

## ATTACHMENT "A" INSURANCE & BONDING APPENDIX

### A. Insurance Requirements

1. Subcontractor shall, at its own expense, maintain in effect not less than the following coverages and limits of insurance which shall be maintained with insurers, policy forms and deductibles satisfactory to Harbison-Mahony-Higgins Builders, Inc. and the Owner. If Subcontractor uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, Subcontractor agrees to amend, supplement or endorse the existing coverage to do so, at no additional cost to Harbison-Mahony-Higgins Builders, Inc.

Certificate/Endorsements shall be mailed to the following address:

**Harbison-Mahony-Higgins Builders Inc.  
15 Business Park Way, Suite 101  
Sacramento, CA 95828**

a) **Workers' Compensation and Employer's Liability Insurance**

State Workers' Compensation - coverage as required by law.

Employer's Liability with limits not less than each of the following:

\$1,000,000	each accident for bodily injury;
\$1,000,000	policy limit for bodily injury by disease;
\$1,000,000	each employee for bodily injury by disease.

Waiver of Subrogation Endorsement is required in favor of Harbison-Mahony-Higgins Builders, Inc. and the Owner.

b) **General Liability and Umbrella/Excess Insurance**

Subcontractor shall carry a Commercial General Liability Policy provided on or equivalent to ISO CGL Form No. CG 00 01 10 01. Policy must include coverage for premises operations, completed operations, contractual liability and broad form property damage. Subcontractor shall provide limits as required for your trade in accordance with subsection i) or ii) below. If the policy is in excess of a Subcontractor SIR (self-insured retention), the amount of such SIR must be clearly identified on the Certificate of Insurance. Harbison-Mahony-Higgins Builders, Inc. reserves the right to reject the application of such SIR, or require the Subcontractor to provide a bond on the SIR at no additional cost to Harbison-Mahony-Higgins Builders, Inc.

- i) **Specified Trades:** (Defined as Excavation, Shoring, Demolition, Crane-related work, Exterior Skin, Steel Erection, Roofing, Waterproofing, Fire Protection, Mechanical, Electrical and Plumbing, Metal Decking over three (3) stories, or other trades as HMH may specify). Harbison-Mahony-Higgins Builders, Inc. reserves the right to amend the required limits of insurance commensurate with the Subcontractor's risk. The Limits of Liability for Bodily Injury and Property Damage under this section shall not be less than:

\$5,000,000	each Occurrence;
\$5,000,000	Products/Completed Operations Aggregate;
\$5,000,000	General Aggregate – Per Project.

Job Name  
Job Location  
HMH Job No.

These requirements are **SPECIFIC** to this job, as per Owners requirements. **Please submit a Certificate and Endorsement specific to this job.**

ii) **All Other Trades:** The Limits of Liability for Bodily Injury and Property Damage under this section shall not be less than:

\$2,000,000 each Occurrence;  
\$2,000,000 Products/Completed Operations Aggregate;  
\$2,000,000 General Aggregate – per project.

c) **Automobile Insurance**

\$1,000,000 C.S.L. (Combined Single Limit) and shall cover owned, hired and non-owned automobiles.

d) **Umbrella/Excess Insurance** – If needed to meet the requirements of a), b), and c) above.

e) **Professional Liability Insurance (Errors and Omissions)**

All Subcontractors with design responsibility shall provide the following additional coverage: A Professional Liability Policy (Errors and Omissions) with Limited Contractual Liability Coverage in favor of Harbison-Mahony-Higgins Builders, Inc. and Owner and a deductible no greater than \$25,000 per claim. Any SIR must be clearly identified as such on the Certificate of Insurance and is subject to HMH's approval. This insurance shall be maintained for not less than the duration of the project and five (5) years following completion of construction. Retroactive date of such policy must be on or before the date Subcontractor began offering professional services. Limit of liability shall be not less than \$1,000,000 Per Claim.

f) **Asbestos, Lead, and/or Remediation Trades**

**Asbestos and/or Lead Liability:** If work contemplates asbestos or lead abatement, Subcontractor shall provide such insurance coverage on an occurrence basis for claims arising out of abatement, removal, storage, transportation and disposal activities with a limit of liability not less than \$5,000,000 per occurrence.

