

***Florida Municipal Construction Insurance Trust
of the
Florida League of Cities, Inc.***



MCIP Insurance Manual

for

The School District of Palm Beach County



This update: 10/15/07

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MCIP Details

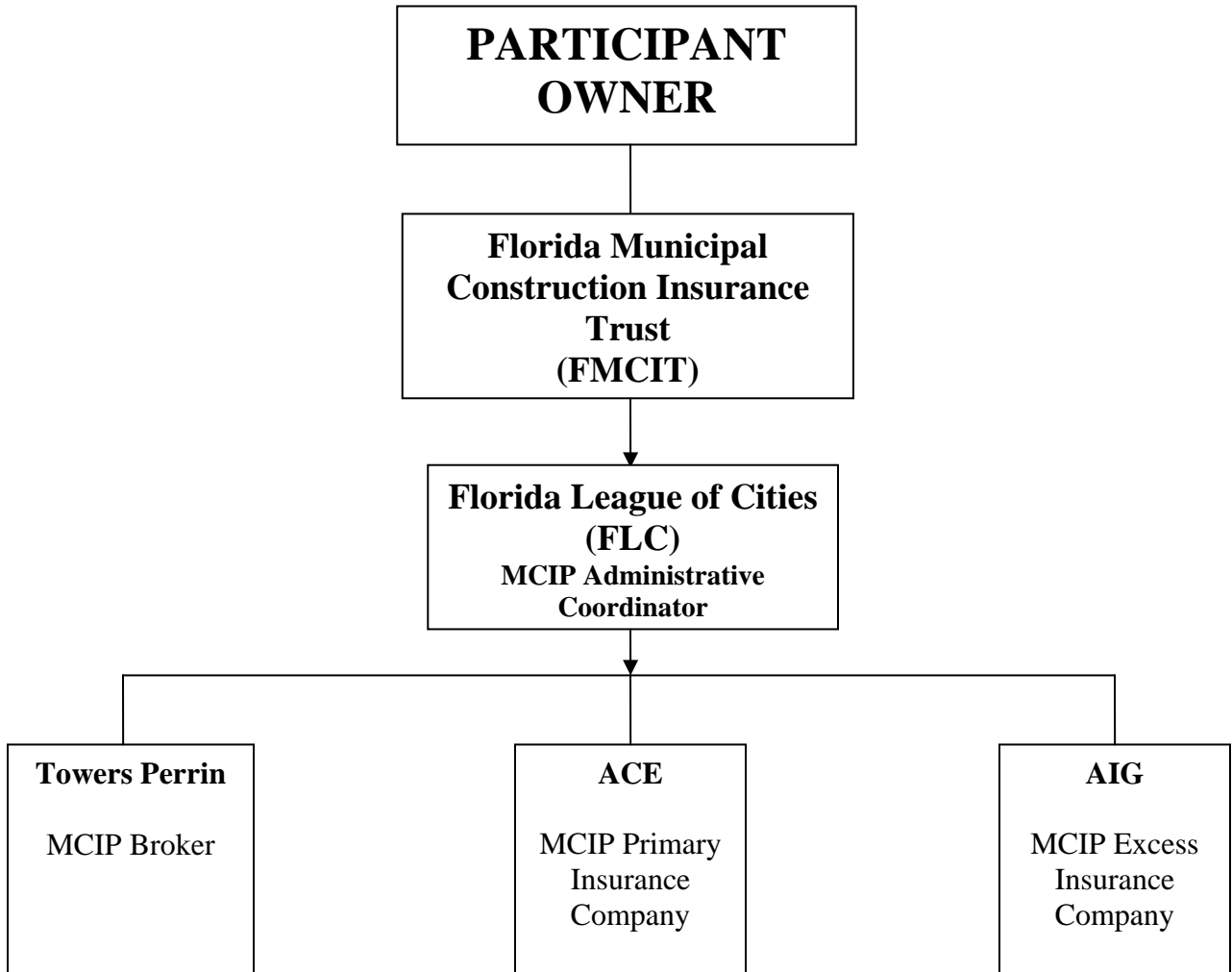
The School District of Palm Beach County has elected to implement the Florida Municipal Construction Insurance Trust ("FMCIT") Master Controlled Insurance Program ("MCIP") that will provide Workers' Compensation, Employer's Liability, General Liability, and Excess Liability coverages for the Subcontractors that provide direct labor to the Project. **Participation is mandatory, unless your operations are specifically excluded. Therefore, the Owner has specified that insurance costs be identified in (and subsequently deducted from) all initial bids and any change orders.**

The insurance protection provided by the MCIP, as well as your rights and responsibilities under the program, are as much a part of your contract as the actual work specifications. All terms and conditions of this manual are incorporated by reference into your contract.

