

**RI Housing**  
**Multi-Family Insurance Requirement Guidelines**

## **General Insurance Requirements**

### **Procurement and Term.**

- All Parties, as a condition of its mortgage loan commitment and as a covenant of its mortgage in connection with multi-family housing developments to be financed by Rhode Island Housing and Mortgage Finance Corporation (RIHousing), and as required, shall obtain and keep in force, or cause to be obtained and kept in force, policies of insurance described in this Exhibit, throughout and in accordance with the terms of the Agreement.
- Each policy shall be obtained and be effective prior to the start date of the Agreement, or the performance of any activity intended to be insured by each policy.
- Provisions relating to products and completed operations, professional liability, pollution legal liability and additional insured survive the expiration or termination of the Agreement.
- This Exhibit shall survive the termination and/or expiration of any such policy.
- Self-insurance is not allowed.
- Any Party who hires a subcontractor, vendor, agent or other hired party, collectively, "Hired Party or Parties" shall submit a Certificate of Compliance with Insurance Requirements form upon entering into the initial contract or agreement with the Hired Party, annually, or as requested by RIHousing, to certify the Hired Party's insurance is in compliance with these Multi-Family Insurance Requirement Guidelines. Mortgagors/Owners, Architects, General Contractors and Managing Agents must certify directly to RIHousing.

**Party/Parties.** Mortgagor or Owner, Architects (Design and Supervision), General Contractor and Management Agent, individually "Party", collectively "Parties".

**Indemnified Parties.** Indemnified Parties shall include any parties entitled to indemnification, including but not limited to Rhode Island Housing and Mortgage Finance Corporation, Its Successors and Assigns, and any other parties as required, each, an "Indemnified Party" and collectively, "Indemnified Parties".

**Hired Parties.** All Parties shall enter into written and executed contracts containing a hold harmless clause that provides for defense (other than professional liability) and indemnification in favor of Indemnified Parties with any subcontractors, vendors, agents and other hired parties, collectively, "Hired Parties" to provide materials, services or perform construction or other work in connection with the Agreement. All Parties shall cause Hired Parties to comply with the insurance requirements for Hired Parties in this Exhibit. All Parties shall be responsible for obtaining certificates of insurance and endorsements for all coverage required from each Hired Party prior to the Hired Party beginning work at the Project or procuring materials and obtaining and maintaining renewal certificates of insurance as required by this Exhibit.

**Evidence of Insurance.** All Parties shall furnish evidence of the required insurance on Acord form 25 and/or 28. All parties are required to submit evidence of insurance prior to the start of any contract or agreement, prior to beginning any work, throughout duration of the contract or work and post-completion as required. Mortgagors, Architects, General Contractors and Managing Agents shall provide evidence of insurance to RIHousing. Hired Parties shall provide their evidence of insurance to the Mortgagor, Architect, General Contractor or Managing Agent who contracts with the Hired Party.

- Evidence of builder's risk insurance and property coverage shall be provided on a current ACORD 28 form - Evidence of Commercial Property Insurance. The Acord 28 form shall indicate Special Perils Insured.
- Evidence of liability, workers' compensation and miscellaneous coverage shall be provided on a current ACORD 25 form - Certificate of Liability Insurance. All required endorsements shall be attached to the certificates of insurance. A list of any non-standard policy exclusions shall be attached to each certificate.
- Certificates evidencing additional or renewal policies shall be provided at least thirty (30) days prior to the expiration of a policy. RIHousing reserves the right to request and inspect each certificate of insurance, endorsement or insurance policy to verify the required scope of insurance.
- The certificate holder name and address shall be Rhode Island Housing and Mortgage Finance Corporation, Its Successors and Assigns, 44 Washington Street, Providence RI, 02903-1721, Attn:

Director of Loan Servicing. Additional Certificates may be required for other Indemnified Parties.

