

EXHIBIT B

CONTRACTOR REQUIRED MINIMUM INSURANCE

General Requirements. The following minimum insurance requirements shall be included in each construction contract entered between TFC and Contractor:

1. CONTRACTOR must complete and forward the Certificates of Insurance to TFC before construction contracts are executed as verification of coverage required below. CONTRACTOR shall not commence Work until the required insurance is obtained and until such insurance has been reviewed by TFC. Approval of insurance by TFC shall not relieve or decrease the liability of CONTRACTOR hereunder and shall not be construed to be a limitation of liability on the part of CONTRACTOR.
2. CONTRACTOR's insurance coverage is to be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better, except for hazardous material insurance which shall be written by companies with A.M. Best ratings of A- or better.
3. If insurance policies are not written for amounts specified below, CONTRACTOR shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
4. TFC reserves the right to review the insurance requirements set forth during the effective period of this Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by TFC a based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as CONTRACTOR.
5. CONTRACTOR shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
6. CONTRACTOR shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.
7. The insurance coverages required under this contract are required minimums and are not intended to limit the responsibility or liability of CONTRACTOR.

Business Automobile Liability Insurance. Provide coverage for all owned, non-owned and hired vehicles. The policy shall contain the following endorsements in favor of TFC:

- a) Waiver of Subrogation endorsement;
- b) 30 day Notice of Cancellation endorsement; and
- c) Additional Insured endorsement.

Provide coverage in the following types and amounts:

A minimum combined single limit of \$1,000,000 per occurrence for bodily injury and property damage.

Workers' Compensation And Employers' Liability Insurance. Coverage shall be consistent with statutory benefits outlined in the Texas Workers' Compensation

Act (Section 401). CONTRACTOR shall assure compliance with this Statute by submitting two (2) copies of a standard certificate of coverage (e.g. ACCORD form) to TFC's Representative for every person providing services on the Project as acceptable proof of coverage. The Certificate of Insurance, Section 00650, must be presented as evidence of coverage for CONTRACTOR. CONTRACTOR's policy shall apply to the State of Texas and include these endorsements in their favor:

- a) Waiver of Subrogation, form WC 420304; and
- b) 30 day Notice of Cancellation, form WC 420601.

The minimum policy limits for Employers' Liability Insurance coverage shall be as follows:

\$500,000 bodily injury per accident, \$500,000 bodily injury by disease policy limit and \$500,000 bodily injury by disease each employee.

Commercial General Liability Insurance. The Policy shall contain the following provisions:

- a) Contractual liability coverage for liability assumed under the Contract and all contracts relative to this Project.
- b) Completed Operations/Products Liability for the duration of the warranty period.
- c) Explosion, Collapse and Underground (X, C & U) coverage.
- d) Independent Contractors coverage (Contractors/ Subcontractors work).
- e) Aggregate limits of insurance per project.
- f) TFC listed as an additional insured.
- g) 30 day notice of cancellation in favor of TFC.
- h) Waiver of Transfer of Recovery Against Others in favor of TFC.

Provide coverages A&B with minimum limits as follows:

A combined bodily injury and property damage limit of \$1,000,000 per occurrence.

Professional Liability Insurance. For Work which requires professional engineering or professional survey services to meet the requirements of the Contract, including but not limited to excavation safety systems, traffic control plans, and construction surveying, the CONTRACTOR or Subcontractors, responsible for performing the professional services shall provide Professional Liability Insurance with a minimum limit of \$1,000,000 per claim and in the aggregate to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission committed with respect to all professional services provided in due course of the Work of this Contract.

All endorsements naming TFC as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall indicate:

1. Texas Facilities Commission
1711 San Jacinto Boulevard
Austin, Texas 78701
Attention: Legal Services Division, Insurance Analyst