

**EXHIBIT B**

**INSURANCE REQUIREMENTS**

As a condition precedent to payment, Design-Builder will at all times specified herein provide and maintain for itself and require the Subcontractors to provide and maintain the following types and the following minimum limits of insurance written on an occurrence basis by insurance companies or entities acceptable to the Owner and that are eligible to provide such insurance under Oregon law. Eligible insurers include admitted insurers that have been issued a certificate of authority from the Oregon Department of Consumer and Business Services authorizing them to conduct an insurance business and issue policies of insurance in the state of Oregon, and certain non-admitted surplus lines insurers that satisfy the requirements of applicable Oregon law and which are subject to approval by the Owner. All such insurance shall be the primary coverage. The coverages indicated are minimums unless otherwise specified in the Contract Documents.

**A. Workers' Compensation and Employer's Liability:**

(i) All employers, including Design-Builder, that employ subject workers who work under this Contract in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractors who perform the Work without the assistance or labor of any employee need not obtain such coverage if the Contractor certifies so in writing.

(ii) Employers Liability:

\$1,000,000	Each Accident
\$1,000,000	Disease, Policy Limit
\$1,000,000	Disease, Each Employee

**B. Commercial General Liability (Occurrence Form):**

(i) Combined Bodily Injury and Property Damage:

\$1,000,000	Each Occurrence
\$2,000,000	Personal and Advertising Injury
\$2,000,000	General Aggregate (applies on a per project basis)
\$2,000,000	Products/Completed Operations Aggregate
\$50,000	Fire Damage Legal Liability
\$10,000	Medical Expenses Per Person

(ii) The scope of coverage must meet the following:

- (1) Premises Operations must be included.
- (2) Elevators and Escalators must be included.
- (3) Coverage for Independent Contractors and work performed on Design-Builder's behalf by the Subcontractors must be included.
- (4) Contractual Liabilities must be included (including the contract obligations specified in the indemnification paragraph(s) of this Agreement).

- (5) The Products and Completed Operations Insurance will be maintained for the duration of the applicable statute of repose or ten (10) years after substantial completion, whichever is longer.
- (6) If any of the required liability insurance, other than Products and Completed Operations Insurance, is arranged on a "claims made" basis, Design-Builder warrants that any retroactive date under the policy shall precede the effective date of this agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this agreement is completed.
- (7) There can be no exclusions for subsidence, collapse, explosion or underground property damage.
- (8) There can be no insured vs. insured cross-suit exclusion. The policies will provide for cross-liability coverage as would be achieved under the standard Insurance Services Office "separation of insureds" clause.
- (9) There can be no Montrose language, anti-pyramiding exclusion, or exclusion limiting coverage to damages which first begin to occur within the policy period.
- (10) The limits will not be eroded or wasted by defense costs.

**C. Commercial Business Auto:**

- (i) Combined Bodily Injury and Property Damage  
\$1,000,000 Each Accident
- (ii) The following coverages must be included:
  - (1) Owned Automobiles
  - (2) Non-Owned and Hired Automobiles

**D. Professional Liability Coverage:**

- (i) \$5,000,000 Each Occurrence
- (ii) \$5,000,000 Aggregate
- (iii) There can be no exclusion for mold, fungus, water intrusion or water damage.
- (iv) In the event that any professional liability insurance is written on a claims-made basis, Design-Builder warrants that any retroactive date under the policy shall precede the effective date of this agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this agreement is completed.
- (v) Only Design-Builder and subcontractors that are providing professional services, including but not limited to civil engineering, electrical engineering, and landscape design are required to maintain Professional Liability coverage. Notwithstanding the limits specified above for Design-Builder's Professional Liability coverage, subcontractors required to maintain Professional Liability coverage need only procure coverage as specified in Section O.(ii) below.

**E. Contractors Pollution Liability**

- (i) \$3,000,000 Each Occurrence
- (ii) \$3,00,000 Aggregate
- (iii) This policy shall include coverage for damages arising out of or related to mold, fungus, water intrusion, and water damage.