The Construction Manager (CM) and all Subcontractors shall comply with all aspects of the MCIP's Safety Program Manual. All terms and conditions of this manual are incorporated by reference into your contract.

Any questions regarding the particulars of this program can be discussed at all pre-bid and pre-construction meetings, or by contacting the MCIP Administrative Coordinator.

MCIP Administrative Structure



MCIP Contact List

MCIP Administrative Coordinator

Florida League of Cities MCIP Administration 125 E. Colonial Drive P.O. Box 530065 Orlando, Florida 32853-0065	Cordia Murphy, Director, MCIP	Phone: (866) 903-0884 Fax: (866) 701-0885 Email: cmurphy@mrmriskmanagement.com
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MCIP Broker

Towers Perrin One Stamford Plaza / 5th FL 263 Tresser Boulevard Stamford, CT 06901-3226	William M. Mollica, Vice President	Phone: 203-363-1962 Fax: 203-363-1995 Email: william.mollica@towersperrin.com
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MCIP Insurer

ACE USA ACE Risk Management 1133 Avenue of the Americas New York, NY 10036	Regina Krasnovsky Assistant Vice President ACE USA Construction	Phone: 212-703-7110 Email: Regina.Krasnovsky@ace-ina.com
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MCIP Claims Handling

ACE USA / ESIS	Centralized claim reporting:	Toll-Free: 1-800-318-6216
<u>Worker's Compensation:</u> ACE USA / ESIS Tampa Claims Office P.O. Box 23928 Tampa, FL 33623-3928	Team Leader: Carrie Rodriguez Rep: Kelli Green	Main Line: 800-367-5189 Fax: 813-281-1339 Phone: 813-281-1472 Email: carrie.rodriguez@esis.com Phone: 813-281-1439 Email: kelli.green@esis.com
<u>General Liability:</u> ACE USA / ESIS Tampa Claims Office P.O. Box 30389 Tampa, FL 33630-3389	Team Leader: Bob Hyypio Rep: Steve Bruce	Main Line: 800-282-4651 Fax: 813-281-1398 Phone: 813-281-1462 Email: robert.hyypio@esis.com Phone: 813-281-1413 Email: stephen.bruce@esis.com

MCIP Safety Team

Florida League of Cities 125 E. Colonial Drive P.O. Box 530065 Orlando, Florida 32853-0065	Scott Blaser	Phone: 407-367-3434 Email: sblaser@flcities.com
ACE USA	Allen Abrahamsen, Risk Control Services	Phone: 570-856-3476 Email: allen.abrahamsen@ace.ina.com

Definitions

Construction Manager/General Contractor:

The firm, General Contractor, or Construction Manager identified in the Contract with the Owner to construct this Project.

Enrolled Subcontractors:

Any Subcontractor of any tier that has been awarded work, completed the necessary paperwork, and met the requirements to become enrolled in the MCIP as evidenced by a certificate of insurance issued by Towers Perrin.

Excluded Subcontractors:

Contract haulers or truckers, consultants, vendors, suppliers, material dealers, asbestos abatement, or other hazardous material contractors, or others merely making deliveries or pickups from the Jobsite. In addition, at the discretion of the MCIP Administrative Coordinator, contractors who will be on the jobsite for less than two (2) days or with a contract value of less than \$25,000, or any contractors so designated by the Owner, can be excluded from the MCIP.

Incident/Claim Handling Procedures Manual:

The manual that identifies the procedures and forms for handling Workers' Compensation and General Liability incidents or claims reporting.

Insured:

The School District Of Palm Beach County, Construction Manager/General Contractor, all Enrolled Subcontractors of every tier, and any other party named as an Insured on the certificates of insurance.

Insurer:

ACE Insurance Company & AIG

Jobsite:

The premises owned by the Owner as described in the Contract between SCHOOL DISTRICT OF PALM BEACH COUNTY and/or Construction Contractor and/or areas and ways contiguous thereto, including any approved worksites set up by the Owner for use by an insured exclusively for storage or staging of material or equipment or for onsite fabrication of materials to be used on the Jobsite, including approved temporary locations.

MCIP:

Master Controlled Insurance Program under which Workers' Compensation, Employer's Liability, General Liability and Excess Liability insurance is procured by SCHOOL DISTRICT OF PALM BEACH COUNTY for the Construction Manager/General Contractor and all enrolled Subcontractors of every tier while performing operations at the Jobsite.

