

CITY OF YUBA CITY
ENCROACHMENT PERMIT – INSURANCE REQUIREMENTS

The Permittee/Contractor shall procure and maintain for the duration of the encroachment permit insurance against all claims for injuries or damages to property which may arise from or in connection with the performance of work by the Contractor his agents, representatives, employees, or subcontractors.

- A) Minimum Scope of Insurance – Coverage shall be at least as broad as:
1. Insurance Services Offices Commercial General Liability coverage (occurrence Form CG0001)
 2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto)
 3. Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance.
- B) Minimum Limits of Insurance – The Contractor shall maintain limits no less than:
1. General Liability: \$1,000,000 per occurrence for bodily injury, and property damage. The aggregate limit shall be \$1,000,000.
 2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
 3. Workers Compensation: Statutory Limits.
 4. Employers' Liability: \$1,000,000 each accident, \$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease.
- C) Deductibles and Self-Insurance Retention – Any deductibles or self-insurance 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-insurance retention as respects the City, its officers, officials, employees and volunteers, or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- D) Other Insurance Provisions – The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:
1. The City, its officers, official, employees, and volunteers are to be covered as insured's with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor, and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an Additional Insured endorsement (CG20 10 11 85 or equivalent) to the Contractors insurance policy, or as a separate owner's policy.
 2. For any claims related to the encroachment permit, the permittee/contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, official's employees or volunteers shall be excess of the Contractors insurance and shall not contribute with it.
 3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice has been provided to the City.
- E) Acceptability of Insurer – Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII unless otherwise acceptable to the City. Exception may be made for the State Compensation Insurance Fund when not specifically rated.
- F) Verification of Coverage – Contractor shall furnish the Entity with endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that Insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the City, unless the insurance company will not use the City's forms. All endorsements are to be received and approved by the City before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. As an alternative to the City's forms, the insurance policies, including endorsements effecting the coverage required by these specification.
- G) Subcontractors – Permittee/Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

- H) Waiver of Subrogation – Permittee/Contractor hereby agrees to waive subrogation which any insurer of permittee/contractor may acquire from permittee/contractor by virtue of the payment of any loss. Permittee/Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the permittee/contractor, its employees, agents and subcontractors.

If the permittee/contractor fails to maintain any insurance as required by the encroachment permit, the City of Yuba City may take out such insurance to cover any damages for which the City of Yuba City might be held liable on account of the operations under this encroachment permit. Nothing herein contained shall be construed as limiting in any way the extent to which the permittee/contractor may be held responsible for payment of damages resulting from his operations, or those of any subcontractor under him. Maintenance of proper insurance coverage is a material element of the encroachment permit and failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.