

City of Richmond - Insurance Requirements – Type 4: Leases of City Property

In all instances where LESSEE or its representatives will be leasing or using City of Richmond (City) property for an extended period, the City requires the following minimum insurance requirements and limits.

LESSEE shall procure and maintain for the duration of the contract or lease agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the LESSEE's, its agents', representatives', employees' or vendor's use of the premises. **Maintenance of proper insurance coverage is a material element of the contract or lease agreement. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.**

LESSEE agrees that in the event of loss due to any of the perils for which it has agreed to provide Commercial General Liability insurance, LESSEE shall look solely to its insurance for recovery. LESSEE hereby grants to CITY, on behalf of any insurer providing Commercial General Liability insurance to either LESSEE or CITY with respect to the services of LESSEE herein, a waiver of any right to subrogation which any such insurer of said LESSEE may acquire against the CITY by virtue of the payment of any loss under such insurance.

Original, signed certificates and original, separate policy endorsement, naming the City as an additional insured for general liability coverage, as well as a waiver of subrogation for Workers' Compensation insurance (if applicable), shall be received and approved by the City **before occupancy may occur**. However, failure to do so shall not operate as a waiver of these insurance requirements.

City reserves the right to modify or require additional coverages for specific risk exposures depending on scope of the Lease.

Minimum coverage is detailed below. The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated herein shall not serve to reduce the policy limits of coverage of LESSEE.

Minimum Scope of Insurance – the following forms shall be provided and coverage shall be at least as broad as the following:

1. Insurance Services Office Commercial General Liability coverage (ISO Occurrence Form CG 0001).
2. Insurance Services Office Automobile Liability coverage (ISO Form CA 0001, Code 1, Any Auto).
3. Original and Separate Additional Insured Endorsements for General Liability (ISO Form CG 20 10 11/85 or its equivalent) with primary and non-contributory language.
4. Workers' Compensation insurance as required by the State of California including Employer's Liability (for LESSEE's with employees).
5. Original and Separate Waiver of Subrogation for Workers' Compensation Insurance (if applicable).
6. Property insurance against all risks of loss to tenant improvements, betterments and contents.

Required Coverage	Minimum Limits
Workers' Compensation and Employers' Liability	Statutory limits as required by the State of California including \$1 million Employers' Liability per accident, per employee for bodily injury or disease. If LESSEE is self-insured, provide a certificate of Permission to Self-Insure, signed by the California Department of Industrial Relations and Self-Insurance. If Lessee is a sole proprietor (has no employees) than Lessee must sign "Contractor Release of Liability" found at: http://www.ci.richmond.ca.us/index.aspx?nid=61 .
General Liability <i>(primary and excess limits combined)</i>	\$2,000,000 per occurrence for bodily injury, personal injury and property damage. If the policy includes a general aggregate, either the general aggregate shall apply separately to this project, service or location or the minimum required aggregate limit shall be twice the per occurrence limit (\$4 million aggregate) . Policy shall also include coverage for liability arising out of the use and operation of any City-owned or City-furnished equipment used or operated by the LESSEE, its employees, agents or others with LESSEE's permission. Policy shall be endorsed to name the City of Richmond as an additional insured per the conditions detailed below.

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Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage.
Property Insurance – Only applicable to leases of City property involving tenant improvements, betterments and contents	Total value of all tenant improvements, betterments, and contents. The City of Richmond shall be named as loss payee as its interest may appear. The insurer shall waive all rights against City.

Required Policy Conditions	
Additional Insured Endorsement	Applicable to General Liability Coverage. The City of Richmond, its officers, officials, employees, agents and volunteers are to be covered as insureds for all liability arising out of ownership, maintenance or use of that part of the premises leased or used by the LESSEE.
Primary and Noncontributory	The LESSEE's insurance coverage must be primary as it pertains to the City, its officers, officials, employees, agents and volunteers. Any insurance or self insurance maintained by the City is wholly separate from the insurance of the LESSEE, shall be excess of the LESSEE's insurance, and shall not contribute with it.
A. M. Best Rating	A: VII or Better. If the A.M. Best Rating falls below the required rating, LESSEE must replace coverage immediately and provide notice to City.
Waiver of Subrogation Endorsement Form	LESSEE's insurer will provide a Waiver of Subrogation in favor of the City for Workers' Compensation Insurance during the life of this contract. SAMPLE Endorsements can be found at http://www.ci.richmond.ca.us/index.aspx?nid=61 .
Deductibles and Self-Insured Retentions	Any deductible or self-insured retention must be declared to and approved by the City. At the option of the City either the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City or the LESSEE shall procure a financial guarantee in an amount equal to the deductible or self-insured retention guaranteeing payment of losses and related investigations, claims administration and defense expenses. LESSEE is responsible for satisfaction of the deductible and/or self-insured retention for each loss.

Umbrella/Excess Liability Policies

If an Umbrella or Excess Liability Policy is used to meet the liability limits, coverage shall be as broad as specified for underlying coverages and cover those insured in the underlying policies.

Sublets

LESSEE shall not sublet the premises without the advance written consent of the City. Sublessees shall be subject to all of the requirements stated herein. Sublessee(s) must furnish to the City for review and approval, separate certificates and endorsements.

LESSEE agrees to defend and indemnify the City of Richmond for any damage resulting to it from failure of either LESSEE or any sublessee(s) to take out or maintain the required insurance policies. The fact that insurance is obtained by LESSEE, and/or LESSEE's Sublessees, will not be deemed to release or diminish the liability of LESSEE, including, without limitation, liability under the indemnity provisions of this contract. Damages recoverable by CITY from LESSEE or any third party will not be limited by the amount of the required insurance coverage.

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Verification of Coverage

All original certificates and endorsements shall be received and approved by the City before LESSEE may occupy the premises. The City of Richmond reserves the right to require complete, certified copies of all required insurance policies including endorsements affecting the coverage at any time.

Original insurance certificates and required policy endorsements shall be mailed or delivered to the Designated Project Manager for the City of Richmond.

Insurance certificates and endorsements may be faxed to the Designated Project Manager. However, Lessee must mail the original certificates and endorsements to Designated Project Manager once faxed.

Continuous Coverage

LESSEE shall maintain the required insurance for the life of the contract or lease agreement. Should the LESSEE cease to have insurance as required during this time, LESSEE's right to use or occupy the premises may be rescinded. In the event that LESSEE fails to comply with the City's insurance requirements, the City may take such action as it deems necessary to protect the City's interests including but not limited to termination of the contract or lease agreement, eviction, or other actions as the City deems appropriate.

If LESSEE's use or occupancy of the premises extends beyond the expiration dates of the required insurance policies initially approved by the City, LESSEE must provide updated certificates and endorsements indicating that the required coverage, terms and conditions are still in place. **Renewal certificates and updated endorsements shall be mailed to the Designated Project Manager.**

Cancellation

LESSEE shall ensure that coverage shall not be cancelled, reduced or otherwise materially changed except after thirty (30) days' prior written notice has been given to the City.

Reporting Requirements

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

Consistent with Public Policy

The insuring provisions, insofar as they may be judged to be against public policy shall be void and unenforceable only to the minimum extent necessary so that the remaining terms and provisions herein may be consistent with public policy and thus enforceable.