



Insurance Requirements - Lessees

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by Lessee.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, the general aggregate limit shall be twice the required occurrence limit. The policy shall include broad form contractual liability coverage.
2. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
3. **Property insurance** against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

Lessee should check with Lessee's insurance advisors to verify compliance and determine if additional coverage or limits may be needed to adequately insure Lessee's obligations under this agreement. These are the minimum required and do not in any way represent or imply that such coverage is sufficient to adequately cover Lessee's liability under this agreement. These insurance requirements shall not in any way relieve Lessee of liability in excess of such coverage, nor shall it preclude City from taking such other actions as are available to it under any other provisions of this agreement or law. These insurance requirements shall not in any way act to reduce coverage that is broader or includes higher limits than those required. If Lessee maintains broader coverage and/or higher limits than the minimums shown above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Lessee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage required, which are applicable to any given loss, shall be available to City.

The insurance to be provided by Lessee under this agreement shall not include any endorsement limiting coverage available to City that is otherwise required herein; and any policy or endorsement language that (i) negates coverage to City for City's own negligence; (ii) limits the duty to defend City under the policy; (iii) provides coverage to City only if Lessee is negligent, or (iv) permits the recovery of defense costs from any additional insured. The

insurance provided under this agreement shall not contain any restrictions or limitations which are inconsistent with City's rights under this agreement.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City of Pasadena, its City Council, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Lessee including materials, parts, or equipment furnished in connection with such work or operations. General liability additional insured coverage shall be provided in the form of an endorsement to Lessee's insurance at least as broad as ISO Form CG 20 10 (ongoing operations).

Severability of Interests (Cross-Liability)

A severability of interest provision must apply for all the additional insureds, ensuring that Lessee's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the insurer's limits of liability.

Primary Coverage

For any claims related to this contract, Lessee's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects City, its City Council, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by City, its City Council, its officers, officials, employees, agents, or volunteers shall be excess of Lessee's insurance and shall not contribute with it.

Legal Liability Coverage

The property insurance is to be endorsed to include Legal Liability Coverage (ISO Form CP 00 40 04 02 or equivalent) with a limit equal to the replacement cost of the leased property.

Notice of Cancellation/Change in Coverage

Each insurance policy required above shall state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, non-renewed, or materially changed except after thirty (30) days' prior written notice has been given to City, except that ten (10) days' prior written notice shall apply in the event of cancellation for non-payment of premium. Prior written notice shall be sent to City pursuant to the Notices/Ship to provisions of this agreement.

Waiver of Subrogation

Lessee hereby grants to City a waiver of any right to subrogation which any insurer of said Lessee may acquire against City, its City Council, its officers, officials, employees, agents, and volunteers from Lessee by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not City has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by City. City may require Lessee to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state of California with a current A.M. Best's rating of no less than A:VII. The current A.M. Best rating for each insurer shall be noted on the Certificate(s) of Insurance.

Certificate Holder

Certificate Holder on each insurance certificate shall be addressed pursuant to the Notices/Ship To provisions of this agreement.

Verification of Coverage

Lessee shall furnish City with original certificates and all required amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. A statement on an insurance certificate will not be accepted in lieu of the actual endorsements required herein. Each insurance certificate shall specifically identify this agreement. All certificates and endorsements are to be received and approved by City before occupying the premises. However, failure to obtain the required documents prior to the work beginning shall not waive Lessee's obligation to provide them. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Failure to Maintain Insurance Coverage

If Lessee, for any reason, fails to maintain insurance coverage which is required pursuant to this contract, the same shall be deemed a material breach of contract. City, at its sole option, may terminate this contract at any time and obtain damages from Lessee resulting from said breach. Alternatively, City may purchase such coverage (but has no special obligation to do so), and without further notice to Lessee, the City may deduct from sums due to Lessee any premium costs advanced by City for such insurance.

Special Risks or Circumstances

City reserves the right to modify these requirements at any time, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.