

Sundt Layton, a Joint Venture

Z-25 Plus™ **Program Manual** **10/1/12 to 10/1/15 PROGRAM**

For the

San Mateo County Replacement Jail Project
San Mateo, CA

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Z-25 Plus Frequently Asked Questions (FAQs)

What is “Z-25 Plus”?

Z-25 Plus includes Zurich Insurance policies that provide Workers’ Compensation, Commercial General Liability and Umbrella Liability coverage for the Sundt Layton JV and all of JV’s subcontractors of any tier while working on the San Mateo Replacement Jail project.

What are the major benefits of this program?

- Zurich’s strong financial rating
- Uniformity of coverage terms and conditions
- Less Administrative Burden – No Primary Additional Insured Endorsement requirements.
- Insurance costs will not increase for subcontractors, Sundt, or Owner during the project
- Reduces coverage disputes, litigation and subrogation
- Immediate Insurer response for subcontractors’ accidents
- One Insurer for all completed operations claims
- Project Specific Limits of Liability

What coverages are provided?

The Z-25 Plus basic program provides \$29,000,000 of liability limits per project during construction, and a separate \$29,000,000 completed operations limit per project for a 10-year period following project completion. An additional \$25,000,000 in limits will be purchased for this project. Statutory Workers’ Compensation benefits are provided with Employer’s Liability limits of \$1,000,000.

What coverages are not provided?

All other coverages including, but not limited to, automobile liability, equipment, builder’s risk, pollution, and professional liability.

Do Subcontractors share in the \$54 Million limit or is the limit per subcontractor?

Limits apply to the JV and all subcontractors per project with one \$54 Million general aggregate and a \$54 Million limit for products/completed operations. The General Aggregate reinstates on an annual basis.

Who is a Named Insured?

The JV and all eligible, enrolled subcontractors of any tier. Each enrolled subcontractor will receive a Certificate of Insurance showing the specific job being insured. Each enrolled subcontractor will also receive a separate worker’s compensation policy in their name.

Who is an Additional Insured?

Project Owners will be added as Additional Insureds on a Primary basis.

Can a Subcontractor “opt out” of this Program?

This program is mandatory for all subcontractors of any tier. However, it will not be extended to environmental subcontractors, subcontractors working under a Professional Services Agreement (PSA), Construction Staking and Surveying Agreement, or other similar professional services only agreement. Design Build Subcontractors and their outside design consultants will be included for Z-25 Plus coverages only.

How are Subcontractors Enrolled in Z-25 Plus?

All subcontractors and lower tier subcontractors must complete a simple enrollment form. Each subcontractor will receive a Certificate of Insurance listing them as a Named Insured and specifying the job name and JV's project number.

The limits seem low given the size and scope of work Sundt is involved in and the amount of Subcontractors on any given job. Will the Subcontractors' own insurance be excess of the Z-25 Plus Program? Can higher limits be purchased?

Each insured subcontractor should discuss this program with its own insurance advisor to see if additional coverages are recommended. Any such additional coverage will be at the subcontractors' own expense. Should the JV purchase additional limits of liability for any specific project, those will be disclosed.

Who pays the premium? Will Subcontractors be asked for bid deducts?

The JV pays the premiums.

General Liability: Contractor will deduct a credit as specified by Contractor from the Subcontract Price and from any change orders increasing the Subcontract Price. Change orders resulting in a reduction of the Subcontract Price will have the credit added. Subcontractor warrants that all insurance charges for the coverages provided by Z-25 Plus insurance have been removed from its cost of work and agrees that any duplication in coverage will not be reimbursed. This warranty is a material term of this Subcontract. Subcontractor agrees that Contractor has the right to audit Subcontractor's relevant financial records to verify Subcontractor's compliance with this warranty.

Workers' Compensation: The Program Administrator, Gallagher Construction Services, will calculate the workers' compensation insurance credit for each contractor of any tier after completion of the required enrollment form and review of the required enrollment documents. The credit will be deducted from your payment applications on a monthly basis. The credit will be based on estimated payroll provided at the time of enrollment. Each contractor will provide actual monthly payroll reports. The estimated credit will be verified against final payroll which may result in additional credits taken. A final calculation will be made before final contract close-out. Failure to comply with enrollment requirements or provide payroll reports will result in a 3% charge against each pay application until compliance.

Is there a charge to the subcontractor(s) which has a loss?

Yes. The JV will assess a \$10,000 charge to the subcontractor(s) which has a general liability claim asserted against it or whose work or operations cause a claim. This charge will be equally divided among all subcontractors involved in the claim. This charge is intended to motivate each subcontractor to continue its normal safety practices and perform the work with the quality, care and skill you would under your normal insurance program.

Who determines the liability to the subcontractor for the \$10,000 claim charge?

The JV will make that determination based on the cause(s) of loss and who was involved. This charge will be handled as a deduction to the subcontract.