**F. Excess/Umbrella Liability Coverage:**

- (i) \$3,000,000 Each Occurrence
- (ii) \$3,000,000 Aggregate
- (iii) Coverage will be at least as broad as the commercial general liability, automobile liability, and employers' liability coverage described above.

**G. Builder's Risk Insurance:**

- (i) Design-Builder shall obtain and keep in effect during the term of this Contract, a Builder's Risk Installation Floater for coverage of the Design-Builder's labor, materials and equipment to be used for completion of the Work performed under this Contract. The minimum amount of coverage to be carried shall be equal to the full amount of the Contract, plus value of subsequent modifications, change orders, and cost of materials supplied or installed by others, comprising the total value of the entire project. The policy will include as additional named insureds the Owner, the Design-Builder and its Subcontractors as their interests may appear.
- (ii) The Builder's Risk coverage shall be written on a Special Covered Cause of Loss form and shall include theft, vandalism, malicious mischief, collapse, false-work, temporary buildings, transit, debris removal including demolition, increased cost of construction, architect's fees and expenses, flood (including water damage), and earthquake.
- (iii) The Builder's Risk Installation Floater shall include a Beneficial Occupancy Clause. The policy shall specifically permit occupancy of the building during construction. Design-Builder shall take reasonable steps to obtain consent of the insurance company and delete any provisions with regard to restrictions within any Occupancy Clauses within the Builder's Risk policy. The Builder's Risk Policy shall remain in force until final acceptance of the project by \_\_\_\_\_.
- (iv) Equipment breakdown coverage (a.k.a. Boiler and Machinery) shall be included as required by the Contract Documents or by law, which shall specifically cover insured equipment during installation and testing (including cold and hot testing).

**H. Deductibles and Self-Insured Retentions.** The Design-Builder shall be financially responsible for all deductibles, self-insured retentions and/or self-insurance included hereunder. Any deductible, self-insured retention and/or self-insurance in excess of \$50,000 shall be subject to approval by the Owner in writing and shall be a condition precedent to the effectiveness of any Contract.

**I. Evidence of Insurance; Copies of Policies.** As evidence of the insurance coverage required by this Contract, the Contractor shall furnish certificate(s) of insurance and applicable endorsements to the Owner prior to execution of the Contract. The certificate(s) and applicable endorsements will specify all of the parties who are additional insureds or loss payees for this contract. For those insurance coverages that are required to remain in force after Final Completion, additional evidence of continuation of such coverage shall be a condition precedent to Owner's obligation to make final payment and to Owner's final acceptance of Work or services and related warranty (if any) and will be submitted as part of the application for final payment and upon each annual renewal for the duration of coverage required. Upon Owner's request at any time, Design-Builder will immediately provide copies of its insurance policies. Provision of the certificate(s) of insurance and applicable endorsements as required herein will be a condition precedent to payment.

**J. Acceptability of Insurers.** Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Oregon and with an "A.M. Best" Rating of no less than A-VII.

**K. Notice of Cancellation, Reduction or Expiration.** The insurance policies required by this Exhibit will be endorsed to include a covenant that coverages or limits afforded under the policies will not be canceled, reduced or allowed to expire until at least 30 days' prior written notice has been given to Owner. In addition, if the Design-Builder receives a non-renewal or cancellation notice from an insurance carrier affording coverage required herein, or receives notice that coverage no longer complies with the insurance requirements herein, Design-Builder agrees to notify Owner by fax or electronic transmission within ten (10) business days with a copy of the non-renewal or cancellation notice, or written specifics as to which coverage is no longer in compliance. When notified by Owner, the Design-Builder agrees to stop Work pursuant to this Contract, unless all required insurance remain in effect. Any failure to comply with the reporting provisions of this insurance, except for the potential exhaustion of aggregate limits, shall not affect the coverages provided to the Owner and its institutions, divisions, officers, and employees.