**Environmental Impairment Liability:** If work contemplates handling or hauling other pollutants, subcontractor will provide insurance to coverage, among other things, claims arising out of all hazardous material and hazardous waste remediation, storage, transportation, and disposal. Such insurance shall be written on an occurrence basis with no sunset clause, or on a claims-made basis with a minimum 5 year extended reporting period (tail) with limits of not less than \$5,000,000 each Occurrence (if written on an occurrence basis) or, \$5,000,000 each Claim (if written on a claims-made basis)

2. The General Liability and Umbrella/Excess and shall contain the following:

a) Project Specific Additional Insured Listing:

Harbison-Mahony-Higgins Builders, Inc., its parent and affiliated companies; Owner;  
Other parties as required by Owner and/or necessitated by construction activities.

b) An Additional Insured Endorsement adding as an additional insured each party noted in Section 2a of this attachment, or otherwise identified in the Prime Contract, as respects liabilities arising out of Subcontractor's work under this contract (including Products/Completed Operations) on the ISO CGL Endorsement CG 20 10 11 85 "Owners, Lessees or Contractors (Form B)", or the two ISO CGL Endorsements CG 20 10 10 01 and CG 20 37 10 01; these two endorsements together are an acceptable alternate to the "11 85" form.

c) Primary Insurance Clause - The insurance coverage required hereunder and/or provided by the Subcontractor apply on a primary basis with any other insurance policy(s) of Harbison-

Job Name  
Job Location  
HMH Job No.

These requirements are **SPECIFIC** to this job, as per Owners requirements. **Please submit a Certificate and Endorsement specific to this job.**

Mahony-Higgins Builders, Inc., the Owner and those additional insured entities as identified in the Prime Contract being excess and not contributing. Such Primary Insurance Clause shall be included on the Additional Insured Endorsement.

- d) Waiver of Subrogation Endorsement is required in favor of Harbison-Mahony-Higgins Builders, Inc. and the Owner.
  - e) Cross Liability coverage as would be achieved under the standard ISO separation of insured's clause.
  - f) Provision or endorsement stating that such insurance, subject to terms and conditions usual to Standard General Liability and Umbrella/Excess Liability Policies, applies to the liability assumed by Subcontractor under this contract.
3. Modified Occurrence Liability Policies are **not** acceptable. Claims Made General Liability Policies are **not** acceptable. Subcontractors providing such insurance will be considered in default of the requirements of this Subcontract Agreement.
4. On execution of the Subcontract and prior to commencement of work, Subcontractor shall file on forms acceptable to Harbison-Mahony-Higgins Builders, Inc. a certificate of insurance properly executed and signed by an authorized representative on behalf of the insurer(s) evidencing the above coverages and conditions to Harbison-Mahony-Higgins Builders, Inc. Subcontractor shall maintain the required Insurance and Additional Insureds for the period of time for which the Subcontractor may be held legally liable for its work.

Also, the required Certificates of Insurance and Additional Insured Endorsements shall be provided and maintained during warranty period of the Subcontractor's work. Subcontractor further agrees, upon written request by Harbison-Mahony-Higgins Builders, Inc. or Owner, to furnish copies of such policies, certified by an authorized representative of the insurer(s).

5. All Insurance coverage provided by the Subcontractor shall be through acceptable insurance carriers licensed in the state(s) where work is being performed with a minimum A.M. Best Company standard of A-:VII or greater.
6. All Subcontractor's policies shall contain an endorsement providing that written notice shall be given to Harbison-Mahony-Higgins Builders, Inc. and Owner at least **thirty (30)** days prior to termination, non-renewal, cancellation or reduction of coverage in the policy. The certificate must have the following cancellation wording crossed out: "...ENDEAVOR TO..." and "...BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES."