Will the JV's Subcontract be modified to reflect the existence of this Program?

Yes. Z-25 Plus subcontract agreements are available in Sundt's Prolog System.

Can this program be cancelled in the middle of a project?

The policy is intended to insure each job through construction and for 10 years thereafter. Zurich can cancel the policy for non-payment of premiums or non-compliance with its safety and loss control recommendations.

How will claims be handled?

Claims will be reported to Sundt as required by this Manual. Zurich has dedicated claims units for each State and adjusters with construction experience will handle the claims.

Do Workers' Compensation Claims affect our Experience Modification?

YES. Your Workers' Compensation claims will be reported to the California WCIRB by Zurich on an annual basis and will be used in the promulgation of your experience rating.

Who will be our claim advocate?

Both Gallagher Construction Services and Lovitt-Touchè maintain full service claims departments experienced in handling construction related claims. Our claim professionals will assist you with any claims related questions. They will also provide you with copies of your loss runs for claims filed against the CCIP Insurers.

What is the Primary CGL Policy Form?

ISO Form CG-00-01 12/04 Edition. This will be Zurich American Insurance Company paper.

What are notable policy exclusions?

1. Fungi or Bacteria Exclusion
2. Asbestos Exclusion
3. Contractors – Professional Liability
4. Employment Related Practices Exclusion
5. Prior Claims or Continuous or Progressively Deteriorating Injury or Damage – Montrose
6. Total Pollution Exclusion with a Hostile Fire Exception

Do Subcontractors need to evidence off-site coverages?

Yes. The JV will still require Certificates of Insurance for Workers' Compensation, Automobile, and off-site General Liability coverages as required by subcontract.

DISCLAIMER - This is a summary of the Z-25 Plus Program only. It does not change, alter or modify the policy terms and conditions in any way. Actual policy forms and Endorsements are available upon request.

An Introduction to the Z-25 Plus Program

This program is designed for the project with three main goals in mind:

1. To provide the Sundt Layton JV and all subcontractors with Worker's Compensation and Employer's Liability insurance.
2. To provide the Sundt Layton JV and all subcontractors with \$54 million in General Liability limits for each and every Sundt project.
3. To provide the Sundt Layton JV and all subcontractors with \$54 million in Completed Operations coverage through the applicable latent defect statute of limitations, not to exceed ten (10) years after substantial project completion.

The Z-25 Plus Program is designed to provide workers' compensation, general liability and excess insurance coverage for the JV and every tier of subcontractor working on the job. Auto, pollution, professional, builder's risk, contractor's equipment or any other type of insurance coverage is not included in this program.

The program enhancements are as follows:

- \$54 million of General and Excess Liability coverage per project
- \$54 million Completed Operations limits for 10-years after project
- Policy limits dedicated specifically to each project
- Inclusion of all on site contractors as Insureds under a single program
- Extended Operations Coverage for Warranty and Call-Back Work
- Reduction of coverage disputes between parties
- Single insurer for completed operations claim reporting

We look forward to your participation in this program and our unified commitment to make this project a success.

This manual is incorporated and made part of the Subcontract Agreement between the JV and the Subcontractor. It is not intended to amend or alter any provisions of the actual insurance policies. If a conflict should occur, the insurance policies and subcontract will govern.

Program Eligibility

All eligible subcontractors of any tier whose employees perform actual on-site labor are **required** to participate in the Z-25 Plus Program and follow through with the enrollment and participant responsibilities as noted throughout this Manual.

Coverage is not automatic. You must complete the Z-25 Plus Enrollment Form before beginning work on the project. Once your Enrollment Form has been submitted, you will receive a Certificate of Insurance confirming coverage from Gallagher Construction Services. You are also responsible for ensuring that any lower tier subcontractors you hire are also enrolled before they begin their work at the project site.

Ineligible Parties

Not everyone will be a participant. For example, the following are ineligible for the program:

- **Contractors of any tier with an Experience Modification of greater than 1.0 at the time of bid.**
- Vendors, Suppliers, Material Dealers, Off-Site Fabricators, and others who merely transport, pick up, deliver or carry materials, personnel, parts or equipment or any other items or persons to or from the Project Site. **However, if you are also performing the installation or are hiring the installer, you must enroll into the program**
- Demolition
- Traffic Control
- Barricades
- Security Companies
- Pest Control
- Scaffolding
- Hazardous Materials, including Mold or pollution remediation and/or treatment
- Temporary Fencing
- Coverage will not be extended to environmental subcontractors, subcontractors working under a Professional Services Agreement (PSA), Construction Staking and Surveying Agreement, or other similar professional services only agreement. Design Build Subcontractors and their outside design consultants will be included in Z-25 Plus for General Liability coverages only. Z-25 Plus does not provide Professional liability coverage.

Sundt reserves the right to exclude an otherwise eligible participant at their discretion.