Owner shall have the right, but not the obligation, of prohibiting Design-Builder from entering the Work site until a new certificate(s) of insurance and applicable endorsements are provided to Owner evidencing the replacement coverage. The Design-Builder agrees Owner reserves the right to withhold payment to Design-Builder until evidence of reinstated or replacement coverage is provided to Owner.

**L. Owner's Right To Terminate or Cure.** Failure of Design-Builder or one of the Subcontractors to secure and maintain insurance with the coverages and limits required by this Exhibit will be a material breach of this Agreement entitling Owner, in its discretion and without waiving any other remedies, to (i) withhold payments or recoup payments already made to Design-Builder for services performed on the Project, (ii) terminate the Design-Builder for cause, and (iii) purchase any additional insurance it deems reasonable necessary to protect itself at the expense of the Design-Builder. Design-Builder consents to Owner procuring replacement insurance in Design-Builder's name and will cooperate in all respects with Owner's efforts in procuring additional or replacement insurance. Owner will have the discretion to purchase an Owner's protective policy or other similar policy that affords to Owner coverages and limits providing reasonably equivalent protections as Owner would have received if Design-Builder and the Subcontractors maintained the insurance required by this Exhibit. Owner's costs incurred in finding replacement insurance will either be reimbursed directly by Design-Builder or may be offset against amounts owed by Owner to Design-Builder on the Project or other projects. These requirements will remain enforceable for the duration of the applicable statute of repose.

- M. Insurance In Excess of Requirements.** The insurance requirements herein are minimum requirements and in no way limit the indemnity covenants within the Contract. On insurance policies where Owner is named as additional insured, the Owner shall be an additional insured to the full limits of the liability purchased by the Design-Builder and Subcontractors, even if those limits of liability are in excess of those required by this Contract.
- N. No Waiver by Owner.** The insurance requirements under this Exhibit can only be waived or modified by Owner by an express written instrument signed by Owner acknowledging the reduced coverages or limits. No other act or omission by Owner or its agents, including but not limited to (i) implicit or verbal acceptance or approval of reduced coverages or limits or (ii) failure to require proof of compliant insurance, will amount to Owner's waiver of the insurance requirements of this Exhibit.
- O. Subcontractors' Insurance.** Contractor shall require all Subcontractors to have insurance that meets all insurance requirements of Design-Builder as provided in this Exhibit, including, but not limited to, the types of insurance, extent and durations of coverages, and notice requirements, except as otherwise provided below:
- (i) **Workers' Compensation and Employer's Liability:** The Design-Builder shall require proof of such Workers' Compensation coverage by receiving and keeping on file a certificate of insurance from each Subcontractor or anyone else directly employed by either the Design-Builder or its Subcontractors.
  - (ii) **Professional Liability:** The limits of liability for registered Subcontractors (including structural, civil, mechanical, plumbing, electrical engineering, landscape architecture, survey, geotechnical and materials testing) for professional liability shall be a minimum of \$1,000,000 each occurrence and \$2,000,000 aggregate.
- P. Waiver of Subrogation.** All of Design-Builder's and the Subcontractors' liability insurance policies will contain a waiver of subrogation against Owner and its affiliates, subsidiaries, directors, managers, officers, employees and agents.
- Q. Additional Insureds.** Design-Builder's and Subcontractors' commercial general liability, umbrella, and pollution liability insurance policies will be endorsed to name Owner, its board members, officers, employees, agents and volunteers as additional insureds (using ISO endorsements CG 20 38 04 13 and CG 20 37 04 13 or their equivalents) with respect to liability and defense of suits arising out of the activities performed by, or on behalf of the Design-Builder and subcontractors. The coverage under the additional insured endorsement will (i) be primary and noncontributory with respect to any insurance of the additional insureds, (ii) provide the same coverages and limits to the additional insured as are afforded to the primary insured as required by this Exhibit, and will not be limited to vicarious liability, (iii) not be limited to on-going operations, (iv) be maintained for the same durations as the coverages afforded to the primary insured as required by this Exhibit. The following persons or entities affiliated with Owner will be expressly named as additional insureds: Oregon State University, its board members, officers, employees, agents and volunteers.