#### **B. Bonding Requirements (If required in Subcontract Agreement)**

- 1. Payment and Performance Bonds to be in the amount of 100% of the contract.
- 2. Harbison-Mahony-Higgins Builders, Inc. bond forms are issued with Subcontract Agreements. These are the **only** forms that will be accepted and must appear without revision. Forms must be signed and notarized for both Principal and Surety. Exhibit A-2 is samples of the payment and performance bonds.

Job Name  
Job Location  
HMH Job No.

These requirements are **SPECIFIC** to this job, as per Owners requirements. **Please submit a Certificate and Endorsement specific to this job.**

3. Surety Bond Carriers will be deemed acceptable if listed in the most current United States Department of the Treasury – Federal Register for a treasury limit not less than the amount of the contract or if approved by Harbison-Mahony-Higgins Builders, Inc.
4. For all change orders causing additions greater than either \$100,000 or 50% of the previously bonded amount of the subcontract, Subcontractor will be responsible for obtaining Consent of Surety in the form of an increase rider which shall increase the original bond to an amount equal to the new subcontract amount.
5. Premiums are to be paid by Subcontractor.

Job Name  
 Job Location  
 HMH Job No.

These requirements are **SPECIFIC** to this job, as per Owners requirements. **Please submit a Certificate and Endorsement specific to this job.**

## Sample Certificate of Insurance

**Subcontractor's Insurance Broker** → **ACORD** CERTIFICATE OF LIABILITY INSURANCE DATE (MM/DD/YY) 08/02/01

**Name of Subcontractor (It should match the name as written in the Subcontract)** → PRODUCER Agency Manager, Inc. 2500 Bond Street University Park, IL 60466  
 Phone No. 800-999-5368 Fax No.

INSURED Subcontractor 123 Main Street San Francisco, CA 45678

**COVERAGES**  
 THIS IS TO CERTIFY THAT THE 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 THE 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 LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	123456789	08/01/06	08/01/07	GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COMP/OP AGG \$ 1,000,000
					PERSONAL & ADV INJURY \$ 1,000,000
					EACH OCCURRENCE \$ 1,000,000
	FIRE DAMAGE (Any one fire) \$ 50,000				
	MED EXP (Any one person) \$ 5,000				
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTO <input checked="" type="checkbox"/> NON-OWNED AUTOS	234567891	08/01/06	08/01/07	COMBINED SINGLE LIMIT \$ 1,000,000
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$
					OTHER THAN AUTO ONLY \$
					EACH ACCIDENT \$
					AGGREGATE \$
B	<b>EXCESS LIABILITY</b> <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	456789123	08/01/06	08/01/07	EACH OCCURRENCE \$ 1,000,000
					AGGREGATE \$ 1,000,000
C	<b>WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY</b> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL	345678912	08/01/06	08/01/07	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER \$
					EL EACH ACCIDENT \$ 1,000,000
					EL DISEASE - POLICY LIMIT \$ 1,000,000
	<b>OTHER</b>				EL DISEASE - EA EMPLOYEE \$ 1,000,000
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS General Liability - Certificate Holder is an Additional Insured per attached Form CG 20 10 11 85. RE: Much Needed Renovation Project Job No. 97-5210					
<b>CERTIFICATE HOLDER</b> 0000000 Harbison-Mahony-Higgins Builders, Inc. 15 Business Park Way, Suite 101 Sacramento, CA 95828			<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT <del>FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.</del> AUTHORIZED REPRESENTATIVE		
ACORD 25-S (1995)			ACORD CORPORATION 1998		

**Claims Made or Modified Occurrence is not acceptable** →

**This section is to evidence Professional Liability or Pollution Liability if required** →

**This section should reference the job number, project name, and/or location** →

**Current dates are required** →

**The two "each occurrence" boxes should total at least as much as required in your contract** →

**The totals in each box should be at least \$1 million** →

**This should name Builders with the full address** →

**Signed by the Broker only** →

**This wording should be "X"d out** →

Job Name  
Job Location  
HMH Job No.