Gallagher Construction Services will be administering the program. If you are uncertain whether your firm will be a participant in this program, please contact John Drew at Gallagher Construction Services at 1.818.539.1499. A complete contact list is in the back of this manual.

Z-25 Plus Coverage Summary

The Z-25 Plus includes the following program components:

ON-SITE WORKERS' COMPENSATION – American Zurich Insurance Company

| | | |
|-----------------------------|---------------------------|-----------------------------|
| <u>Limits of Liability</u> | Statutory | |
| <u>Employer's Liability</u> | Bodily Injury by Accident | \$1,000,000 [Each Accident] |
| | Bodily Injury by Disease | \$1,000,000 [Policy Limit] |
| | Bodily Injury by Accident | \$1,000,000 [Each Employee] |

ON-SITE GENERAL LIABILITY – Zurich American Insurance Company

Limits of Liability

| | | |
|---|-------------|--|
| Bodily Injury & Property Damage | \$2,000,000 | Each Occurrence |
| Personal/Advertising Injury | \$2,000,000 | Each Occurrence |
| General Aggregate | \$4,000,000 | |
| Fire Damage Legal | \$ 300,000 | |
| Products/Completed Operations Aggregate | \$4,000,000 | |
| Deductible | \$ 10,000 | Per Occurrence equally divided between responsible subcontractors |

Coverage Form

ISO form CG-00-01 12/04 Edition

Amendments of Coverage

- Cancellation Endorsement
- Named Insured Endorsement
- Additional Insured Endorsements
- Contractual Liability – Railroads Endorsement
- Extended Completed Operations – Designated Projects with Abandonment Wording
- Limitation of Coverage to Designated Project Endorsement
- Designated Construction Project(s) General Aggregate Limit Endorsement
- Extended Ongoing Operations Coverage – Repair Work
- Waiver of Transfer of Rights Recovery Against Others to Us Endorsement
- Joint Defense Endorsement
- Sole Agent Endorsement
- Notice of Error in claim reporting
- Fellow Employee/Medical Malpractice Endorsement Bodily Injury Endorsement
- Electronic Data Liability Endorsement
- Unintentional Errors and Omissions
- Resulting Damage Endorsement

Notable Exclusions of Coverage

- Fungi or Bacteria Exclusion
- Asbestos Exclusion
- Contractors Professional Liability Exclusion
- Employment Related Practices Exclusion
- Prior Claims or Continuous or Progressively Deteriorating Injury or Damage – Montrose
- Violation of Statutes that Govern Emails, Faxes, Phones, Etc. Exclusion
- Total Pollution Exclusion with Hostile Fire, Building Heating Cooling, Etc. Exception
- Nuclear Energy Liability Exclusion
- Lead Exclusion Endorsement
- Property Damage Exclusion – Builders Risk
- Coverage C – Medical Exclusion

DISCLAIMER - This is a summary of the Z-25 Plus Program only. It does not change, alter or modify the policy terms and conditions in any way. Actual policy forms and Endorsements are available upon request. Conflicts in language between policy, manual, and subcontract will be governed by the policy and subcontract.

ON-SITE EXCESS LIABILITY

| | | |
|-------------------------|-----------------------------|------------------|
| Excess Liability Limit | \$25,000,000 Following Form | Zurich Insurance |
| Excess Liability Limits | \$25,000,000 Following Form | Carrier TBD |

Z-25 PLUS Enrollment Procedures

Every prospective Z-25 Plus participant must complete the Z-25 Plus Enrollment Form included in the manual. This form must be completed and submitted with your Bid. Your insurance agent or broker can help you complete this form if necessary.

Feel free to contact John Drew at Gallagher Construction Services at (818) 539-1499, if you have any questions regarding the completion of this form.

Prior to submitting your bid or completing the enrollment form, keep in mind the following:

- You will need to collect the Z-25 Plus Enrollment forms from each of your lower-tier subcontractors as soon as they are identified and before they begin any on-site work.
- The Z-25 Plus provides General Liability only for operations at covered project sites. Operations of each subcontractor of any tier at other locations are **NOT COVERED**. The General Liability Credit will be specified in the bid documents and will be adjusted on your bid worksheet.
- Z-25 Plus provides Workers' Compensation only for employees working at the Project Site. Your yard or plant workers, off-site clerical staff, drivers who only deliver or pick up at the project, and management or supervisory personnel who are not dedicated to the project are **NOT COVERED**. Labor provided through labor service companies should be discussed with Gallagher to determine eligibility.
- Your workers compensation insurance credit will be based on estimated payroll provided at the time of enrollment and used for the calculation of your premiums. It will be verified against final payroll, which may result in additional premiums charged to you. The final calculation will be made before final contract close-out.
- Failure to provide monthly payroll reports will result in a 3% charge against contract value.
- If your current insurance program contains a deductible or SIR, you will need to include a deductible premium as it applies to the payroll or revenue on this project. If you do not supply this information, a 3.0% rate against contract value will apply.
- Insurance credits will be deducted on a monthly basis, based on payroll reported to Gallagher on a monthly basis and contract values to date. This deduction will be made from your pay application. If you have any questions, please contact Gallagher
- The Z-25 Plus does **NOT** include automobile coverage (including trucks and licensed equipment);
- The Z-25 Plus does **NOT** include Contractor's Equipment coverage;