**Obligation to Procure.** Receipt of insurance certificates or copies of policies or endorsements without objection by RIHousing does not constitute acceptance or approval of insurance nor does it relieve any Party or Hired Party from their respective obligations to provide the required insurance. The obligation to procure and maintain any insurance required is a separate responsibility of Party and independent of the duty to furnish a copy or certificate of such insurance policies. If RIHousing is damaged by a Party or Hired Party's failure to maintain such insurance and to comply with the terms of this Exhibit, then Party shall be responsible for all costs and damages to RIHousing attributable to such failure. To the extent of any Party's inability to obtain all insurance required by this Exhibit, RIHousing, at any time, shall procure such insurance for Party at commercially reasonable rates. RIHousing may charge a one-time administrative fee equal to 15% of the annual premium for such insurance, however RIHousing is not obligated to procure such insurance on behalf of a Party.

**Evidence of Payment of Insurance Premiums.** All Parties shall furnish to RIHousing upon request evidence of payment of insurance premiums for any insurance policy required by this Agreement. All Parties shall furnish to RIHousing upon request duplicate receipts or satisfactory evidence of the payment of all premiums on any and all insurance required to be carried by the All Parties in accordance with this Agreement.

**Changes or Modifications.** The insurance requirements in this Exhibit are subject to change, and may not be modified or waived, in whole or in part except with the prior written authorization of RIHousing or their designee. At the discretion of RIHousing, additional or other coverage may be required where applicable.

**Minimum Requirements.** RIHousing does not warrant that meeting the required insurance coverage and limits will be sufficient to protect the interests of the Parties and Hired Parties. These are minimum requirements to protect the interest of the RIHousing. RIHousing makes no representation that the required coverages are adequate to fully protect the Parties and Hired Parties and recommends that the Parties and Hired Parties make an independent determination as to the adequacy of the coverage obtained with respect to a particular development. RIHousing strongly suggests that all Parties review the requirements with their Insurance Agent, Broker and/or Insurance Company, prior to securing any insurance, to ensure compliance with the insurance requirements in this Exhibit.

**Insurance Company Rating.** All insurance required by this Agreement shall be provided by reputable insurers licensed by the Rhode Island Department of Business Regulation to do business in the State of Rhode Island, with current AM Best ratings of not less than A- VIII. Risk retention groups are only acceptable with the written permission of RIHousing.

**Cancellation Notice Requirement.** Within seven (7) days of the date the Mortgagor, Architect, General Contractor or Managing Agent becomes aware of an impending or actual cancellation, non-renewal or expiration of any insurance required by RIHousing, the Mortgagor, Architect, General Contractor or Managing Agent shall provide written notice to RIHousing of such impending or actual cancellation, non-renewal or expiration. Upon receipt of notice from the Mortgagor, Architect, General Contractor or Managing Agent, RIHousing shall, unless the lapse in coverage arises from an act or omission of RIHousing, have the right but not the obligation to procure replacement coverage pursuant to the Obligation to Procure provision. The furnishing of notice by the Mortgagor, Architect, General Contractor or Managing Agent shall not relieve the Mortgagor, Architect, General Contractor or Managing Agent of any contractual obligation to provide any required coverage. The Mortgagor, Architect, General Contractor or Managing Agent shall require the same notice of cancellation, non-renewal or expiration from their Hired Parties. The foregoing does not waive any requirement under Rhode Island law or regulation that RIHousing be provided notice of cancellation directly by an insurer.

**Mortgagee/Loss Payee.** For all policies where RIHousing has an insurable interest, Rhode Island Housing and Mortgage Finance Corporation shall be listed as mortgagee and loss payee. For all FHA-insured loans (exclusive of FHA Risk Sharing), the Federal Housing Administration shall also be included as mortgagee and loss payee as their interests may appear.