MCIP Administrative Coordinator:

The individual responsible for the day-to-day administration of the Master Controlled Insurance Program.

MCIP Program Consultant:

The individual who has overall MCIP program responsibility, including oversight of the administration, safety, and claims services.

MCIP Safety Team:

The people with safety and loss control responsibilities assigned to the Project. This includes Florida League of Cities personnel and other representatives including ACE Insurance Company.

MCIP Safety Program Manual:

The manual that identifies the requirements for the Project's safety and loss prevention program to be established by the Construction Manager/General Contractor.

Offsite:

Premises other than the Jobsite.

Onsite:

See Jobsite definition.

Owner:

The School District of Palm Beach County, Florida

Project:

The specific project identified in the Contract.

Project Manager:

The individual assigned by the Construction Manager with overall project responsibility.

Site Safety Coordinator:

The individual assigned by the Construction Manager with overall responsibility for safety at the Jobsite.

Site Safety Representative:

The individual assigned by the Subcontractor to perform onsite safety duties.

Subcontractor:

Any individual, firm, or corporation undertaking construction or other services under a contract with the Owner, Construction Manager, or Subcontractor of any tier to furnish labor, services, materials &/or equipment, &/or perform operations at or from the Project site.

MCIP Requirements

The Construction Manager and each Subcontractor of any tier are obligated and will comply with each of the provisions stated herein:

- **Mandatory Compliance**—Participation is mandatory unless your operations are specifically excluded.
- **On-Site Enrollment Requirement**—Only enrolled subcontractors or those excluded from the MCIP are allowed to be on the project site. Subcontractors shall not commence work at the Jobsite until (a) if enrolled, receipt of a certificate of insurance issued by the MCIP Administrative Coordinator, or (b) if excluded under the MCIP, having provided a certificate of insurance as required in this manual.
- **Meeting Attendance**—At the request of the Owner, the Construction Manager and Subcontractors shall attend any meetings held to explain and discuss the MCIP.
- **Contract Documents for all tiered Subcontractors**—This MCIP Insurance Manual and the MCIP Safety Program Manual will be a part of the bid specification and bidders are expected to be familiar with the requirements prior to submitting their bid. In addition, both manuals will be incorporated by reference into the successful bidders awarding contracts and, accordingly, all provisions require mandatory compliance.
- **Cooperation with MCIP Administrative Coordinator**—All enrolled subcontractors must comply with all enrollment and administrative requirements including monthly payroll reporting.
- **Return to Work**—The owner requires every subcontractor is contractually obligated to provide light duty to any injured worker that is eligible.
- **Safety Compliance**—All subcontractors must have full compliance with all safety requirements as required in the MCIP Safety Manual.

Safety and Loss Prevention

For complete details of all safety requirements, refer to the MCIP Safety Program Manual. They are part of your contract. The Owner's objective under the MCIP is to emphasize that protecting people and property are of critical importance to the success of this Project. Incidents at this Project can be controlled and prevented through safe work practices.

This project will have a loss control team consisting of the Florida League of Cities, ACE Insurance Company and the Construction Manager/General Contractor's Jobsite Safety Manager. The Project Safety Team will be a technical advisor to the Owner's project management team and will be responsible for monitoring the Construction Manager/General Contractor and Subcontractors' compliance with all safety and loss prevention program initiatives. **The Project Safety Team has authorization to stop any work that may stem from non compliance with safety procedures.**

Active participation by the Construction Manager and Subcontractors of all tiers in all Project safety and loss prevention programs is mandatory. The Construction Manager/ and all Subcontractors of any tier must demonstrate complete support of safety to their employees and continuing involvement in all safety and loss prevention programs.

Safety Performance Standards

Some of the specific safety requirements are listed below. For complete details, refer to the MCIP Safety Manual.

1. There is a 100% fall protection requirement for employees working at heights six (6) feet or more for all workers.
2. Shirts must have at least a four (4) inch sleeve. Also, long pants must be worn.
3. 100% use of hardhats and safety glasses.
4. No casual, tennis, or opened-toed shoes are permitted onsite at any time.
5. All workers must attend Project Safety Orientation and receive either a badge or sticker to note completion of training.
6. Drug & Alcohol free job-site with pre-employment and post-accident testing.