Z-25 Plus Enrollment Responsibilities Flowchart

| | Action Item | Responsibility |
|----|--|--|
| 1 | Distribute Z-25 Plus Manual to prospective bidders or subcontractors. | Sundt |
| 2 | Send Z-25 Plus Manual to your Insurance Agent/Broker to assist in enrollment process | Subcontractor |
| 3 | Distribute Z-25 Plus Manual to prospective lower tier bidders/subcontractors | Subcontractor |
| 4 | Collect Z-25 Plus Application Worksheet from lower tier bidders/subcontractors | Subcontractor |
| 5 | Complete/Fax to the Gallagher Administrator your Z-25 Plus Enrollment Form with Z-25 Plus Enrollment Forms from all lower tier bidders/subcontractors | Subcontractor |
| 6 | Ensure that Monthly Payroll reports are submitted for you and your lower tier subcontractors. Failure to comply will result in a 3% charge. | Subcontractor and Lower-tier subcontractor |
| 7 | Send completed enrollment forms to Gallagher and track issuance of subcontractor certificates | Sundt |
| 8 | For off-site General Liability, Automobile & Workers' Compensation requirements, send Insurance Certificate Endorsement to Sundt in accordance with its Subcontract Agreement. | Subcontractor |
| 9 | Confirm data on Enrollment Forms and issue Certificates of Insurance to all enrolled subcontractors. Policy will be available upon request. | Gallagher |
| 10 | Advise your Insurance Agent/Broker of insurance coverages provided by Z-25 Plus so that appropriate notice can be made to your current insurers. | Subcontractor Lower-tier subcontractor |
| 11 | Complete 'Notice of Work Completion' Form and return to Gallagher when all work is completed. Failure to do so will result in a 3% charge | Subcontractor Lower-tier subcontractor |

| | |
|---|------------------------------|
| SECTION 2: TO BE COMPLETED BY SUBCONTRACTOR'S BROKER | WORKSHEET PAGE 2 OF 3 |
|---|------------------------------|

| | |
|--|-----------------------------------|
| WC INSURER _____ | POLICY NUMBER _____ |
| EXPIRATION DATE _____ | NORMAL ANNIVERSARY DATE _____ |
| EMPLOYERS LIABILITY LIMITS \$ _____ | EXPERIENCE MODIFIER _____ % |
| PER OCCURRENCE DEDUCTIBLE/SIR \$ _____ | AGGREGATE DEDUCTIBLE/SIR \$ _____ |

GENERAL LIABILITY INSURER _____

| | |
|--|-----------------------------------|
| PER OCCURRENCE LIMIT \$ _____ | AGGREGATE LIMITS \$ _____ |
| PER OCCURRENCE DEDUCTIBLE/SIR \$ _____ | AGGREGATE DEDUCTIBLE/SIR \$ _____ |

UMBRELLA OR EXCESS LIABILITY INSURER _____

| | |
|-------------------------------|---------------------------|
| PER OCCURRENCE LIMIT \$ _____ | AGGREGATE LIMITS \$ _____ |
|-------------------------------|---------------------------|

- 1. ATTACH DECLARATIONS AND RATE PAGES FROM WORKERS' COMP, GENERAL LIABILITY AND UMBRELLA OR EXCESS POLICIES.**
- 2. Attach any other documentation necessary to evidence minimum premium, aggregate deductible and per occurrence deductible.**
- 3. Please note the Insurance Requirements of JV's Subcontract Agreement.**
- 4. Please have a Certificate and Additional Insured Endorsement submitted with this Application.**

NAME OF PERSON COMPLETING THIS SECTION _____

NAME OF BROKERAGE _____

ADDRESS OF BROKERAGE _____

PHONE NUMBER OF PERSON COMPLETING THIS SECTION _____

SECTION 3: LOWER TIER SUBCONTRACTORS SUMMARY

WORKSHEET PAGE 3 OF 3

This section is to assist you in summarizing your lower-tier subcontractor's job information. **It is important for you to collect their fully completed CCIP Enrollment Application Worksheets, as they are required to enroll in the program.**

LOWER TIER SUBCONTRACTOR PAYROLL SUMMARY

ATTACH ALL OF THE FULLY COMPLETED WORKSHEETS FOR ALL OF YOUR LOWER TIER SUBCONTRACTORS ASSOCIATED WITH THIS WORK. SHOW THEIR PAYROLL INFORMATION ON LINES BELOW.

