



FNSB INSURANCE REQUIREMENTS FOR SERVICE AREA CONTRACTORS

1. **INSURANCE:** Prior to commencing any work under a purchase order/contract resulting from this RFQ, the Contractor will provide obtain and maintain in force the insurance coverage specified in this section with an insurance company rated "Excellent" or "Superior" by A.M. Best Company, or specifically approved by the Borough risk manager.

If a Contractor has a question as to their ability to provide the required coverage they should consult with their agent or broker prior to submitting a response to the RFQ.

Limits: The **Contractor** shall obtain insurance for not less than the following limits:

- Commercial general liability: coverage written on an occurrence basis with limits of not less than \$1,000,000 per occurrence;
- Comprehensive automobile liability: \$1,000,000 combined single limit;
- Workers' compensation: \$100,000 each accident, \$500,000 disease--policy limit, and \$100,000 disease--each employee;

Automobile Liability Insurance: All autos, or all owned, non-owned, and hired automobiles must be insured when the **Contractor** is using them to do work under this Agreement. If the **Contractor** submits insurance covering only scheduled autos, then the **Contractor** must assure that any additional vehicles are insured before using them in the work under this Agreement.

Workers' Compensation: Any employee of the **Contractor** must be covered by workers' compensation insurance during the term of the Agreement. This policy must be endorsed with a waiver of subrogation in favor of the Borough. The **Contractor** is not required to provide a certificate of workers compensation insurance if the Contractor certifies in a manner acceptable to the Borough that the Contractor has no employees subject to the Act. The **Contractor** is not required to provide a certificate of workers' compensation covering certain employees under the following circumstances: Corporations - If the executive officer claims an exemption, then the **Contractor** must provide a certificate of waiver for that officer from the Alaska Department of Labor; Sole Proprietors - The **Contractor** must sign a workers' compensation release on a form provided by the Borough; Partnerships - Every partner must sign a workers' compensation release on a form provided by the Borough.

Alternate Coverage: A combination of primary and excess/umbrella policies may be used to fulfill the insurance requirements of this section.

Additional Insured: During the contract term, the **Contractor** shall add and maintain the Borough as an additional insured in the Contractor's commercial general liability policy. This policy will provide primary coverage for the Borough, and it will provide that the policy treats each additional insured as though the insurer had issued separate policies.

Certificate of Insurance: Prior to commencing any work under this Agreement, the **Contractor** will provide a certificate of insurance in a form acceptable to the Borough showing that the **Contractor** has the required insurance coverage.

Cancellation: The **Contractor** must assure that the Borough receives notice if the Contractor's insurance is going to be canceled, not renewed, or changed. The certificate of insurance must say that the insurer will notify the Borough at least 30 days before the insurer cancels, refuses to renew, or materially changes the coverage.

Subcontracting: The General Contractor is responsible to the Borough to verify insurance on all subcontractors and furnish copies of same to the Borough upon request. All subcontractors must carry and show proof of the minimum limits of liability indicated above.