Drug and Alcohol-Free Jobsite

This Project is a drug and alcohol-free Jobsite. The Construction Manager and all Subcontractors of every tier will maintain a drug and alcohol-free environment for this project. Prior to any employee commencing work on the Jobsite, the Construction Manager will obtain, and maintain on file, a signed Employee Consent (Exhibit A) for all employees of the Construction Manager/General Contractor and Subcontractors of every tier.

Each Subcontractor is responsible for ensuring that its (sub) Subcontractors of every tier test their employees prior to reporting to work on the Jobsite in order to maintain a drug and alcohol-free Jobsite. The Construction Manager's and Subcontractors' employees may be tested randomly or for reasonable suspicion, as appropriate, throughout the construction process. The Construction Manager and each Subcontractor of every tier will certify monthly, via the monthly payroll report that they have complied with the drug and alcohol free Jobsite requirement. Contractors must ensure that drug screen results are current or within the six month period prior to the worker starting on site.

This policy is to be used in conjunction with the Subcontractor's own drug and alcohol-free program and in accordance with the Contract.

In addition, it is mandatory that a drug screen be performed on all employees involved in an incident where an employee:

1. receives an on-the-job injury requiring medical attention;
2. receives an on-the-job injury but waives medical attention;
3. injures another employee;
4. utilizes unsafe work practices;
5. causes damage to property; or
6. is involved in a "near-hit" incident.

Screening will be performed by an authorized provider. All post-incident screenings will be performed by the medical provider that the injured employee was dispatched to, or as otherwise mandated by the Owner. The screen must be for the standard "Ten Panel" substances as identified for the following:

- | | |
|-------------------|--------------------------------|
| 1. Amphetamines | 6. Opiates |
| 2. Barbiturates | 7. Phencyclidine (PCP) |
| 3. Benzodiazepine | 8. Propoxyphene (Darvon) |
| 4. Cocaine | 9. THC (Marijuana/Canabinoids) |
| 5. Methadone | 10. Methaqualone |

Costs associated with the screening shall be borne by the employer.

Refusal to sign the Employee Consent form, refusal to submit to a drug or alcohol test, or receipt of a positive test result will result in the removal of the employee from the Project site and will prohibit that employee from working on other projects for the Owner. It is the duty and obligation of the employer to automatically remove an employee who refuses to sign the Employee Consent form, submit to a test, or who receives a positive test result, regardless of the circumstances which deemed the test necessary.

Medical Treatment and Incident Reporting

All Jobsite incidents/accidents must be reported to the Construction Manager, who will report the incident/accident to the Insurer.

A. Managed Care

Per Florida Statute 440.134, a managed care arrangement has been established to provide employees with medical care. The law requires injured employees to receive all medical care for injuries through an established network of providers. Information concerning administration of the managed care arrangement will be presented during employee orientation to any and all employees prior to those employees commencing work on the Owner's Jobsite.

B. Claims Cooperation

In accordance with the Contract Documents and the Incident/Claim Handling Procedures Manual, the Construction Manager and all Subcontractors of every tier will assist in the handling, investigation, and mitigation of all incidents regardless of whether the incident results in an injury or insurance claim.

C. Drug Testing

All injured employees on the project site are required to receive a post accident drug test. If medical treatment is rejected a drug test must still be performed.

Return-to-Work Policy

All MCIP enrolled Contractors are required to comply with SCHOOL DISTRICT OF PALM BEACH COUNTY's Return-to-Work policy as outlined below.

Purpose:

The purpose of the program is to place employees in temporary job positions while recovering from on-the-job injuries. SCHOOL DISTRICT OF PALM BEACH COUNTY and ACE Insurance Company are committed to working with the Construction Manager and all Subcontractors to promote the safety, recovery, and successful return of injured employees to temporary, modified work following a work related injury. Any injured employee who is placed in a modified work position is placed in that position for a **limited time only**.

Procedures:

SCHOOL DISTRICT OF PALM BEACH COUNTY, the CM, and the employer will cooperate with the Insurer to facilitate the return to work of any injured employee capable of modified work status.

- Step 1:*** The ACE Claim Adjuster will communicate with the managed care nurse and/or treating physician to determine the injured employee's temporary restrictions.
- Step 2:*** Once the employee is released to modified work, the ACE Claim Adjuster will coordinate with the managed care nurse and/or treating physician and the employer to facilitate the injured employee's return to work.
- Step 3:*** Upon being released to return to modified work, the injured employee will report to his/her employer for a modified work assignment.
- Step 4:*** The employer will obtain from the employee (and provide copies to the Construction Manager) the Return-to-Work/Duty Status Instructions from the treating physician.
- Step 5:*** The employer is required to accommodate the injured employee to the fullest extent and facilitate the return to work.
- Step 6:*** If employer fails to bring the injured employee back to light duty then Construction Manager will be notified and SCHOOL DISTRICT OF PALM BEACH COUNTY to remind the employer of their contractual obligation to provide light duty jobs.