These requirements are **SPECIFIC** to this job, as per Owners requirements. **Please submit a Certificate and Endorsement specific to this job.**

## Sample Additional Insured Endorsement

*The Named Insured should always be the same as the "Insured" name on the Certificate (It should also read exactly the same as in the Subcontract Agreement)*

*This policy number should be the same as that listed for General Liability on the Certificate of Insurance*

POLICY NUMBER :  COMMERCIAL GENERAL LIABILITY  
NAMED INSURED:

**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 .

Name of Person or Organization:

SCHEDULE

Harbison-Mahony-Higgins Builders, its parent and affiliated companies; Owner; other parties as required by Owner and/or necessitated by construction activities

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

*This is where the Additional Insureds should be listed*

**WHO IS AN INSURED** (Section II) 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.

*Should list out the project, name, location, and/or project number that the Subcontract Agreement refers to*

It is further agreed that such insurance as is afforded by this policy for the benefit of the above Additional Insured(s) shall be primary insurance as respects any claim, loss or liability arising out of the Named Insured's operations, and any other insurance maintained by the Additional Insured(s) shall be excess and non-contributory with the insurance provided hereunder.

It is agreed that the above policy contains a standard cross liability or severability of interest clause.

CG 20 10 11 85

Copyright, Insurance Services Office, Inc., 1984

*This is the standard endorsement number (CG 20-10) and 11 85 edition date is required by the Subcontract Agreement*

*The primary wording, as required in the contract, is typed onto the Additional Insured Endorsement here. The severability of interest clause is often typed here too.*

Job Name  
Job Location  
HMH Job No.

These requirements are **SPECIFIC** to this job, as per Owners requirements. **Please submit a Certificate and Endorsement specific to this job.**

**SAMPLE BOND**

BOND NO. \_\_\_\_\_  
PREMIUM \_\_\_\_\_

**SUBCONTRACT PAYMENT BOND**

KNOW ALL MEN BY THESE PRESENTS, That we «**SUBCONTRACTOR**», as Principal, and \_\_\_\_\_ as Surety, are held and firmly bound unto **HARBISON-MAHONY-HIGGINS BUILDERS, INC.** as Obligee, in the penal sum of «**CONTRACTAMT1**» and **no/100 dollars** («**CONTRACTAMT2**») lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THE OBLIGATION IS SUCH, That Whereas, the Principal entered into a certain agreement which is hereto attached and made a part hereof, with the Obligee dated «**SUBCONTRACTDATE**», for labor, material, equipment and services, complete plans, specifications, addenda thereto and in accordance with Subcontract No. «**SUBCONTRACTNO**» being part of the work covered by a contract dated on or about «**CONTRACTDATE**», between «**OWNERNAME**», «**OWNERADDRESS**», hereinafter called Owner, and the said Obligee for «**PROJECTNAME**», «**PROJECTADDRESS**», which contract and the specifications and general conditions thereof are hereby incorporated herein and shall be deemed a part hereof as fully as if set out herein.

NOW, THEREFORE, if the said Principal shall pay promptly and in full the claims of all persons, firms or corporations, performing labor or furnishing equipment, materials, or supplies incurred in connection with the contract to be performed under said agreement, and shall indemnify and save harmless the Obligee from all loss, liability, costs, damages, penalty, attorney's fees or expenses for all taxes, insurance premiums, any and all applicable contributions, allowances or other payments or deductions, however termed, required by statute or union labor agreement, including voluntary payment thereof by the Obligee necessary to insure orderly prosecution of work or other items or services used in, upon or for or incurred in connection with the contract to be performed under said agreement, then this obligation shall be of no effect, but otherwise it shall remain in full force and effect.

It is a condition hereof that any change, alteration, modification or amendment of any nature whatsoever that may be made in the terms of said agreement, any change in the character or scope of the work to be performed, or the method of performance, under said agreement or modification of said agreement or in the time for completion thereof, any change in the manner, time or amount of payment as provided therein, any change of any nature whatsoever that may be made in the terms of the contract between the said Obligee and the Owner or any change that may be made in the performance of the work under said agreement by the Principal, assented to by the Obligee, whether made under express agreement or not, may be made without notice to the Surety and without affecting the obligations of the Surety on this bond and without requiring the consent of the Surety, and no such change or changes shall release the Surety from any of its obligations hereunder, the Surety hereby consenting to and waiving notice of any such change, alteration, modification or amendment.