| NAME OF LOWER TIER SUB AND ON-SITE LABOR DESCRIPTION <i>(FROM SECTION 1 OF THEIR APP)</i> | CLASS CODE | ESTIMATED CONTRACT AMOUNT | ESTIMATED PAYROLL AMOUNT | ESTIMATED START DATE |
|--|------------|---------------------------|--------------------------|----------------------|
| | | | | |
| | | | | |
| | | | | |

SECTION 4: REVIEW

Be sure to attach your Subcontractor's Policy information (declarations pages, rating pages)

The insurance deduction process will be calculated using the above information. The JV will process a deductive credit memo for the amount of the credit (including that of your lower tier subcontractors). REMEMBER TO:

1. Attach all lower-tier subcontractors' completed application sheets.
2. Attach your Declarations and Rate pages from your Workers' Compensation Policies.
3. Submit Monthly Payroll reports for you and your subcontractors.

Your estimated payroll provided at the time of enrollment and used for the calculation of your premiums, will be verified against final payroll, which may result in additional premiums charges to you. If your firm or your insurance broker does not supply the required documentation of insurance rates, deductibles, aggregate(s), etc., to verify the monthly insurance costs, a minimum 3.00% rate against contract value will automatically apply until such time as the documentation is provided.

As noted in this Manual, Sundt will purchase Workers' Compensation, Employers' Liability, General Liability and Excess Coverages for the benefit of participating subcontractors. In exchange for this benefit, the undersigned agrees as follows:

- This worksheet accurately reflects the total projected insurance costs (for bidder and all subcontractors noted on this sheet) that would apply if my regular insurance program were to provide coverage for this work.
- I agree that Sundt will apply the above insurance deducts on a quarterly basis, based on subcontractor's normal cost of insurance. This deduct will be taken from a submitted pay application. If necessary, Sundt will require payroll and labor-hour reports for the undersigned and their subcontractors to calculate and process an accurate insurance deduct.
- Any and all returns of premium, dividends, discounts, or other adjustments to any CCIP policy is assigned, transferred and set over absolutely to Sundt Construction. This assignment pertains to the policies as now written and as subsequently modified, rewritten or replaced including any additional amounts or coverages as a result thereof. Rights of cancellation of all insurance policies provided to Subcontractors of any tier by Sundt are also assigned to them. This assignment is only valid for Insurance policies whose premiums have been paid by Sundt on behalf of such Subcontractors of any tier.
- Subcontractor enrolled in the CCIP policy will be responsible for its proportionate share of the insurance deductibles of up to \$10,000 for General Liability, if determined the subcontractor is liable for the associated claim.
- Subcontractor enrolled in the CCIP Program will be responsible for providing a modified return to work program for any of its employees injured under Workers' Compensation as part of the CCIP Program. Failure to provide reasonable accommodations will result in a penalty assessment to the subcontractor of \$1500 weekly until such time as the injured worker is returned to work.
- Failure to notify Sundt of an incident, including, but not limited to injuries, accidents, property damage, auto or equipment damage, or water events immediately (no later than end of current shift) may result in a \$5,000 penalty
- Insurance coverage under the CCIP is contingent on a properly completed Application with information that is accurately represented by the subcontractor(s). Gallagher Construction Services will provide each enrolled subcontractor with written confirmation of coverage.

Signature _____ Date _____

Name _____ Title _____

Payroll Report

SAN MATEO COUNTY REPLACEMENT JAIL

This form must be completed and returned to Gallagher by the 5th of each month. The Subcontractor will be responsible to enforce the submission of this form by their Subcontractors of any tier. Computer-generated payroll reports are acceptable if similar information is provided.

REPORT FOR THE MONTH OF: _____

NAME OF SUBCONTRACTOR OF ANY TIER: _____

WORKING UNDER CONTRACT WITH: _____

CONTRACT #: _____

CONTRACT AMOUNT PAID TO: _____

(PLEASE INCLUDE YOUR CONTRACT AMOUNT PAID TO DATE IF YOUR LIABILITY/EXCESS IS RATED ON CONTRACT AMOUNT)

| WORKERS' COMPENSATION CLASSIFICATION CODES | MONTHLY HOURS | MONTHLY UNBURDENED PAYROLL IN \$\$ (Straight Time) |
|---|---------------|--|
| | | |
| | | |
| | | |
| | | |
| | | |

You do not need to list out individual employee payroll information. Summarize employees' payrolls by class code and only report one payroll amount per code.

I CERTIFY THAT THE DATA SHOWN ABOVE IS CORRECT.

Signed _____

Title _____

Date _____

Return completed form by 5th of month to:

Payroll Reports
Gallagher Construction Services
Phone (415)288-1662
Fax (415)391-1916
gcssfwrap@ajgcom

***HARD COPIES ARE NOT REQUIRED BY MAIL**

Notice of Work Completion

SAN MATEO COUNTY JAIL REPLACEMENT

When the Subcontractor of any tier requests final payment, **Subcontractor** of any tier will complete this form and forward it to Gallagher for verification that all CCIP requirements have been met.