Follow Up/Communication with ACE:

It will be the responsibility of the ACE Claim Adjuster to maintain communication with the treating physician and the employer to facilitate the prompt return of an employee to full work status. Should the employee reach maximum medical improvement and still be precluded from returning to full work status, then the ACE Claim Adjuster will follow-up with the Construction Manager and employer to determine further action or reassignment of the employee.

Insurance Provided by the Owner

The Owner has procured, and will maintain at its own expense, the insurance coverages described below for the Construction Contractor and Enrolled Subcontractors of every tier. The limits of liability purchased apply collectively to all insureds. The Workers' Compensation and General Liability coverage will be provided by ACE Insurance Company and Excess Liability is covered under AIG. General Liability, Excess Liability and Workers' Compensation coverages will be maintained until the date of the Certificate of Occupancy (CO) or cancellation of the MCIP. Completed Operations coverage is extended for ten (10) years after said CO or cancellation. A summary of the insurance coverages to be provided by the Insurers are as follows:

1. Worker's Compensation Insurance

Workers' Compensation insurance, as prescribed by the laws of the state of Florida, and Employer's Liability insurance is provided with the following limits of liability:

\$1,000,000	each accident
\$1,000,000	each disease - each employee
\$1,000,000	each disease - policy limit

This insurance will cover employees of the Construction Contractor and Enrolled Subcontractors of every tier while they are performing work at the Jobsite. Off-site operations are excluded.

Note: All subcontractors' premium and loss experience will be reported to the rating authorities for use in calculating the subcontractor's own experience modification. Losses on any MCIP project site will directly impact the subcontractor's future insurance costs therefore it is critical as well as beneficial for the all safety procedures be followed on the jobsite.

2. General Liability Insurance

General Liability insurance is provided for activities at the Jobsite. The Policy has the following limits of liability (limits reinstate annually, except during completed operations coverage extension):

\$2,000,000	each occurrence
\$4,000,000	general/annual project aggregate
\$4,000,000	products-completed operations aggregate*(all projects combined)
\$2,000,000	personal and advertising injury
\$250,000	fire legal liability
\$5,000	medical expense

* *Products-Completed Operations coverage is provided for ten (10) years after the date of the Certificate of Occupancy or cancellation of the MCIP. The insurance applies to the operations of the insured performed at and from the Jobsite. The Products-Completed Operations Project aggregate is a single limit for the ten (10) year extension period.*

Coverage and Terms shall include, but not be limited to, the following:

- Occurrence Basis
- Products and Completed Operations (Ten-Year Term after Project completion)
- All Aggregate Limits will reinstate annually, except the Ten (10) Year Products/Completed Operations Tail, which will have One Aggregate for the project and the entire tail.
- Named Insured Endorsement
- Cancellation Provision – Non Cancelable except 10 ten days written notice as respects non-payment of premium and/or 30 days written notice as respects non-compliance with safety/loss control recommendations
- Composite Rate Endorsement
- Limitation of Coverage to Designated Premises or Project
- Additional Insured – Owners, Lessee or Contractors Form B (CG 20-10 10/93) where required by “Insured Contract”
- Waiver of Transfer of Rights of Recovery Against Insureds
- Unintentional Errors & Omissions
- Completed Operations Extension Endorsement
- Explosion, Collapse, and Underground (X, C, U)
- Exclusions for: Mold, Asbestos, Lead, EIFS, Silica & Mixed dust

3. *Excess Liability Insurance*

Excess General Liability and Employer's Liability coverages will be provided with limits of \$75,000,000 each occurrence and \$75,000,000 annual aggregate. The limits are excess of the primary limits described in Items 1 and 2 above.

* All SDPBC projects bound prior to 6/1/07 have \$25 Million in limits

Note: There is no coverage for Builder's Risk or loss or damage to Construction Manager's or Subcontractors' tools, equipment, personal property, protective fencing, scaffolding, temporary structures, false work, forms and equipment owned or rented by Construction Manager or any Subcontractor or materials/equipment in transit not owned by the Owner.

4. *Certificates of Insurance*

The MCIP Broker will issue a Certificate of Insurance for General Liability and Workers' Compensation/Employers' Liability to the Construction Manager and each enrolled Subcontractor of any tier.