**Additional Insureds.** Each Commercial General Liability, Automobile Liability and Umbrella or Excess Liability policy provided by any Party and their Hired Parties shall be endorsed to name the Indemnified Parties as Additional Insureds. The Commercial General Liability policy shall name the Indemnified Parties as additional insureds for ongoing and completed operations on a form no less broad than CG 20 10 (11 85) or a combination of forms CG 20 10 07 04 and CG 20 37 07 04 (or forms providing equivalent coverage). The endorsement form(s) shall state "Rhode Island Housing and Mortgage Finance Corporation, its successors and assigns and all other entities required by agreement or contract to be additional insured" as the Additional Insured and shall state "All Locations in which Rhode Island Housing and Mortgage Finance Corporation has an interest" as the Location. Copies of the additional insured endorsement(s) shall be attached to the certificate of insurance and shall be provided prior to any work being performed by any Party or Hired Party.

**Primary and Non-Contributory.** All required coverage except Professional Liability Insurance of any Party or Hired Party shall be primary to any coverage that may be available to Indemnified Parties. The coverage afforded shall be primary with respect to any claims, losses, damages, expenses or liabilities arising out of, relating to in any way, or incident to the work or any activities of any Party or Hired Party, regardless whether instituted against RIHousing alone or jointly with a Party or Hired Party or others, and noncontributing with any other insurance maintained by Indemnified Parties.

**Waiver of Subrogation/Waiver of Transfer of Right to Recover from Others.** To the fullest extent allowed by law, Parties and Hired Parties shall waive all rights of recovery and subrogation, regardless of negligence, against the Indemnified Parties. Additionally, any Party and their Hired Parties' insurance policies shall be endorsed to waive rights of recovery by subrogation as described in the Insurance Policy Requirements sections below.

**Limits.** The limits of insurance for each required policy shall be no less than required in this Exhibit and may be provided through a combination of primary and umbrella or excess liability policies.

**Deductibles.** Parties and Hired Parties shall be exclusively responsible for any deductibles or self-insured retentions applicable to the insurance provided.

## **Party and Hired Party Coverage Requirements**

The Coverage Requirements for each Party and Hired Party shall be provided in accordance with the Insurance Policy Requirements section below.

### **Mortgagor Coverage Requirements.**

- During Construction, Mortgagor shall purchase and maintain coverage for Builders Risk, Flood, Earthquake, Equipment Breakdown, Boiler Explosion Insurance, Commercial General Liability, Commercial Automobile Liability, if owned autos, Excess or Umbrella Liability, Workers' Compensation and Employers' Liability and,
- During Operation, Mortgagor shall purchase and maintain coverage for Property, Flood, Earthquake, Boiler and Machinery, Commercial General Liability, Commercial Automobile Liability, if owned autos, Excess or Umbrella Liability, Workers' Compensation and Employers' Liability, and Garage Keepers Legal Liability as described under Insurance Policy Requirements in this Exhibit.

**Architect (Both Design and Supervision) Coverage Requirements.** Architect shall purchase and maintain coverage for Valuable Papers, Commercial General Liability, Excess or Umbrella Liability, Workers' Compensation and Employers' Liability and Professional Liability, as described under Insurance Policy Requirements in this Exhibit.

**General Contractor Coverage Requirements.** General Contractor shall purchase and maintain coverage for Commercial General Liability, Commercial Automobile Liability, Excess or Umbrella Liability, Workers' Compensation and Employers' Liability and Contractor's Pollution Liability as described under Insurance Policy Requirements in this Exhibit.

**Managing Agent Coverage Requirements.** Managing Agent shall purchase and maintain coverage for Commercial General Liability, Commercial Automobile Liability, Excess or Umbrella Liability, Workers' Compensation and Employers' Liability, Crime and Garage Keepers Legal Liability, as described under Insurance Policy Requirements in this Exhibit.

**Hired Parties Coverage Requirements.** Any Hired Parties shall purchase and maintain coverage for Commercial General Liability, Commercial Automobile Liability, Commercial Excess Liability, Workers' Compensation and Employers' Liability as described under Insurance Policy Requirements in this Exhibit or as required by any other contract documents if more stringent.