1. Subcontractor: _____

2. Job site: _____

3. Work Performed: _____

4. Date work completed: _____

5. Final Contract Value: _____

(Include contract values for Lower tiers if applicable:

Lower tier's CV: _____ Lower tier's CV: _____

6. Subcontractors of any tier, if any, which are included in this Work:
(Add attachment if more space is needed)

Name _____ Name _____

Name _____ Name _____

7. (Signed By) _____

Subcontractor of any tier Representative's Signature

Return completed form to:

John Drew
Gallagher Construction Services
Phone (818)539-1499
Wrap-up Fax (818) 539-1651
John_Drew@ajg.com

Insurance Required from Subcontractors

Please note that the coverages provided by the Z-25 Plus are designated to cover you only while you are actively engaged in construction activities at the project site. Therefore, it is imperative that you maintain your own insurance coverage as required by Sundt's subcontract. Please refer to that subcontract document for the requirements that pertain to you. In summary, the following coverages are required:

1. Off Site Commercial General Liability Insurance:

Z-25 PLUS does not cover any work occurring away from the Project Site; therefore the following coverage is required for off-site work performed by Subcontractor and any lower tier subcontractors.

- \$2,000,000 General aggregate
- \$2,000,000 Products-completed operations aggregate
- \$1,000,000 Personal injury liability
- \$1,000,000 Each occurrence

2. Business Automobile Liability Insurance:

- \$1,000,000 Each occurrence

3. Off-Site Worker's Compensation And Employer's Liability Insurance:

(Including U.S. Longshoreman and Harbor Worker's Act/Jones Act where applicable)
Workers' Compensation – Statutory Requirements

Employers' Liability:

- \$1,000,000 Each Accident (Bodily Injury by Accident)
- \$1,000,000 Disease - Policy Limit (Bodily Injury by Disease)
- \$1,000,000 Disease - Each Employee (Bodily Injury by Disease)

4. General Provisions:

- **Carrier:** Insurance company(s) shall *be rated A-VII or better* by A.M. Best AND authorized to do business in the State of Operations.
- **Occurrence form:** All policies shall be an *occurrence basis* form. "Modified occurrence" and "claims made" policies are NOT acceptable.
- **Multiple projects:** Certificate *may cover multiple jobs if it states "All States of Operations"* and conforms to all applicable requirements listed herein.
- **Contractual liability:** Off site General Liability insurance shall include contractual liability for the indemnity/hold harmless agreements assumed in this contract and the prime contracts for all off site activities of subcontractor.

- **Waivers of subrogation:** Subcontractor's Worker's Compensation, off site General Liability, Auto Liability, Auto Physical Damage, Contractors Equipment and any Builders Risk/Installation Floater policies shall permit waivers of subrogation in favor of the Additional Insureds.
- **Auto liability:** Coverage includes owned, hired, and non-owned vehicles as well as the vicarious liability of the Additional Insureds.
- **Subcontractor's insurance:** If subcontractors insurance is considered inadequate, Contractor shall charge Subcontractor any additional premium required.

5. All Certificates of Insurance Shall Provide:

- **Firm 30-day cancellation:** Certificate of insurance shall be modified to include a duty to provide a 30-day notice of cancellation.
- **Additional Insured:** To the fullest extent permitted by law, The Sundt Companies, Inc., Sundt Construction, Inc., the Project Owner(s), their Directors, Officers, Agents, Employees and others as required by written contract shall be Additional Insureds for off site operations.
- **Primary Insurance:** The Subcontractor's general liability policy shall contain an endorsement making its policy primary and the Additional Insureds' insurance or self-insurance excess and non-contributing.
- **General Liability:** Coverage shall include a waiver of subrogation endorsement in favor of the Additional Insureds.
- **Workers Compensation:** Coverage shall include a waiver of subrogation in favor of the Additional Insureds.
- **Incorrect certificate:** The acceptance of an incorrect certificate by the Contractor does not waive the subcontractor's obligations to comply with these insurance requirements.
- **Minimum policy limits:** The limits shown are the minimum acceptable limits of coverage and do not restrict, limit or waive any obligations or responsibilities Subcontractor has under this agreement and the prime contract documents between Contractor and Owner. If Subcontractor maintains or obtains limits in excess of these requirements such limits shall apply for the benefit of the Additional Insureds and Indemnitees.

