of not be less than \$1,000,000 each occurrence and \$2,000,000 Annual Aggregate.
2. If the CGL coverage contains a General Aggregate Limit, such General Aggregate shall apply separately to each project.
3. CGL coverage shall be written on ISO Occurrence from CG 00 01 1093 or a substitute form providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal and advertising injury.
4. Contractor, Owner and all other parties required of the Contractor, shall be included as insureds on the CGL, using ISO Additional Insured Endorsement CG 20 10 11 85 or an endorsement providing equivalent coverage to the additional insureds. This insurance for the additional insureds shall be as broad as the coverage provided for the named insured subcontractor. It shall apply as Primary Insurance before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insured.
5. Subcontractor shall maintain CGL coverage for itself and all additional insureds for the duration of the project and maintain Completed Operations coverage for itself and each additional insured for at least 3 years after completion of the Work.

Automobile Liability

1. Business Auto Liability with limits of at least \$1,000,000 each accident.
2. Business Auto coverage must include coverage for liability arising out of all owned, leased, hired and non-owned automobiles.
3. General Contractor, Owner and all other parties required of the General Contractor, shall be included as insureds on the auto policy.

Commercial Umbrella

1. Umbrella limits must be at least \$1,000,000.
2. Umbrella coverage must include as insureds all entities that are additional insureds on the CGL.
3. Umbrella coverage for such additional insureds shall apply as primary before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insured other than the CGL, Auto Liability and Employers Liability coverage's maintained by the Subcontractor.

Workers' Compensation and Employers Liability

1. Employers Liability Insurance limits of at least \$500,000 each accident for bodily injury by accident and \$500,000 each employee for injury by disease.
2. Where applicable, U.S. Longshore and Harborworkers' Compensation Act Endorsement shall be attached to the policy.
3. Where applicable, the Maritime Coverage Endorsement shall be attached to the policy.

SAMPLE "HOLD HARMLESS AGREEMENT"

ADDENDUM B

ADDENDUM to contract dated this _____ day of _____, 20_____.

[Name of Subcontractor D/B/A]

[Name of Subcontractor's Company]

[Address of Subcontractor]

as a subcontractor, hereinafter called "Subcontractor," formally acknowledges the existence a subcontract agreement, either written or unwritten, for:

[Name of Projects]

between "Subcontractor" and the following contractor, hereinafter called "Contractor,":

[Name of Contractor].

[Street Address/Post Office Box]

[City, State and Zip].

1.1 To the fullest extent permitted by law, The "Subcontractor" hereby acknowledges and agrees that it shall indemnify, hold harmless and defend the "Contractor", the "Owner" and any of their officers, directors, employees, agents, affiliates, subsidiaries and partners from and against all claims, damages, losses and expenses including, but not limited to, attorney's fees arising out of or resulting from the performance of the "Subcontractor's" Work under this subcontract, provided that any such claims, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than to the work itself) including the loss of use resulting therefrom; and (2) is caused by any acts or omissions of the "Subcontractor", its employees, agents or subcontractors or anyone directly or indirectly employed by any of them, or anyone whose acts any of them may be liable.

1.2 The Subcontractor hereby acknowledges its obligation under the foregoing paragraph to indemnify the "Contractor" against judgments suffered because of the "Subcontractor's" Work and to assume the cost of defending the "Contractor" against claims as described in the foregoing paragraph.

Signed this _____ day of _____, 20_____.

[Name of Subcontractor/Company]

[SEAL]

By: _____

[Name]

[Title]

SAMPLE OF SUBCONTRACTOR'S WARRANTY FOR WORKERS' COMPENSATION - ADDENDUM C

[Subcontractor's Letterhead]

To: _____ [Contractor]
_____ [Mailing Address]
_____ [City, State Zip]

Re: Massachusetts Workers' Compensation Coverages

Dear Contractor:

1. This letter will serve as notice and warranty for your insurance certification and contract records that

_____ [Name of Subcontractor D/B/A]
_____ [Name of Subcontractor's Company]

as a subcontractor, hereinafter called "Subcontractor," having submitted a detailed quote for subcontract work and furnished all materials, tools and labor to complete the work undertaken as a subcontractor, formally acknowledges the existence a subcontract agreement, either written or unwritten, for all projects between "Subcontractor" and the following contractor, hereinafter called "Contractor,":

_____ [Name of Contractor]
_____ [Street Address/Post Office Box]
_____ [City, State and Zip]

2. "Subcontractor" is a []Sole Proprietorship. []Partnership, []Corporation, []LLC and does not purchase Massachusetts workers' compensation coverage for the Sole Proprietor, Partners, Officer(s) or Members, and Subcontractor will self-insure and indemnify "Contractor" for any work related injuries or claims for the Sole Proprietor, Partners, Officer(s) or Members.

3. "Subcontractor" certifies and warrants that "Subcontractor" will provide workers compensation coverage for any of "Subcontractor's" employees or any other contract laborers that may be subject to The Workers' Compensation Laws of Massachusetts.

4. To the fullest extent permitted by law, The "Subcontractor" hereby acknowledges and agrees that it shall indemnify, hold harmless and defend the "Contractor", the "Owner" and any of their officers, directors, employees, agents, affiliates, subsidiaries and partners from and against all claims, damages, losses and expenses including, but not limited to, attorney's fees arising out of or resulting from the performance of the "Subcontractor's Work" under this subcontract, provided that any such claims, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than to the work itself) including the loss of use resulting therefrom; and (2) is caused by any acts or omissions of the "Subcontractor", its employees, agents or subcontractors or anyone directly or indirectly employed by any of them, or anyone whose acts any of them may be liable.

5. The Subcontractor hereby acknowledges its obligation under the foregoing paragraph to indemnify the "Contractor" against judgments suffered because of the "Subcontractor's Work" and to assume the cost of defending the "Contractor" against claims as described in the foregoing paragraph.