**Insurance Policy Requirements.**

**Builder's Risk.** Prior to construction, Mortgagor shall purchase and maintain, or cause to be purchased and maintained, during the life of the Project a builder's risk (course of construction) insurance policy in an amount not less than 100% of the completed value of the Project. Any coverage sublimit shall be sufficient to insure the applicable exposure or the full replacement value of the property, whichever is less. For substantial rehabilitation projects, the Builders Risk insurance limit must be equal to the replacement cost of the existing structure plus the actual rehabilitation contract price. Rental income shall be provided in an amount equal to 100% of annual gross potential rental income plus a 90 day extended period of indemnity and a maximum deductible of two weeks.

The Mortgagor shall be the named insured. If the General Contractor provides the builders risk policy, the Mortgagor shall be an additional named insured. The policy shall cover the interest which the General Contractor, Hired Parties and suppliers have in the covered property. The policy shall contain endorsements naming Rhode Island Housing and Mortgage Finance Corporation as mortgagee and loss payee as required by any loan documents. The policy shall include a blanket waiver of subrogation in favor of the named insureds.

Coverage shall be written on ISO Causes of Loss-Special Form builders risk coverage form or its equivalent at replacement cost with no coinsurance penalty (or such provision shall be waived by an agreed amount clause or endorsement). Coverage shall include, but not be limited to, theft, vandalism, malicious mischief, testing and startup, terrorism, mold and fungus (if not available Mortgagor shall submit a written mold prevention program), collapse (including collapse from design error), windstorm, earthquake, earth movement, subsidence, water damage and flood (including the overflow of inland or tidal waters, the unusual accumulation or runoff of surface waters from any source, or mudslides or mudflows which are caused by flooding), business or rental income costs, extra expense costs, soft costs (including but not limited to reasonable compensation for professional fees and general conditions) in an amount equal to the soft costs of construction as itemized in the pro forma, physical damage resulting from machinery accidents (but excluding normal and natural wear and tear, corrosion, erosion, inherent vice or latent defect in the machinery), demolition costs, debris removal coverage, increased cost for repair, the cost of rebuilding or reconstruction of damaged property due to enforcement of any law or building ordinance, civil authority ingress and egress, plans, blueprints and specifications, utility service interruption and delay in completion or start up. Any faulty workmanship or materials exclusion shall provide an exception for ensuing loss.

Property to be covered shall include all real and personal property, Work at the Project, property while in transit, property at any temporary off-site location, and include all materials, supplies, scaffold, machinery, fixtures and equipment, and interior portions of the building intended to become a permanent part of the Project or for permanent use in the Project or incidental to the construction including, but not limited to, underground work, foundations including pilings, sidewalks, paving, landscaping, falsework, temporary structures, trailers, and laydown areas.

The policy will include permission to occupy and allow tenancy. For developments occupied by tenants during the entire construction period, an endorsement allowing such tenancy shall state "The Insurance Company acknowledges that the building(s) is/are under renovation." If coverage is provided by a blanket or master policy, a copy of the limit and deductible provisions shall be provided to and approved by RIHousing.

Coverage, including permission for temporary occupancy, shall be maintained until Final Acceptance and final payment has been made. Once the property becomes complete and permanent, a separate property policy shall be purchased and maintained to cover the building(s) per the Property section.

Losses shall be replaced by Mortgagor at no expense to the RIHousing. Any deductible or sublimit deductible shall not exceed \$50,000 for flood and earthquake or \$25,000 for all other perils unless the Party can demonstrate the financial ability to fund a higher retention in a form satisfactory to RIHousing. If a higher deductible is proposed, RIHousing may require a bond, indemnification agreement and/or a letter of credit.

All settlement checks shall include Rhode Island Housing and Mortgage Finance Corporation as payee. Mortgagor shall pay Builders Risk Insureds their just shares of insurance proceeds received by Mortgagor.

**Property.** Mortgagor shall purchase and maintain a property insurance policy in an amount not less than 100% replacement cost of the building and other improvements. Any coverage sublimit shall be sufficient to insure the applicable exposure or the full replacement value of the property, whichever is less. Rental income shall be provided in an amount equal to 100% of annual gross potential rental income plus a 90 day extended period of indemnity and a maximum deductible of two weeks.

