

# CHAPTER 10

## INSURANCES

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### I. PURPOSE

- This chapter identifies the types and extent of various contractually required insurance coverages.
- Sub-recipients that are units of government shall comply with their own insurance requirements as well as any relevant state of Florida insurance requirements which would minimally include liability coverage.
- Sub-recipients that are consultants to DHCD shall comply with the insurance requirements as stipulated in DHCD's contract.

### II. MINIMUM REQUIREMENTS

- Sub-recipients are required to furnish to DHCD certificates of insurance (Accord forms) which indicate that insurance coverage has been obtained that meets the requirements as stipulated in DHCD's contracts. These certificates must be received by DHCD before any payments are made. When an insurance policy crosses contract years, contractors must resubmit a certificate of insurance for inclusion in DHCD's most current contract files.
- Worker's Compensation - this is required by Chapter 440, Florida Statutes for contractors with three or more employees.
- Bonding Insurance - except as otherwise required by law, contractors shall follow their own requirements relating to performance bonds, payment bonds, and bid guarantees for construction and facilities improvements unless the construction exceeds \$100,000. Where construction costs exceeds \$100,000, contractors are to comply with the bonding and insurance provisions stated in OMB Circular A-110 or 24 CFR Part 85, as applicable.

Miami-Dade County does not require sub-recipients to carry bonding insurance; however, it is a good business practice.

The Sub-Recipient Agreements contain the following requirements regarding Insurance:

#### Insurance Requirements

The Contractor shall furnish to Miami-Dade County, c/o Department of Housing and Community Development, 701 NW 1<sup>st</sup> Court, 14<sup>th</sup> Floor, Miami, Florida 33136, Certificate(s) of Insurance evidencing insurance coverage that meets the requirements as outlined below:

1. Worker's Compensation as required by Chapter 440, Florida Statutes.

2. Public Liability Insurance on a comprehensive basis in an amount not less than \$300,000 per occurrence for Bodily Injury and Property Damage combined. Miami-Dade County must be shown as an additional insured with respect to this coverage.
3. Automobile Liability Insurance covering all owned, non-owned and hired vehicles used in connection with this contract in an amount not less than \$300,000 per occurrence for Bodily Injury and Property Damage combined.

**DESIGN STAGE (IF APPLICABLE)**

In addition to the insurance required in (1)-(3) above, a Certificate of Insurance must be provided as follows:

4. Professional Liability Insurance in the name of the Contractor of the licensed design professional employed by the Contractor in an amount not less than \$300,000 per occurrence providing for all sums which the Contractor and/or the design professional shall become legally obligated to pay as damages for claims arising out of the services performed by the Contractor or any person employed by the Contractor in connection with this contract. This insurance shall be maintained for a period of two (2) years after the Certificate of Occupancy is issued.

**CONSTRUCTION PHASE (IF APPLICABLE)**

In addition to the insurance required in 1-4 above, the Contractor shall provide or cause its Subcontractors to provide original policies indicating the following types of insurance coverage prior to any construction:

5. Completed Value Builder's Risk Insurance on an "All Risk" basis in an amount not less than one hundred (100%) percent of the insurable value of the building(s) or structure(s). The policy shall be in the name of Miami-Dade County and the Contractor.
6. Flood Insurance shall be provided for those properties found to be within a flood hazard zone, in an amount not less than the full replacement values of the completed structure(s) or the maximum amount of coverage available through the National Flood Insurance Program (NFIP), whichever is greater. The policy will show Miami-Dade County as a Loss Payee A.T.I.M.A. This policy will be provided at such time that the buildings' walls and roof exist.

**OPERATION/MANAGEMENT PHASE (IF APPLICABLE)**

After the Construction Phase is completed and occupancy begins, the following insurance must be kept in force throughout the duration of the Loan and/or Contract:

7. Public Liability in an amount not less than \$1,000,000 per occurrence for Bodily Injury and Property Damage combined. Miami-Dade County must be shown as an additional insured with respect to this coverage.
8. Property Insurance Coverage on an "All Risk" basis in an amount not less than one hundred (100) percent of the replacement cost of the property. Miami-Dade County must be shown as a Loss Payee with respect to this coverage A.T.I.M.A.
9. Flood Insurance coverage for those properties found to be within a flood hazard zone for the full replacement values of the structure(s) or the maximum amount of coverage available through the National Flood Insurance Program (NFIP). The policy will show Miami-Dade County as a Loss Payee A.T.I.M.A.

#### **CONTRACTOR LIABILITY OBLIGATION**

Compliance with the foregoing requirements shall not relieve the Contractor of his liability and obligation under this subsection or under any subsection of this contract. The contract is contingent upon receipt of the insurance documents within fifteen (15) calendar days after the Board of County Commissioners' approval. If the Insurance Certificate is received within the specified period, but not in the manner prescribed in these requirements, the Contractor shall be verbally notified of the deficiency and shall have an additional five (5) calendar days to submit a corrected certificate to the County.

If the Contractor fails to submit the required insurance documents in the manner prescribed in these requirements within twenty (20) calendar days after the Board of County Commissioners' approval, the Contractor shall be in default of the terms and conditions of the contract.

#### **CERTIFICATE CONTINUITY**

The Contractor shall be responsible for assuring that the insurance certificates required in conjunction with this subsection remain in force for the duration of the contract period, including any and all option years, if applicable. If the insurance certificates are scheduled to expire during the contract period, the Contractor shall be responsible for submitting new or renewed insurance certificates to the County at a minimum of thirty (30) calendar days before such expiration.

In the event that expiration certificates are not replaced with new or renewed certificates that cover the contract period, the County shall suspend the contract until the new or renewed certificates are received by the County in the manner prescribed in the requirements; provided, however, that this suspended period does not exceed thirty (30) calendar days. If such suspension exceeds thirty (30) calendar days, the County may, at its sole discretion, terminate the contract for cause.

Prior to execution of the contract by the County and commencement of the contracted services, the Contractor shall obtain all insurance required under this Section and submit same to the County for approval. All insurance shall be maintained throughout the term of the contract.

The Public Liability Insurance coverage as required in paragraph (2) above shall include those classifications, as listed in Standard Liability Insurance Manuals, which are applicable to the operations of the Contractor in the performance of this Contract.

All insurance policies required above shall be issued by companies authorized to do business under the laws of the State of Florida, with the following qualifications:

The company must be rated no less than "B" as to management, and no less than "Class V" as to financial strength, according to the latest edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey, or its equivalent, subject to the approval of the County's Risk Management Division.

Certificates will show that no modification or change in insurance shall be made without thirty (30) days written advance notice to the certificate holder.

#### C. Indemnification

The Contractors shall indemnify and hold harmless the County and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorneys' fees and costs of defense, which the County or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Agreement by the Contractor or its employees, agents, servants, partners principals or subcontractors. The Contractor shall pay all claims and losses in connection therewith and shall investigate and defend all claims, suits or actions of any kind or nature in the name of the County, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorney's fees which may issue thereon. The Contractor expressly understands and agrees that any insurance protection required by the Agency's Agreement with the County or otherwise provided by the Contractor shall in no way limit the responsibility to indemnify, keep and save harmless and defend the County or its officers, employees, agents and instrumentalities as herein provided.

#### D. Documents

The Contractor shall submit documents to DHCD as described below or any other document in whatever form, manner, or frequency as prescribed by DHCD. These will be used for monitoring progress, performance, and compliance with the Agency's contract with the County and for compliance with applicable County and Federal requirements.

Certificates of Insurance - original to be received by DHCD within the first month of the project's contract period and prior to payments made by the County and as they are renewed throughout the contract period.