Signed this _____ day of _____, 20_____.

[Attach] _____
[Business]

[Card Here] By: _____, Title: _____

SAMPLE FORMS

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED- OWNERS, LESSEES OR CONTRACTORS (FORM B)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

NAME OF YOUR COMPANY

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section 11) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

THIS CERTIFICATE is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies listed below.

NAME AND ADDRESS OF AGENCY: Tuttle & Traina Insurance Agency, Inc. 44 Main Street Post Office Box 489 Sterling, Ma 01564-0489	NAME & ADDRESS OF INSURANCE COMPANY: Company A Name of Insurance Company Company B Name of Insurance Company Company C Name of Insurance Company Company D
NAME AND MAILING ADDRESS OF INSURED: NAME OF SUBCONTRACTOR ADDRESS OF SUBCONTRACTOR	

THIS IS TO CERTIFY that policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

Co.	Type of Insurance	Policy #	Policy Effective	Policy Expiration	Limits of Insurance
GENERAL LIABILITY					
A	<input checked="" type="checkbox"/> Comm Gen Lia <input type="checkbox"/> Claims Made <input type="checkbox"/> Owners Contractor's Protective <input checked="" type="checkbox"/> Directors & Officers <input type="checkbox"/>	POLICY NO.		POLICY DATES	General Aggr \$2,000,000. Prod/Comp Op \$2,000,000. Personal/Adver \$1,000,000. Each Occur. \$1,000,000. Fire Damage \$ 50,000. Med Payments \$ 5,000.
AUTOMOBILE LIABILITY					
A	<input type="checkbox"/> Any Auto <input checked="" type="checkbox"/> Owned Priv Pass <input checked="" type="checkbox"/> Owned OT Priv Pass <input checked="" type="checkbox"/> Hired <input checked="" type="checkbox"/> Non-Owned <input type="checkbox"/> Garage Liability	POLICY NO.		POLICY DATES	B.I./Person \$ B.I./Accident \$ P.D. \$ CSL \$1,000,000.
EXCESS LIABILITY					
A	<input checked="" type="checkbox"/> Umbrella Form <input type="checkbox"/> O.T. Umbrella	POLICY NO.		POLICY DATES	Ea Occur. Aggregate \$ \$
WORKERS COMPENSATION					
B	<input checked="" type="checkbox"/> W.C. <input checked="" type="checkbox"/> Employers Liab.	POLICY NO.		POLICY DATES	STATUTORY Each Accident \$ 100,000. Disease/Pol \$ 500,000. Disease/Emp \$ 100,000.
OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/UNIT OWNER/UNIT LOCATION:
ADDITIONAL INSURED: "NAME OF CONTRACTOR" IS LISTED AS ADDITIONAL INSURED FOR ALL LIABILITY AS REQUIRED BY CONTRACT. ALL LIABILITY INSURANCE REFERENCED HEREIN IS "PRIMARY/NON-CONTRIBUTORY LIABILITY COVERAGE"

CANCELLATION: Should any of the above described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

NAME AND ADDRESS OF CERTIFICATE HOLDER/ADDITIONAL INSURED:
 "Named Additional Insured" On Policies:
 NAME OF GENERAL CONTRACTOR
 ADDRESS OF CONTRACTOR
 CITY STATE & ZIP

 Authorized Representative

ADDENDUM D

Safety Standards Contractor Assessed Fines

Attached to and constituting an integral part of the Subcontract

between _____, as Contractor,
and _____, as Subcontractor.

with respect to the project known as _____
_____.

SUBCONTRACTOR HEREBY AGREES to comply with and abide by Contractor's safety programs and all state laws.

AND, for any breach or violation of the terms or provisions of any program or law referred to in the subcontract by Subcontractor or any employee, agent, materialman, supplier or contractor of Subcontractor, as determined by Contractor, Contractor shall have the right, in addition to all other rights and remedies available to Contractor as a result thereof, and not in contravention of anything else contained in the subcontract to assess against Subcontractor a fine according to the Schedule of Fines attached hereto. If Subcontractor shall fail to pay Contractor the amount of any such fine upon demand, Contractor may deduct the amount of any such fine from the next or any succeeding payment due Subcontractor under the Subcontract.

It is understood and agreed that nothing herein contained is intended to nor shall it be construed as relieving Subcontractor of its legal and contractual obligation to comply with the provisions of the subcontract and the laws and regulations referenced therein: Contractor is not hereby assuming or accepting enforcement responsibility or the inspection or policing function for safety compliance, all of which remain with Subcontractor. If, however, Contractor does find violations, Contractor, in addition to the other remedies afforded Contractor, has the right to assess fines as aforesaid.

Subcontractor acknowledges that the fines set forth on the Schedule of Fines are reasonable and appropriate in order to encourage compliance with all safety programs and laws and thereby improve the workplace for all workers.

AGREED TO AND ACCEPTED:

SUBCONTRACTOR

By: _____ Date: _____

PRINT NAME & TITLE:

SAFETY VIOLATION ASSESSMENT SCHEDULE OF VALUES FOR EACH VIOLATION A FINE NOT TO EXCEED:

VIOLATION	FINE-
Guard Rails/Staging	\$500.00
Floor Openings Roof Perimeter & Barricades	\$500.00
Compressed Gas	\$500.00
Electrical Panel	\$500.00
Ladder	\$500.00
Clothing (Protective)	\$200.00
Housekeeping	\$200.00
Power tool	\$500.00
Fire Prevention	\$500.00
Trenching	\$500.00
Hard hat	\$100.00
Miscellaneous	\$500.00

Warning: Subcontractor may be dismissed from the jobsite for repeated or multiple violations.