

| Distribution | SUBJECT | Date |
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| | SUBCONTRACTOR INSURANCE REQUIREMENTS | 09-01-2014 |

PURPOSE:

- A. To insure that Subcontractors have sufficient insurance coverage so that the General Contractor is protected against claims for the negligence of a Subcontractor and also higher insurance premiums.
- B. To verify coverage in accordance with state law.

PROCEDURE FOR RECEIVING CERTIFICATES:

1. The need for certificates is specified in the Standard Subcontractor Agreement.
2. A follow-up letter is sent out by the A.P. to both the Subcontractor and insurance agent(s) if the certificates have not been received. (See copy of insurance request letter.)

NOTE: Subcontractors will not be paid until their insurance file is complete.

All Subcontractors and Suppliers must carry sufficient Workers' Compensation insurance or have a current valid state issued Workers' Compensation card and Liability Insurance. There are no exceptions.

Any employee hiring Subcontractors without adequate insurance is subject to termination.

INSURANCE REQUIREMENTS

The Subcontractor must provide Workers' Compensation coverage and Liability Insurance in the amounts set forth below. No work may commence until the certificate is provided per the following requirements and approved by the Contractor in the Contractor's sole discretion.

An original certificate of insurance showing FLYNN DEVELOPMENT CORPORATION, FLYNN MANAGEMENT CORPORATION, and OVAR, Ltd. as an ADDITIONAL INSURED, indicating that SUBCONTRACTOR'S INSURANCE IS PRIMARY (collectively "Contractor"), and be in the same form as Exhibit "C" to the Subcontract Agreement, must be provided by the Subcontractor and approved by the Contractor before commencement of the Subcontract Work and before making any deliveries of materials to the project site.

- a. **Workers' Compensation:** All individuals performing work for or on behalf of the Subcontractor must be covered by workers' compensation insurance or be exempt in accordance with Florida law. Subcontractor may not permit any individual to perform the Subcontract work unless the individual is covered by workers' compensation insurance in the limits set forth herein or legally exempt.
 - 1. **Insurance Policy** - Coverage to be statutory with a minimum of \$500,000 / 500,000 / 500,000 employer's liability and must cover all persons performing work for or on behalf of the Subcontractor, including, but not limited to employees and principals.
 - 2. **Exempt** - If the Subcontractor claims that it, any employee or any principal of the Subcontractor is exempt from Workers' Compensation coverage, before commencement of the Subcontract work, the Subcontractor must provide the Contractor with a copy of the Subcontractor's or individual's exemption card issued by the Division of Workers' Compensation of the Florida Department of Labor and Employment Security (the "Department") evidencing the Subcontractor's or individual's exempt status, and documentation from the Department stating that as of the date of the execution of the Subcontract Agreement, the Subcontractor's or individual's exemption has not been revoked and the Subcontractor has not exceeded its maximum number of exempt persons. The Contractor has sole discretion as to whether to accept the provided exemption documentation.
 - 3. **Leased Employees** - If Subcontractor uses leased employees to perform the Subcontract work, then Subcontractor must provide insurance certificate proving the existence of workers' compensation coverage from leasing company in conformance with the limits and terms herein and a list of individuals covered by the workers' compensation insurance.
- b. **Public Liability Insurance:** Comprehensive General Liability including premises operations, products, completed operations, broad form damage, contractual insurance, and independent contractors.

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| Bodily Injury | \$1,000,000 | Each Occurrence |
| | \$2,000,000 | Aggregate |
| Property Damage | \$1,000,000 | Each Occurrence |
| | \$2,000,000 | Aggregate |

- c. **Umbrella Coverage:** \$1,000,000 optional, if GL limits are lower than listed above
- d. **Automobile Liability Insurance,** including any auto, hired, and non-owned vehicles.

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| Combined Single Limit | \$1,000,000 | Each Accident |
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The certificate must contain a 30-day notice of cancellation with the following language:
 Should any of the above described policies be cancelled before the expiration date thereof, the issuing insurer will mail written notice to the certificate holder 30 days prior to the cancellation date.
 Subcontractor authorizes Flynn Development Corporation to contact its insurance agent(s) directly to obtain proof of required coverage.

NO DEVIATIONS FROM THE ABOVE WILL BE ACCEPTED

All certificates must be mailed to the following address: FLYNN DEVELOPMENT CORPORATION,
 516 Lakeview Road, Unit 8, Clearwater, Florida 33756-3302, Telephone (727) 449-1182.

*Those contractors involved in any form of excavation must also carry explosion, collapse, and underground hazards coverage.
 ACKNOWLEDGED BY:

Ocala Fence LLC
 (Print Subcontractor's name)
 By: _____
 (signature)
Brandon Lower
 (print name)
 Its: Owner
 (title)