Z-25 PLUS Sample Certificate from Subcontractor



CERTIFICATE OF LIABILITY INSURANCE

OP ID: MH

DATE (MM/DD/YYYY)
11/10/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

Subcontractor's Insurance Broker

| | | | |
|---|--|--|--|
| PRODUCER Agency Manager, Inc. 2000 Main Street University Park, IL 60466 | | CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: FAK (A/C, No): | |
| INSURED Subcontractor 123 Main St. Tucson, AZ 45678 | | INSURER(S) AFFORDING COVERAGE INSURER A: ZURICH AMERICAN INSURANCE CO. INSURER B: ARCH INSURANCE COMPANY INSURER C: INSURER D: INSURER E: INSURER F: | |

Name of Subcontractor (It should match the name as written in the Subcontract)

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Current dates are required

| INSR LTR | TYPE OF INSURANCE | ADDITIONAL INSURER | SUBR CODE | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|--------------------|-----------|---------------|-------------------------|-------------------------|---|
| A | <input checked="" type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR | X | X | 123456789 | 10/01/11 | 10/01/12 | EACH OCCURRENCE \$ 1,000,000 TURNOVER TO THE PROPRETORY PREMISE (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/POP AGG \$ 2,000,000 |
| | GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | | | | |
| A | <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | X | | 123456789 | 10/01/11 | 10/01/12 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| | UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE | | | | | | |
| B | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB | | | 3456789 | 10/01/11 | 10/01/12 | EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 |
| | DEDUCTIBLE \$ RETENTION \$ | | | | | | |
| A | <input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N | N/A | 124456677 | 10/01/11 | 10/01/12 | <input checked="" type="checkbox"/> WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| | DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required) The Sundt Companies, Inc., Sundt Construction, Inc., The Project Owner(s), their Directors, Officers, Agents, Employees, and others as required by written contract shall be additional insureds for off-site operations. All coverage shall be excess & non-contributory. GL and WC to include waiver of subrogation. RE: Job Name and Job No. 123456. | | | | | | |

The two "each occurrence" boxes should total at least as much as required in your contract

The Totals in each box should be at least \$1 Million

This section should reference the job number, project name, and/or location

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 The Sundt Companies, Inc., Sundt Construction, Inc., The Project Owner(s), their Directors, Officers, Agents, Employees, and others as required by written contract shall be additional insureds for off-site operations. All coverage shall be excess & non-contributory. GL and WC to include waiver of subrogation. RE: Job Name and Job No. 123456.

| | |
|---|--|
| CERTIFICATE HOLDER SAMPLE CERTIFICATE ONLY | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. |
| | AUTHORIZED REPRESENTATIVE |

ACORD 25 (2009/09)

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This should name your appropriate company entity with proper address

Signed by the Broker only

Z-25 PLUS Participant Responsibilities Overview

The following is a listing of reminders for issues that come up periodically during the Z-25 Plus program duration. This should help clarify some of the administration for a Z-25 Plus participant as well as a reminder of issues to address during the life of the project.

- All lower tier subcontractors must comply with the Z-25 Plus insurance program requirements. If a lower tier subcontractor is not complying, the primary subcontractor may be requested to assist with the compliance of their lower-tier contractors.
- The “credit” that is taken from the primary subcontractor’s payment request will necessarily include its lower-tier subcontractors insurance “credits”. As such, it will be necessary for the primary subcontractor to process through a deduction to all of its lower tier contractors involved in the Z-25 PLUS program. *Please refer to your individual bid documents for the “credit” amount that will be deducted from your payment request.*
- The subcontractors “credit” will be calculated and included on all change orders as well.
- The subcontractor must meet all of JV’s safety requirements. In addition, the subcontractor must meet all of Zurich’s safety Recommendations, if any.
- The subcontractor must immediately report to Sundt incidents involving bodily injury or property damage in any way connected to the project. This includes incidents involving its lower-tier subcontractors.
- The subcontractor must cooperate with Zurich and its representatives in the investigation, adjustment, defense, and settlement of any claim or alleged incident, which may give rise to a claim.

Accident Reporting and Claims Procedures

Workers' Compensation Claims

1. **The injured employee's foreman/superintendent shall see that first aid is administered promptly and accompany the injured employee to the medical facility designated for the project.** Be sure to give treating clinic the name of subcontractor as employer, and reference the Project Name as job site. Designated facility must be used because of prior established relationship and their knowledge of occupational injuries and transitional work. Authorization treatment forms will be sent to the Sundt office at the job site, to be hand delivered to your designated safety person at the site.
2. **Claims will be called into ZURICH's '800' number at on the same day of occurrence.** Subcontractor must prepare the Employers' First Report of Injury and fax a copy to Zurich. A copy of the completed form should be filed with Sundt personnel (On-site Safety Coordinator – see directory). Claim kits are sent to the job site upon subcontractor enrollment that contain the necessary forms for reporting.
3. **The subcontractor must immediately supply the injured employee with the DWC-1** as required by State law, and follow usual internal reporting procedures, with the exception of reporting the claim to their usual Workers' Compensation insurance carrier.
4. **Foreman or superintendent must perform Accident Investigation, including Root Cause Analysis.** A copy of the completed Accident Investigation must be sent to On-site Safety Coordinator.
5. **Any claim issues or problems may be directed to the treating clinic or ZURICH directly.** If concerns or issues are not dealt with satisfactorily you may contact Susan Kotta-Wait at Gallagher Construction Services in San Francisco for assistance in resolving problems (see directory for phone numbers).
6. Maintenance of records required by the Federal Occupational Safety and Health Act and all other applicable regulations are the responsibility of each subcontractor.
7. Jobsite personnel who sustain a work related injury or are involved in property or equipment damage in excess of \$300 will submit to a post accident drug/alcohol test.
8. **The use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms at any time during the work day is prohibited.**
9. **The Substance Abuse Program contained in each applicable Union's Schedule A shall apply to the construction workers on site.**