5. *Insurance Policies*

The summary of coverages contained in this manual is prepared for the convenience of those involved in the Project and should not be construed in any way as an exact and binding analysis of coverage. In case of any claim or question with respect to coverage, the original policies will prevail as the sole binding documents. The Construction Manager and each Enrolled Subcontractor will receive a Workers' Compensation policy. An sample General Liability and Excess Liability policy is available upon request.

6. Contractor's Responsibilities in the Event of MCIP Cancellation

If the Owner elects not to provide the MCIP, it will provide five (5) days advance notice to the Construction Manager/General Contractor PRIOR to award and the contractor's bid deducts for insurance will be eliminated. The Construction Contractor will be responsible for notifying all Subcontractors that they must maintain insurance for operations as outlined in the "Insurance Provided by Contractors" section of this manual for Excluded Parties.

It is the Owner's intent to keep the MCIP in force throughout the term of the Project, however, the Owner reserves the right to cancel, terminate or modify the MCIP to exercise this option, the Owner will provide thirty (30) calendar days advance, written notice to all parties covered under the MCIP. The Construction Contractor and all Subcontractors will be required to immediately effect replacement insurance coverage, equivalent to what is currently required for Offsite and Excluded Parties. The reimbursement for the cost of such replacement insurance will be calculated on a pro rata portion of the Construction Contractor's and Enrolled Contractors' approved Form B. Written evidence of such insurance must be provided to the Owner prior to the actual termination date of the MCIP.

7. Contractor/Subcontractor Responsibilities

The contractor/ Subcontractor shall cooperate with the Project and the MCIP Administrator in the administration and operation of the MCIP. The contractor's responsibilities shall include, but not be limited to, the following:

- (1) No eligible contractor shall commence work at the Project site until it has received a certificate of insurance evidencing enrollment in the MCIP or, if ineligible, has provided a satisfactory certificate of insurance to the MCIP Administrator. Subcontractors eligible for the program, who are onsite not enrolled, will be removed from the site until enrollment is completed.
- (2) Compliance with the applicable construction safety program, administrative procedures, and claim procedures.
- (3) Providing necessary contract, operations, safety, and insurance information.
- (4) Cooperating with any insurance company or insurance administrator with respect to requests for claims, payroll, or other information required under the program.
- (5) Attending periodic meetings regarding administration, claims review, or safety.
- (6) Completing all administrative forms within the time frames required by the MCIP Administrator.
- (7) Following the detailed close out procedure provided.
- (8) The Administrator will make four attempts to contact the subcontractor, if the subcontractor does not respond in a timely manner the CM will assist in retrieving the paperwork.

Insurance Provided by the Construction Manager/General Contractor and All Subcontractors

The Construction Manager/General Contractor and all Enrolled Subcontractors of every tier and Excluded Parties will, at their own expense, carry and maintain at least the following insurance policies and minimum limits of liability on forms and with insurance companies acceptable to the Owner.

1. Automobile Liability Insurance

- Automobile Liability insurance covering the operations, maintenance and use, loading and unloading of all owned, hired, and non-owned vehicles used in connection with the project.
- Limits of liability of at least \$1,000,000 for each accident for bodily injury and property damage combined.

2. Workers' Compensation and Employer's Liability

Workers' Compensation and Employer's Liability insurance covering all employees for injuries that occur away from the Project site and after the date of the Certificate of Occupancy or MCIP cancellation. **(Enrolled Subcontractors provide only offsite coverage.)**

Excluded Parties must provide this coverage for all operations relating to this Project. The policy must contain a waiver of subrogation in favor of the Owner and the Construction Manager. **(Excluded Subcontractors provide onsite & offsite coverage.)**

The following minimum limits of liability must be provided:

- Workers' Compensation - Florida Statutory Limits
- Employer's Liability:
 - \$200,000 each accident
 - \$200,000 each disease - each employee
 - \$200,000 each disease - policy limit

3. General Liability Insurance

General Liability insurance covering third party losses that occur away from the Project and after the date of the Certificate of Occupancy or MCIP cancellation. **(Enrolled Subcontractors provide only offsite coverage.)**

Excluded Parties must provide this coverage for all operations relating to this Project. **(Excluded Subcontractors provide onsite & offsite coverage.)**

Coverage shall include, but not be limited to, Premises and Operations, Fire Legal, Personal Injury, Contractual for this Contract, Independent Contractors, and Products-Completed Operations and *shall not exclude* coverage for the "X" (explosion), "C" (collapse), and "U" (underground) Property Damage Liability exposures. The policy must provide the following minimum limits:

Commercial General Liability

- | | |
|-------------|--|
| \$1,000,000 | each occurrence |
| \$2,000,000 | general aggregate |
| \$2,000,000 | products - completed operations aggregate* |
| \$1,000,000 | personal and advertising injury |
| \$50,000 | fire legal (any one fire) |

* Completed operations coverages for ten (10) years following the date of the Certificate of Occupancy.