The policy shall name the Mortgagor as named insured and contain endorsements naming Rhode Island Housing and Mortgage Finance Corporation as mortgagee and loss payee. The policy shall include a blanket waiver of subrogation in favor of Rhode Island Housing and Mortgage Finance Corporation.

Coverage shall be written on ISO Causes of Loss-Special Form coverage form or its equivalent at replacement cost with no coinsurance penalty (or such provision shall be waived by an agreed amount clause or endorsement). Coverage shall include, but not be limited to, theft, vandalism, malicious mischief, mold and fungus (if not available Mortgagor shall submit a written mold prevention program), collapse (including collapse from design error), windstorm, earthquake, earth movement, subsidence, water damage and flood (including the overflow of inland or tidal waters, the unusual accumulation or runoff of surface waters from any source, or mudslides or mudflows which are caused by flooding), business or rental income costs, extra expense costs, physical damage resulting from machinery accidents (but excluding normal and natural wear and tear, corrosion, erosion, inherent vice or latent defect in the machinery), demolition costs, debris removal coverage, increased cost for repair, the cost of rebuilding or reconstruction of damaged property due to enforcement of any law or building ordinance, civil authority ingress and egress, plans, blueprints and specifications and utility service interruption (including all transmission lines) for both direct and rental income loss. Any faulty workmanship or materials exclusion shall provide an exception for ensuing loss.

Property to be covered shall include all real and personal property, including lobby and office furnishings. If coverage is provided by a blanket or master policy, a copy of the limit and deductible provision shall be provided to RIHousing.

Losses shall be replaced by Mortgagor at no expense to the RIHousing. Any deductible or sublimit deductible shall not exceed \$50,000 for flood and earthquake or \$25,000 for all other perils unless the Party can demonstrate the financial ability to fund a higher retention in a form satisfactory to RIHousing. If a higher deductible is proposed, RIHousing may require a bond, indemnification agreement and/or a letter of credit. All settlement checks shall include Rhode Island Housing and Mortgage Finance Corporation as payee. Mortgagor shall pay Insureds their just shares of insurance proceeds received by Mortgagor.

**Flood.** Flood insurance must be provided on all properties whether with a builder's risk, property or stand alone policy(ies). The minimum amount of flood insurance required is (1) for properties not in a Flood Hazard Zone or in Flood Hazard Zones other than Flood Hazard Zones which begin with A and V, the limit shall equal the lesser of replacement cost or mortgage value or the maximum limit provided by the National Flood Insurance Program or (2) for Zones which begin with A or V (i.e. A, AR, A1, V, VE, V15, etc.), the total flood coverage must be provided to a limit equal to the lesser of replacement cost or mortgage value or \$5,000,000. Such flood insurance, as required by law if the development is located in a community for which flood insurance has been made available under the provisions of the Flood Disaster Protection Act of 1973 (42 U.S.C. Section 4001 et seq.), shall be in a form of the Standard National Flood Insurance Program policy or in the form of a policy which meets the guidelines published by the Federal Insurance Administration amended (43 F.R. 7142). If primary coverage is provided through the National Flood Insurance Program, and the limit required above is not met, excess flood insurance coverage must also be provided. It is incumbent upon the Mortgagor to document the location of the development outside a designated flood hazard area. In the absence of documentation satisfactory to RIHousing, Mortgagors are required to procure and maintain flood insurance for the amount of the mortgage or the value of the property at risk or \$5,000,000, whichever is less.

**Earthquake.** Earthquake insurance must be provided on all properties whether with a builder's risk, property or stand alone policy(ies) in an amount equal to the lesser of replacement cost or mortgage value or \$5,000,000.

**Equipment Breakdown.** To the extent not covered by the Builders Risk or Property policy, insurance with a limit sufficient to cover 100% replacement cost of the equipment. Equipment breakdown and builders risk insurance policies, if separate, shall include a joint loss clause.