Subject to the priority of the named Obligee with respect to recovery up to the penal sum of this bond, persons who have supplied or furnished labor, material machinery, equipment or supplies to the Principal for use in the prosecution of the work provided for in said contract shall have a direct right of action against said Principal and Surety under this bond.

IN WITNESS WHEREOF, the said Principal and Surety have hereunto set their hands and seal, this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

PRINCIPAL: \_\_\_\_\_  
SIGNATURE

NAME/TITLE: \_\_\_\_\_

SURETY: \_\_\_\_\_  
SIGNATURE

NAME/TITLE: \_\_\_\_\_

\*Notary acknowledgement required for Principal & Surety  
**Exhibit A-1**

Job Name  
Job Location  
HMH Job No.

These requirements are **SPECIFIC** to this job, as per Owners requirements. **Please submit a Certificate and Endorsement specific to this job.**

**SAMPLE BOND**

BOND NO. \_\_\_\_\_  
PREMIUM \_\_\_\_\_

**SUBCONTRACT PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS, That we «**SUBCONTRACTOR**», as Principal, and \_\_\_\_\_ as Surety, are held and firmly bound unto **HARBISON-MAHONY-HIGGINS BUILDERS, INC.** as Obligee, in the penal sum of «**CONTRACTAMT1**» and **no/100 dollars** («**CONTRACTAMT2**») lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THE OBLIGATION IS SUCH, That Whereas, the Principal entered into a certain agreement which is hereto attached and made a part hereof, with the Obligee dated «**SUBCONTRACTDATE**», for labor, material, equipment and services, complete per plans, specifications, addenda thereto and in accordance with Subcontract No. «**SUBCONTRACTNO**» being part of the work covered by a contract dated on or about «**CONTRACTDATE**», between «**OWNERNAME**», «**OWNERADDRESS**» hereinafter called Owner, and the said Obligee for «**PROJECTNAME**», «**PROJECTADDRESS**» which contract and the specifications and general conditions thereof are hereby incorporated herein and shall be deemed a part hereof as fully as if set out herein.

NOW, THEREFORE, if the said Principal shall fully indemnify and save harmless the Obligee from all loss, liability, costs, damages, penalty, attorney's fees or expense which Obligee may incur by reason of failure to well and truly keep and perform each, every and all of the terms and conditions of said agreement on the part of the said Principal to be kept and performed, including but not limited, to completion within the time specified of all work covered by said agreement, performance of all obligations, and guarantees of the Obligee relating to such work under the contract with the Owner; then this obligation shall be of no effect, but otherwise it shall remain in full force and effect.

It is a condition hereof that any change, alteration, modification or amendment of any nature whatsoever that may be made in the terms of said agreement, any change in the character or scope of the work to be performed, or the method of performance, under said agreement or modification of said agreement or in the time for completion thereof, any change in the manner, time or amount of payment as provided therein, any change of any nature whatsoever that may be made in the terms of the contract between the said Obligee and the Owner or any change that may be made in the performance of the work under said agreement by the Principal, assented to by the Obligee, whether made under express agreement or not, may be made without notice to the Surety and without affecting the obligations of the Surety on this bond and without requiring the consent of the Surety, and no such change or changes shall release the Surety from any of its obligations hereunder, the Surety hereby consenting to and waiving notice of any such change, alteration, modification or amendment.

It is a further condition hereof that no other than the named Obligee and the successors, administrators, or assigns of the Obligee shall have the right of action under this bond.

IN WITNESS WHEREOF, the said Principal and Surety have hereunto set their hands and seal, this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

PRINCIPAL: \_\_\_\_\_  
SIGNATURE

NAME/TITLE: \_\_\_\_\_

SURETY: \_\_\_\_\_  
SIGNATURE

NAME/TITLE: \_\_\_\_\_

\*Notary acknowledgement required for Principal & Surety  
**Exhibit A-2**