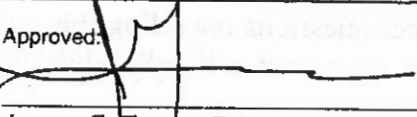


To: Superseded By EI 14-021 Effective 1/8/15		New York State Department of Transportation ENGINEERING INSTRUCTION	EI 10-006
Title: INSURANCE REQUIREMENTS FOR CONSTRUCTION CONTRACTS			
Distribution: ☐ Manufacturers (18) ☐ Local Govt. (31) ☒ Agencies (32)		☒ Surveyors (33) ☒ Consultants (34) ☒ Contractors (39) ☐ _____ Approved:  James F. Tynan, P.E. Deputy Chief Engineer (Construction) Date <u>2-25-10</u>	

ADMINISTRATIVE INFORMATION:

- This Engineering Instruction (EI) is effective upon signature.
- This EI does not supersede any other issuance.

PURPOSE: The purpose of this issuance is to suspend the requirement for Contractors to provide Builder's Risk insurance coverage and to reduce the coverage limits on Professional Liability/Errors and Omissions on construction contracts.

TECHNICAL INFORMATION:

- EI 09-021 *Revisions to Standard Specifications - Section 100 §107-06 Insurance and §107-09 Damage* issued new requirements for insurance on construction contracts, including Builder's Risk, which was not a part of the previous insurance requirements.
- Builder's Risk requirements will be waived for projects that have already been let, because the Department did not provide bidders with sufficient detail on what was to be covered and for what value, which a bidder would require in order to provide an informed bid.
- Builder's Risk is more common in the vertical construction industry, and typically insures a building or other structure during the construction process.
- Designers lack guidance on what constitutes a structure, what structures should be insured under Builder's Risk, and how to provide appropriate information to the Contractor. A subsequent issuance will be developed to provide that guidance.
- Insurance coverage limits for Professional Liability/Errors and Omissions in accordance with §107-06B.8. *Professional Liability/Errors and Omissions* are being reduced to \$1 Million/\$1 Million because many firms that the construction industry uses are not able to reasonably obtain coverage with a \$5 Million limit.
- Insurance coverage limits for Professional Liability/Errors and Omissions for projects that have already been let will be reduced to \$1 Million/\$1 Million.

IMPLEMENTATION:

- Main Office Design Quality Assurance Bureau will insert the attached special note into contract proposals or add by amendment beginning with projects submitted for the letting of 5/6/2010.

TRANSMITTED MATERIALS: Attached is a copy of the Special Note *Modification to Insurance Requirements*.

CONTACT: Direct questions regarding this issuance to Brian DeWald of the Office of Construction at (518) 457-6472 or via e-mail at BDeWald@dot.state.ny.us.

SPECIAL NOTE
MODIFICATION TO INSURANCE REQUIREMENTS

The Contractor will not be required to provide Builder's Risk insurance coverage as required by the revised §107-06 *Insurance* inserted in the contract proposal.

Where required for professional services requiring the signature, stamp or certification of a licensed professional, the Contractor shall provide insurance coverage for Professional Liability/Errors and Omissions in accordance with §107-06B.8. *Professional Liability/Errors and Omissions*. The insurance coverage for this contract shall be not less than \$1,000,000 per claim and \$1,000,000 in the aggregate.