**Boiler Explosion Insurance.** For developments under construction and completed developments with boilers, pressure vessels, large air conditioning units, special machinery or major electrical installations, boiler and machinery insurance shall be carried. Note that a boiler is defined as any water heating device that meets or exceeds any of the following criteria (1) a heat input of 200,000 Btu/hour (58.6kW); (2) a water temperature of 210° F, or; (3) a nominal water-containing capacity of 120 gallons. The limit shall be the lesser of (a) the value of 100% of the replacement cost of the subject property or (b) \$5,000,000, unless RIHousing determines that a higher limit is required. Loss recoveries must be on a replacement cost valuation basis. Rental income shall be provided in an amount equal to 100% of annual gross potential rental income plus a 90 day extended period of indemnity and a maximum deductible of two weeks. The policy shall include a joint loss agreement to coordinate coverage with the property coverage if not written by the same insurer. A standard comprehensive form boiler and machinery policy covering all pressure, mechanical and electrical objects and apparatus may fulfill the boiler and machinery requirements. Any deductibles in the policy shall not exceed \$25,000 per occurrence unless the Mortgagor can demonstrate the financial ability to absorb a higher retention in a form satisfactory to RIHousing and Mortgagor certifies it shall be responsible for any such deductible.

**Valuable Papers.** Party shall provide Valuable Papers insurance in an amount sufficient to assure the restoration of any plans, drawings, computations, field notes, Building Information Modeling (BIM) or other similar data relating to work covered by the agreement in the event of loss or destruction while in the custody of any Party until the final fee payment is made or all data is turned over to RIHousing, and shall include coverage for relevant electronic media including, but not limited to, documents stored in computer aided design drafting (CADD) systems.

**Commercial General Liability.** Parties and Hired Parties shall purchase and maintain commercial general liability (CGL) written on an occurrence basis, and such coverage shall be at least as broad as the broadest available version of Insurance Services Office form CG 00 01. No amending or exclusionary endorsements material to any parties' obligations in the Agreement may be attached. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability assumed under an insured contract or limiting the liability owed to the Indemnified Parties to that limit required in contract. The policy shall provide for separation of insureds and shall contain no insured vs. insured exclusion. The policy shall contain Additional Insured endorsements as described in the Additional Insured section and a Waiver of Transfer of Rights of Recovery Against Others to Us, form CG2404 or equivalent endorsement naming the Indemnified Parties in the endorsement schedule. Products and completed operations coverage shall be maintained for 3 years after Final Acceptance or the expiration or termination of the Agreement, whichever is greater. Throughout the 3 year period, Party and Hired Parties shall submit renewal insurance certificates, including the Additional Insured endorsements, as evidence that coverage is being maintained. The policy shall contain an endorsement granting a per project or per location aggregate limit for the Project. Mold coverage shall be included if available. If not available Mortgage shall submit a written mold prevention program to RIHousing.

**Commercial Automobile Liability.** Parties and Hired Parties shall purchase and maintain commercial automobile liability coverage for all owned (if any), non-owned and hired automobiles. Coverage shall be no less broad than as provided under symbol 1. If Party does not own autos, symbols 2, 8 and 9 shall be provided on the automobile policy or hired and non-owned coverage shall be provided on commercial general liability policy. Indemnified Parties shall be named as Additional Insureds and the policy shall contain a Waiver of Subrogation or Waiver of Transfer of Rights of Recovery endorsements naming the Indemnified Parties in the endorsement schedule.

**Excess or Umbrella Liability.** Parties and Hired Parties shall purchase and maintain a follow-form excess or umbrella liability policy, and policies in excess of those policies, providing excess coverage over Commercial General Liability, Automobile Liability and, if required, Employers Liability. Coverage provided by the excess or umbrella policy(s) shall be no less broad than the coverage for Commercial General Liability, Automobile Liability and Employers Liability described in this Exhibit. Products and completed operations liability under the Excess or Umbrella Liability policy(s) shall be maintained for 3 years after Final Acceptance or the expiration or termination of the Agreement, whichever is greater. The policy shall contain Additional Insured endorsements or follow form coverage as described in the Additional Insured section and a Waiver of Transfer of Rights of Recovery Against Other to Us endorsement naming the Indemnified Parties in the endorsement schedule. Any Excess or Umbrella liability coverage will not require contribution before it will apply.