GENERAL LIABILITY CLAIMS

1. If an injury is involved in a loss, the Subcontractor's superintendent must immediately arrange for first aid or other required medical treatment.
2. All Incidents shall be reported to Sundt at the jobsite within 24 hours of the occurrence.
3. The Subcontractor's superintendent must complete its internal accident report and provide that to Sundt within 24 hours.
4. Any Court Summons, legal documents or other correspondence must be immediately referred to Gallagher Construction Services in San Francisco by registered mail. Additional questions concerning suit papers should be referred to Gallagher Construction Services or Zurich.
5. All subcontractors must report claims to Sundt when they occur or the claim may be denied for late notice.
6. All subcontractors have a contractual obligation to cooperate with Zurich and its representatives in the investigation, settlement, and defense of any claim or alleged claim. Failure to do so may jeopardize coverage.
7. Jobsite personnel who sustain a work related injury or are involved in property or equipment damage in excess of \$300 will submit to a post accident drug/alcohol test.
8. The use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms at any time during the work day is prohibited.
9. The Substance Abuse Program contained in each applicable Union's Schedule A shall apply to the construction workers on the site.

Definitions for Purposes of this Manual

| | |
|-----------------------------------|---|
| General Contractor: | Sundt Layton, a JV hereafter referred to as “Sundt” or “JV” or “Joint Venture”. |
| Project: | As designated on Certificate of Insurance |
| Contract: | The agreement between <u>JV</u> and the <u>Subcontractor</u> . The terms "Contract" and "Agreement" are used interchangeably. |
| Subcontractor of Any Tier: | The person, firm or corporation with whom “JV” has entered into Agreement to perform Work. The Person/entity who has a contract with a “Sundt” Subcontractor to perform any Work at the Site. |
| Work: | Operations, as fully described in the Contract, performed at or emanating directly from the designated project site. |
| Designated project site: | <ol style="list-style-type: none">1. That certain property as described in contract documents, where “operations” regarding the insured are being performed.2. The areas adjacent to the above described.3. Locations where incidental operations are performed, excluding permanent locations of any insured other than the Owner of the Project Site. “Operations” means the performance of work and the installation of materials and does not include transit to, from or between covered sites, or off-site parking areas. |
| Off-Site Exposures: | Offices, Shops, warehouses, factories, or similar locations away from the designated project site that are not approved by the CCIP Insurer and endorsed onto the policy are not Insured locations. |
| Insured: | Subcontractors of any tier that have an executed subcontract agreement and which have received written confirmation of coverage by Gallagher Construction Services. The following are not Insureds under Z-25 PLUS: Vendors, suppliers, material dealers, off-site fabricators and others who merely transport, pick up, deliver or carry materials, personnel, parts or equipment or any other items or persons to or from the Project Site, et al. |
| Insurers: | <ul style="list-style-type: none">- Workers’ Compensation <i>American Zurich Insurance Company</i> Commercial General Liability Insurance: <i>Zurich American Insurance Company</i>- Excess Liability Insurance: <i>American Guarantee and Liability</i> <i>Second Layer - TBD</i> |

Personnel Directory

SUNDT CONTACTS:

PROJECT SAFETY

PROJECT MANAGER

INSURANCE BROKER CONTACTS:

PROGRAM MANAGER:

Scott Whiteside

Gallagher Construction Services
(415) 288-1637 office
(510) 207-0115 cell
(415) 288-6193 fax

ENROLLMENT/ADMINISTRATION:

John Drew

Gallagher Construction Services
505 North Brand Street, Suite 600
Glendale, CA 91203
(818) 539-1499 direct line
(818) 539-1651 fax
John_Drew@ajg.com

WORKERS' COMPENSATION CLAIMS: Maree Urias-Bono
Sundt Construction
2015 W. River Road
Tucson, AZ 85704
maurias@sundt.com

Susan Kotta-Wait

Gallagher Construction Services
(415) 288-1640 office
(415) 288-6171 fax

GENERAL LIABILITY CLAIMS:

Francine Mueller

Gallagher Construction Services
(415) 288-1674 office
(415) 288-6182 fax

ZURICH CLAIM CONTACT:

Claims Service Center

(877) 928-4531