

## EXHIBIT 3

### INSURANCE REQUIREMENTS

All subcontractors, vendors, haulers, etc., are required to purchase and maintain insurance with the following coverages and minimum limits of liability:

- Commercial General Liability policy (CGL) with limits of Insurance *not less than* \$1,000,000 each occurrence and \$2,000,000 aggregate.
  - If the CGL coverage contains a General Aggregate Limit, such General Aggregate Limit should apply separately to each project.
  - CGL coverage should be written on Insurance Services Office (ISO) occurrence form CG 00 01 (with an edition date no earlier than 10/01) or an equivalent, providing coverage for liability arising from premises, operations, blanket contractual of a type that provides coverage for the indemnification clause in this subcontract, independent contractors, products-completed operations, and personal injury and advertising injury.
  - The Contractor, Owner and all other parties required of the Contractor, should be named as additional insureds on the subcontractors CGL policy using ISO Additional Insured Endorsements CG 2037 (10/01) and either CG 2010 (10/01) or CG 20 38 (04/13), or an endorsement providing equivalent coverage to the additional insureds. **The coverage for the additional insureds should provide primary, non-contributory coverage AND include completed operations coverage.**
  - Your subcontractor should be required to maintain CGL coverage for itself and all additional insureds for the duration of the project and maintain completed operations coverage for itself and each additional insured for the length of the state's statute of repose of the state where the project is located or if such state does not have a statute of repose, a minimum of 5 years after the completion of the work.
- Business Automobile Liability coverage with limits *not less than* \$1,000,000 each accident. Coverage should include liability arising out of all owned, leased, hired and non-owned automobiles.
- Commercial Umbrella coverage with limits *not less than* \$2,000,000. Coverage should include all entities that are additional insureds on the CGL.
- Workers' Compensation and Employers' Liability coverage with limits *not less than* \$500,000 each accident, \$500,000 for bodily injury by accident, and \$500,000 each employee for injury by disease. Where applicable, U.S. Longshore and Harbor workers Compensation Act Endorsement or the Maritime Coverage Endorsement should be attached to the policy.
- **To the fullest extent permitted by law**, your subcontractor should be required to obtain a waiver of subrogation on the CGL, Business Automobile, Workers' Compensation and Umbrella Liability policies.
- Obtain a Certificate of Insurance from your subcontractor and evaluate to help ensure that the required coverage and minimum limits have been secured by the subcontractor.
- Obtain a copy of the additional insured endorsement from your subcontractor to verify that you are afforded the type of additional insured coverage you requested.
- Insurance companies sometimes exclude coverage on their policies for what they consider to be high-hazard operations or state jurisdictions. These exclusions can void coverage on the policies of the subcontractor upon which your risk transfer strategy depends. For example, many insurance companies will exclude residential work on the CGL and Umbrella policies they issue to subcontractors. If applicable, you should specifically state there should be no exclusion for residential work in your subcontract agreement. In addition, if you are subcontracting work that includes exposures to Environmental Liability, Professional Liability or other unique coverages, you should specifically require these coverages in your subcontract agreement. You should work with your insurance agent to identify these exposures and verify subcontractor coverage.
- Insurance Company Financial Strength: Subcontractors should use insurance companies with an A.M. Best Financial Strength Rating no less than "A-."