**Limits of Liability.** The total limits of liability for commercial general liability, including excess or umbrella liability, and automobile liability shall be no less than the following:

Category/Coverage	Buildings with 1-3 Stories	Buildings with 4 or More Stories	Hired Parties*
General Liability - each occurrence	\$4,000,000	\$6,000,000	\$2,000,000
General Liability - personal/advertising injury	\$4,000,000	\$6,000,000	\$2,000,000
General Liability - products and completed operations aggregate	\$4,000,000	\$6,000,000	\$2,000,000
General Liability - general aggregate	\$4,000,000	\$6,000,000	\$2,000,000
Automobile Liability – combined single limit	\$4,000,000	\$6,000,000	\$2,000,000

RI Housing has the discretion and reserves the right to require higher limits of liability.

\*For Hired Parties, per definition on page 1, with contracts or purchase orders of \$25,000 or less, the required limit is \$1,000,000.

**Workers' Compensation and Employer's Liability.** Parties and Hired Parties shall purchase and maintain statutory workers compensation coverage compliant with the state of Rhode Island, and any other jurisdictions in which workers are residents, or through which they may travel to perform Work, as required by applicable Law and imposed by worker's compensation, occupational disease or similar Laws, including the Longshore and Harbor Workers' Act, the Federal Employers' Liability and the Jones Act, if applicable. No proprietor, partner, executive officer or member shall be excluded. Employers' liability limits shall not be less than \$1,000,000 each accident, \$1,000,000 by disease-policy limit and \$1,000,000 by disease-each employee. The policy shall contain a Waiver of Our Rights to Recover from Others endorsement naming the Indemnified Parties in the endorsement schedule.

**Professional Liability Insurance.** Parties, and Hired Parties as required, shall purchase and maintain, prior to closing, professional liability insurance appropriate to parties' profession. Coverage shall apply to liability for a negligent professional error, act or omission arising out of Architect's services or any person or entity for whose performance the Architect is legally liable. If coverage is written on a claims-made basis, any retroactive date shall be no later than the effective date of the Agreement; and continuous coverage shall be maintained or an extended discovery period exercised for 6 years after the earlier of: (1) the date of official acceptance of the completed Project by the Mortgagor; (2) the date of the opening of the project to public use; (3) the date of acceptance by the Architect of final payment under the construction contract; or (4) the date of final completion of the Project and the taking of possession of the project for occupancy by the Mortgagor. Architect or Hired Party shall submit either (i) renewal insurance certificates to evidence coverage is maintained throughout the 6 year period; or (ii) a 6-year extended reporting period endorsement. Limits for Architect, and any Hired Party providing professional services, shall not be less than \$2,000,000 per claim and \$2,000,000 annual aggregate.

**Contractor's Pollution Liability.** If a Contractor or a Hired Party is involved in pollutant remediation, including the removal of lead or asbestos containing materials, Contractor, and Hired Parties as required by Contractor, shall purchase and maintain coverage for bodily injury and property damage, including loss of use resulting from liability arising out of pollution related exposures such as asbestos abatement, lead paint abatement, tank removal, removal of contaminated soil, and the like. The policy shall cover liability as a result of the process of removal, storage, transport and disposal of hazardous waste and contaminated soil and/or asbestos abatement. The policy shall include coverage for onsite and offsite bodily injury and loss of, damage to, or loss of use of property, directly or indirectly arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon the land, the atmosphere or any water course or body of water, whether it be gradual or sudden and accidental. The policy shall also include defense and cleanup costs. Coverage shall be on an occurrence basis and shall name the Indemnified Parties as Additional Insured. Limits shall not be less than \$5,000,000 per occurrence and \$5,000,000 aggregate.