Coverage shall include the following:

- Occurrence Basis
- Premises operations
- Contractual Liability
- Products/Completed Operations—10 years after project completion
- Broad Form Property Damage
- Independent Contractors
- The policy will be endorsed to exclude the Project
- Such policy shall include all of the coverages, which may be included in coverages A, B, and C contained in the Standard Commercial General Liability Policy Form, without deletion. Such policy must be issued on an “occurrence” basis, as distinguished from a “claims made” basis.
- Exclusion for XCU deleted.

4. *Umbrella Excess Liability*

(Enrolled Subcontractors provide only offsite coverage.)

(Excluded Subcontractors provide onsite & offsite coverage)

Limits: Construction Manager Only

\$5,000,000 Per occurrence/aggregate

Limits: Subcontractors Only

\$1,000,000 Per occurrence/aggregate

Limits must apply: any one occurrence and general aggregate annually and a separate Products and Completed Operations Aggregate. The total limits can be a combination of the primary Commercial General Liability and Excess Liability/Umbrella insurance.

Coverages and Terms:

- Excess of General Liability
- Excess of Employer's Liability
- Excess of Automobile Liability
- Completed Operations

5. *Qualifications of Insurers*

Each insurer who issues any insurance coverage required by this section, must meet each of the following requirements:

1. The insurer must be duly licensed and/or authorized to do business in the State of Florida.
2. The insurer must have an A.M. Best Policyholder Rating of "B+".

6. *Certificate of Insurance*

Prior to commencing any work at the Jobsite, the Construction Contractor and all Subcontractors of any tier must provide the Owner with a Certificate of Insurance as required. Failure of any Subcontractor or other party to provide such Certificates of Insurance will not be relief from the responsibility to carry and maintain such insurance. A sample certificate is included in the Forms Section.

Certificates should be delivered to:

The School District of Palm Beach County, MCIP Administration
c/o Florida League of Cities
MCIP Administration
125 E. Colonial Drive
P.O. Box 530065
Orlando, Florida 32853-0065

Certificates of Insurance must include (see sample in forms section):

- a) Reference to: MCIP Program
- b) Additional Insured: SCHOOL DISTRICT OF PALM BEACH COUNTY (as respects General and Auto Liability).
- c) Waiver of subrogation is included in favor of SCHOOL DISTRICT OF PALM BEACH COUNTY (Workers' Compensation only).
- d) 30-day advance written notice of cancellation or non renewal
- e) Deletion of the following wording in the cancellation clause: "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind up on the company, its' agents, or representatives."

7. *Other Insurance Needed As Determined by the Construction Manager and all Enrolled Subcontractors*

Any additional required coverages are specifically stated in the contract documents. The MCIP, as previously outlined, is intended to afford broad coverage and relatively high limits of liability, but may not provide all the insurance needed. The Construction Manager and all Enrolled Subcontractors should have their insurance agent, broker or consultant review the coverages and limits outlined herein for adequacy against their existing program. In order to eliminate duplicate insurance premiums, the Construction Manager and all Enrolled Subcontractors should amend their insurance program to recognize coverage provided to them under this MCIP. It is suggested that the Construction Manager/General Contractor and Enrolled Subcontractors' policies exclude coverage for this Jobsite only to the extent coverage is provided for this Project by the MCIP. In this manner, any broadened coverages or limits under the Construction Manager/General Contractor's or Enrolled Subcontractors' insurance program will still be available to them. Any insurance for higher limits or other coverages that may be required by the Contract, by law, or needed for the contractor's protection must be purchased separately. Any premiums, deductibles or self-insured retentions under any additional coverages shall be borne by the Construction Manager or Enrolled Subcontractor.

Any policy of insurance covering owned or leased machinery, watercraft, vehicles, tools, or equipment against physical loss or damage must include a waiver of subrogation rights against the Owner and Construction Manager, their employees, agents or assigns.

