

Resolution 2012-13: 77
Project Insurance Limits

By Board Chair Giess

WHEREAS, the Rochester School Facilities Modernization Program Act (“the Act”) established the Rochester Joint Schools Construction Board (“RJSCB”), a seven voting member board consisting of equal representation by the City of Rochester (“City”) and the Rochester City School District (“District”), as well as a member jointly selected by the City and the District; and

WHEREAS, under the Act, the RJSCB has certain enumerated powers to act as agent for the District, the City, or both; and

WHEREAS, the RJSCB, with the advice of its general counsel, the Program Manager, and the District’s general counsel and insurance agent, established certain insurance coverage limits (“Insurance Requirements”) that needed to be obtained by the prime contractors and subcontractors working on Phase 1 of the Rochester Schools Modernization Program (the “Phase 1 projects”); and

WHEREAS, prime contractors and subcontractors have advised the RJSCB and its insurance review consultant, Lawley Services, Inc., that the Insurance Requirements related to the Products/Completed Operations Aggregate limit set at \$3,000,000, the General Aggregate limit set at \$3,000,000, the Umbrella/Excess Occurrence Aggregate limit set at \$5,000,000 and the requirement for a Primary/ Non-Contributory additional insured endorsement on the Umbrella policy are difficult to obtain for subcontractors and are not industry standard; and

WHEREAS, the RJSCB’s insurance review consultant, Lawley Services Inc., has advised the RJSCB that the Products/Completed Operations Aggregate limit, the General Aggregate limit, the Umbrella/Excess Occurrence Aggregate limit, and the requirement for a Primary/ Non-Contributory additional insured endorsement on the Umbrella policy should be reduced and/or revised in order to be more reasonable and consistent with industry standards; and

WHEREAS, the RJSCB now wishes to reduce the Insurance Requirements set for subcontractors as follows: the Products/Completed Operations Aggregate limit from \$3,000,000 down to \$2,000,000, the General Aggregate limit from \$3,000,000 down to \$2,000,000, the Umbrella/Excess Occurrence Aggregate limit from \$5,000,000 down to \$2,000,000, and to remove the requirement for a Primary/ Non-Contributory additional insured endorsement on the Umbrella policy only; and

WHEREAS, all existing insurance requirement limits for prime contractors are not affected by this change;

THEREFORE, BE IT RESOLVED:

1. The RJSCB hereby approves the reduction of required limits in the amounts stated above for all subcontractors for the Products/Completed Operations Aggregate limit, the General Aggregate limit, and the Umbrella/Excess Occurrence Aggregate limit, and the removal of the requirement

for a Primary/ Non-Contributory additional insured endorsement on the Umbrella policy for all subcontractors.

2. The Program Manager and the Executive Director will proceed to advise the necessary parties, including but not limited to the prime contractors and the subcontractors, of the new limits and implement them on the Phase 1 projects as appropriate.

Second by Board Member Underwood

Approved 5-0 with Members Brown and Castro away