**Crime.** Party shall purchase and maintain crime insurance to cover money, securities, information, property and other property types arising from computer fraud, forgery, funds transfer fraud, employee theft and similar loss types; all whether on or off the premises. The policy shall cover all persons involved in handling funds for the management agent, owner or development. If necessary to trigger coverage, Indemnified Parties shall be endorsed as 'Client'. If coverage is written on a discovery form, continuous coverage will be maintained or an extended period to discover loss will be exercised for a period of 6 years beginning from the time that work under the Agreement is complete. Party shall submit either (i) renewal insurance certificates to evidence coverage is maintained throughout the 6 year period; or (ii) a 6-year extended period to discover loss endorsement. The limit shall be a minimum of 12 months gross potential rents.

**Garage Keepers Legal Liability.** If garage facilities are provided with the development, or attendants are employed for outdoor parking facilities, coverage is required to protect vehicles from damage while in the possession or control of the Mortgagor or a Hired Party. The Mortgagor, and Hired Party if applicable, shall obtain garage keepers' legal liability insurance at a combined single limit per occurrence of not less than \$500,000. Coverage for comprehensive and collision shall have a maximum deductible of \$1,000.



**Parties (Property Owners), Architects and Hired Parties (Contractors) Coverage Requirements for Smaller Properties and Construction Projects up to \$3,000,000:** Refer to Insurance Policy Requirements above for the details of each required coverage.

**Owner Requirements**

Property Owner shall obtain and provide evidence of the following insurance: Builders Risk, if property is under construction, Property, Flood, if applicable, Personal Liability (if property is covered under homeowners or a dwelling fire policy with personal liability) or Commercial General Liability at a minimum limit of \$1,000,000 each occurrence and aggregate, and, if Property Owner has any employees, Statutory Workers' Compensation coverage and Employer's Liability.

If any properties that qualify for the insurance requirements under this section use a property manager, the property manager shall meet the requirements set forth above under Managing Agent Coverage Requirements.

All Property Owners are encouraged to recommend its tenants to purchase tenant insurance to cover the tenant's personal property and personal liability.

**Architect(s) for any of the above Parties (Property Owners)**

Property Owner shall require and obtain evidence of the following insurance from each Architect, as applicable: Commercial General Liability, at a minimum limit of \$1,000,000 each occurrence and aggregate, and Professional Liability at a minimum limit of \$1,000,000.

For one-family and two-family projects under \$1,000,000 Architect may provide Professional Liability at a minimum limit of \$500,000. If architect has any employees, Architect shall provide evidence of statutory Workers' Compensation coverage and Employer's Liability.

**Contractors (Hired Parties) for any of the above Parties**

Property Owner shall require and obtain evidence of the following insurance from each Hired Party (Contractor): Commercial General Liability at a minimum limit of \$1,000,000, and statutory Workers' Compensation coverage and Employer's Liability, if the Hired Party (Contractor) has any employees.

Additional requirements applicable to each of the above Parties and Hired Parties:

- All Parties shall furnish evidence of the required insurance on Acord form 25 and/or 28 as described above under Evidence of Insurance.
- For projects under \$1,000,000, Parties may provide evidence of property insurance on Acord form 27.

The certificate holder shall be Rhode Island Housing and Mortgage Finance Corporation, Its Successors and Assigns, 44 Washington Street, Providence RI, 02903-1721, Attn: Director of Loan Servicing.

Builders Risk deductibles shall not be greater than \$1,500.

Commercial General Liability deductibles shall not be greater than \$1,500.

For all policies where RIHousing has an insurable interest, Rhode Island Housing and Mortgage Finance Corporation shall be listed as mortgagee and loss payee as described above under Mortgagee/Loss Payee.

All Commercial General Liability policies shall name Rhode Island Housing and Mortgage Finance Corporation as Additional Insureds on the broadest available additional insured endorsement for ongoing and completed operations. Copies of the additional insured endorsements shall be attached to the certificate of insurance.