Enrolling in the MCIP – Completing the Forms

The Construction Manager/General Contractors and all Subcontractors

The Construction Manager/General Contractor and all Subcontractors shall complete Forms A, B and C for each bid package and all change orders. In the event that the Forms are not completed within 30 days for any change orders, the insurance premium deduction will be calculated based on the approved Form B. Any questions regarding the completion of the Forms should be directed to the MCIP Administrative Coordinator (see directory).

Note: Any Subcontractor already enrolled in another SCHOOL DISTRICT OF PALM BEACH COUNTY project can complete just Form A-1. Call the MCIP Administrative Coordinator with any questions.

Note: Any Contractor/Subcontractor whose current insurance program is on a retrospective rating plan, large deductible, or self-insured program must contact the MCIP Administrative Coordinator for the appropriate Insurance Cost Calculation Form.

- Complete Forms A, B & C. Contact your agent or the MCIP Administrative Coordinator, as appropriate, if you have any questions. Prime subcontractors are responsible for their lower tiers.
- The Construction Manager and each Subcontractor are required to comply with requests from the MCIP Administrative Coordinator for additional documentation (e.g., declaration and rating pages) that are required to accurately determine the actual or estimated insurance cost for the Project.
- It is extremely important to accurately estimate payroll anticipated for this Contract (initial bid and all change orders), and to use valid class codes as defined in the latest version of the NCCI Scopes Manual, so as to develop an accurate bid deduction for the Enrolled Contractors' insurance premium costs. At completion of each Enrolled Contractor's work, a final audit will be conducted of the actual payroll, receipts, and insurance costs. The variance will be calculated based on the earned payroll or receipts, less those estimated during the bidding and change order process. The earned insurance costs will be based on the rates, experience modification factor, and credits shown on the approved Form B, subject to audit verification. The difference will be adjusted from the contract amount prior to the release of retainage.
- The Construction Manager and all Subcontractors must notify the MCIP Administrative Coordinator of all subcontractor awards so all tiers of subcontractors are enrolled into the OCIP. If a subcontractor is not enrolled or specifically excluded from the MCIP they are ***not allowed*** to be on the project.
- The following outlines all the required MCIP Forms and when they must be completed.

Form A—Contractor's Insurance Information

Prior to starting work on a Project site, all contractors and subcontractors must provide the required documentation for verification of their insurance program, along with certificates of insurance for offsite coverages and automobile liability.

Form B—Contractor's Insurance Calculation

Prior to starting work on a Project site, all contractors and subcontractors must complete this insurance calculation form and provide policy declaration and rating pages to support the calculation.

Form C—Absolute Assignment and Agreement Form

Prior to starting work on a Project site, all contractors and subcontractors must agree to, and sign off on, all requirements.

At enrollment, Forms A, B, and C are provided directly to the MCIP Administrative Coordinator along with all required backup documentation.

Form D—Payroll and Work-Hour Monthly Report

This completed form is to be provided to the MCIP Administrative Coordinator each month by the 15th of the following month. Payroll is *unburdened* and the MCIP Administrator may ask for Certified Payroll.

Form E—Notice of Work Termination

Upon completion of all Project work being performed under the Agreement or subcontract, this form is completed and submitted to the CM for approval and signature.

Form F—Change Order

On change orders of \$100,000 or more, this form is completed to identify insurance costs and is then submitted to the CM.

Form G—Employee Acknowledgement, Notification, and Consent for a Drug and Alcohol-Free Jobsite and Safety Rules and Policies

This form is to be completed and signed by all employees performing work on the Project Site before they will be permitted on the Project site, and shall be maintained by the CM

Failure to follow the administrative or claim procedures outlined may result in fines being assessed by The School District of Palm Beach County or the CM/GC against the contractor. The Project shall deduct from monies due, or to become due under the provisions of the contract, the amount of any applicable fines that are assessed against the contractor or subcontractor. The School District is not responsible to incur the additional costs if Subcontractors do not want to participate in the program and there is a need to go to the next bidder. Any project delays that occur due to enrollment issues will not be approved by the District going forward.

All MCIP administrative requirements are specifically outlined in the MCIP Insurance Manual which is attached to this bid document. Failure by any contractor to provide the MCIP Administrator with the enrollment paperwork, while working onsite and not enrolled, will result in a deduction of 4% of their estimated construction value for their estimated project deduct, **which is likely to be punitive**. At that point the contractor will be enrolled in the program. When the appropriate insurance paperwork is received the correct deduction will be calculated by the MCIP Administrator. If the appropriate insurance paperwork is never received the MCIP Administrator will take 4% of the final construction value for a deduction before the subcontractor receives final payment.