

**STATE SYSTEM OF HIGHER EDUCATION  
COMMONWEALTH OF PENNSYLVANIA**

**INSURANCE RIDER  
FOR THE  
CONSTRUCTION CONTRACT**

**1.1 GENERAL**

- 1.1.1 All policies shall be issued by insurance companies authorized to conduct such business under the laws of the Commonwealth of Pennsylvania, and which have been issued a Financial Strength Rating of A- or better by A.M. Best Company, Inc.
- 1.1.2 Coverage shall be in place prior to any Work taking place on site, and shall be maintained without interruption until the time specified for each type of insurance in the following paragraphs, or unless termination of coverage is approved by the System.
- 1.1.3 If the Contractor fails to maintain, at any time, the requirements of this Rider, the System may terminate or suspend the Work of the Contractor, according to the provisions of the General Conditions for the Construction Contract.

**1.2 REQUIRED DOCUMENTATION**

- 1.2.1 Prior to Notice to Proceed, the Contractor shall furnish to the System a Certificate of Insurance indicating the existence of the insurance required under this Article, the amount of coverage of such insurance, and the amount of the deductible. The Certificate shall cite the applicable project, contract, or site location. The Certificate shall contain a provision stating that coverages will not be canceled or changed prior to the expiration date without giving 30-day prior written notice to the System. The System shall be expressly endorsed as a cancellation notice recipient.
- 1.2.2 The System shall be named as an Additional Insured on the liability policies. The coverage shall be primary and non-contributory. A copy of the policy's Additional Insureds endorsement shall be provided with the Certificate.
- 1.2.3 Renewal Certificates shall be provided to the System prior to the expiration date shown on the Certificate.
- 1.2.4 Upon request, the Contractor shall submit a certified copy of the entire policy to the System.

**1.3 CONTRACTOR'S LIABILITY INSURANCE**

- 1.3.1 The Contractor shall purchase and maintain such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations under the Contract, whether such operations be by the Contractor or by a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Coverage shall provide for:
  - a. claims under Workers Compensation and other similar employee benefit laws, with coverage of at least the Pennsylvania-mandated minimums;
  - b. claims for damages because of bodily injury to, occupational sickness or disease of, or death of the Contractor's employees, and claims insured by usual personal injury coverage;
  - c. claims for damages because of bodily injury to, sickness or disease of, or death of any person other than the Contractor's employees, and claims insured by usual personal injury coverage.

- d. and claims for damages because of injury to or destruction of tangible property including loss of use resulting therefrom.
- 1.3.2 The Contractor's general liability insurance shall be written for not less than \$1,000,000 for each occurrence, and for not less than \$3,000,000 general aggregate.
- 1.3.3 The Contractor's automobile insurance shall be written for not less than \$1,000,000 combined single limit.
- 1.3.4 The Contractor may have umbrella liability insurance to meet the required aggregate limits for the general liability, automobile, and Workers Compensation insurances.
- 1.3.5 The Contractor's liability insurances shall also provide for:
- a. completed operations and products liability coverage;
  - b. contractual liability coverage as necessary to meet the Contractor's obligations under Article 14.7, No Third Party Rights, and Article 14.8, Hold Harmless, of the General Conditions for the Construction Contract;
  - c. and, if required by the Contract Special Conditions or Technical Specifications, special property damage liability coverage commonly referred to as XCU (explosion, collapse, and underground damage), and/or adequate protection against special hazards when required (i.e. blasting, etc.).
- 1.3.6 The Contractor's liability policies shall contain a waiver of subrogation in favor of the System.
- 1.3.7 The Contractor's liability insurances shall remain in force for at least three (3) years after Substantial Completion.

#### **1.4 SUBCONTRACTORS' LIABILITY INSURANCE**

- 1.4.1 The Contractor shall either require each of its subcontractors to procure and to maintain during the life of its subcontract Workers Compensation, general liability, automobile liability, and property damage liability insurance of the type and in the same amounts as specified in this Article, or insure the activity of its subcontractors in its own insurance policies.
- 1.4.2 The Contractor shall submit to the System, prior to any subcontractors or sub-subcontractors commencing any on site work, evidence that the subcontractors or sub-subcontractors are covered by insurance as required herein.
- 1.4.3 The Contractor shall require all subcontractors' liability policies to contain a waiver of subrogation in favor of the System.

#### **1.5 PROPERTY INSURANCE**

- 1.5.1 The Contractor shall purchase and maintain property insurance for all insurable Work included in the Contract, in the amount of the original Contract Sum as well as subsequent changes thereto. The property insurance may be in the form of Builder's Risk insurance or an Installation Floater, as appropriate.
- 1.5.2 The property insurance shall be on an all-risk policy form, and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage due to, without duplication of coverage, windstorm and other weather, as well as due to theft, vandalism, malicious mischief, falsework, testing and startup, temporary facilities, and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for the services and expenses required as a result of such insured loss and incurred by the System, the System's Professional, and any of the System's agents. The Contractor shall submit to the System for its approval all items deemed to be uninsurable.

- 1.5.3 The property insurance shall be in the names of the System and the Contractor as their respective interests may appear, in full 100% of the insurable value thereof, and shall fully protect the interests of the System, the Commonwealth of Pennsylvania, the Contractor, subcontractors, and sub-subcontractors. The Contractor shall be responsible for paying policy deductibles.
- 1.5.4 The Contractor's property insurance shall remain in force until the acceptance of the completed Work by the System. The Contractor shall maintain adequate property insurance to cover any materials and temporary facilities remaining after acceptance of the completed Work.
- 1.5.5 Partial occupancy or use in accordance with Article 10.1.2 of the General Conditions for the Construction Contract shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise.
- 1.5.6 If expressly required elsewhere in the contract documents, the Contractor may be required to obtain insurance, or additions to the property insurance, to insure against the perils of flood, earthquake, sinkhole, and/or other such risks.