

CONNECTICUT HOUSING FINANCE AUTHORITY

INSURANCE REQUIREMENTS

PART I

FOR COMPLETED DEVELOPMENTS

The Connecticut Housing Finance Authority (the "Authority") requires that mortgagors maintain or cause to be maintained certain types and levels of insurance coverage (the "Insurance Requirements") for multifamily housing developments financed by the Authority. The Insurance Requirements are intended to protect the interests of the Authority in developments in which it has an interest. The Insurance Requirements specify the minimum levels of insurance to be maintained. The Authority makes no representation that the required coverages are sufficient to fully protect the interests of a mortgagor or any other respective insured party, and recommends that each such insured party make an independent determination as to the adequacy of the coverages obtained with respect to any particular property or development in order to protect its own interests.

Section 1: General Insurance Requirements For All Parties

The following requirements shall apply to all parties required to carry insurance as hereinafter provided:

1. Wherever the Insurance Requirements specify the Authority is to be added as insured, loss payee, mortgagee, etc., or wherever notice is required for claims, policy changes, renewals, cancellations, etc., they mean "Connecticut Housing Finance Authority, its successors and assigns, as their interests may appear ("a.t.i.m.a"), 999 West Street, Rocky Hill, CT 06067-4005". The named insured shall also include the mortgagor for each of the respective developments for which such mortgagor has an insurable interest.
2. All insurance documentation provided to the Authority shall be addressed to the Insurance Servicing Group in the Asset Management Department of the Authority, at the address shown in subsection 1 above.
3. Unless otherwise specified in the following sections, all property insurance policies and binders include a provision that the coverage provided shall not be changed, assigned, cancelled, nonrenewed, reduced, amended or altered in any manner by the insured or the insurance company unless at least thirty (30) days advance written notice of such change(s) is delivered to the Authority by certified mail or, in the event of non-payment of premium, ten (10) days advance written notice is delivered to the Authority by certified mail. All property insurance policies must be endorsed with ISO form CP 12 18 (or an equivalent satisfactory to the Authority) with the

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Authority scheduled as Loss Payee for Clause D. Use of other equivalent forms is permitted, but they must be furnished to the Authority in advance for review and approval.

4. All insurance shall be issued by companies licensed to do business in the state of Connecticut, and if not so licensed, then by companies approved by the Connecticut Commissioner of Insurance. Insurance companies shall maintain a current A.M. Best's Policyholder rating of "A-" or better, and a Financial Category Class VII or better.
5. The Insurance Requirements remain subject to change by the Authority. The Authority reserves the right, in its sole discretion, to modify, change or update the Insurance Requirements from time to time as circumstances warrant.
6. The Insurance Requirements shall not be altered, modified or waived, in whole or in part, except with the prior written authorization of the Authority's President-Executive Director or his/her designee.
7. Written notice of all insurance claims shall be reported immediately by the mortgagor or by its management agent to the insurance provider that issued the insurance coverage and/or to its authorized agent and to the Authority.

Section 2: Insurance Requirements For Mortgagors

Mortgagors shall be responsible for submission of evidence of insurance acceptable to the Authority for itself and for all other parties required to maintain insurance hereunder. Evidence of insurance coverage for mortgagors shall be provided prior to the initial closing of the Authority's loan. Except as otherwise provided for herein, mortgagors are required to provide original insurance policies or complete certified copies of such policies. If copies are submitted, the insurance producer shall certify to the Authority that it is a full, true and complete copy of the original policy. Insurance binders may be submitted as evidence of compliance with the Insurance Requirements for a temporary period of time not exceeding one hundred twenty (120) days. Within one hundred twenty (120) days from the date insurance coverage initially became effective, and not later than ten (10) days prior to the expiration of the binder evidencing such insurance coverage, mortgagors shall deliver an original insurance policy or a certified copy thereof, as provided for hereinabove, to the Authority. Insurance binders shall specify the effective date and the expiration date of the insurance coverage evidenced by the binder and shall provide insurance coverages that are fully compliant with the Insurance Requirements. Evidence of renewal or replacement insurance coverage shall be delivered to the Authority a minimum of ten (10) days prior to the expiration of each required policy.

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The following insurance coverages shall be maintained by mortgagors for the entire term of the Authority mortgage loan:

A. Property Insurance:

Property insurance coverage shall include the following provisions and terms:

1. Property insurance coverage shall be written on an open perils (“all risk”) or ISO Special Perils form or equivalent. The development shall be insured to a limit equal to 100% of the full replacement value of the development. Coverage shall pay for losses on a replacement cost valuation basis, without deduction for depreciation, and shall contain an agreed value clause (no coinsurance to apply). Subject to the preceding requirements, and with the prior written consent of the Authority, the development may be insured as part of a blanket property policy covering other developments in which the mortgagor may have an interest; however, in such cases the blanket property coverage limit shall be adequate to cover all developments thus insured, and the policy shall not contain a margin clause, by whatever term it may be called.

If the development is a "Historical Preservation Site", then the insurance coverage shall be written in such a manner so as to provide that replacement cost shall be defined as the cost to rebuild or repair the development as it was originally constructed.

2. Property insurance coverage shall not provide for a deductible of more than \$25,000 unless the prior written consent of the Authority has been obtained.
3. Ordinance and Law Coverage, including demolition cost for the undamaged portion of the development, debris removal, and increased cost of construction shall be provided.
4. Coverage for acts of terrorism under the Terrorism Risk Insurance Act (“TRIA”) shall also be provided. This coverage is optional for properties with fifty (50) or less units.
5. Flood insurance coverage is mandatory if the development, or any portion thereof, is located in a Federal Emergency Management Area (“FEMA”)-designated special flood hazard area identified as Zone A or V (the 100 year flood zone) or Zone B (the 500 year flood zone) on the most current Flood Insurance Rate Map (“FIRM”), as published or modified at any time during the term of the loan. Such insurance may be provided by a standard National Flood Insurance Program (“NFIP”) policy.

It shall be the mortgagor’s responsibility to document the location of the development outside a designated flood hazard area. In the absence of documentation satisfactory to the Authority, a mortgagor shall procure and maintain flood insurance.

The amount of flood insurance carried shall be equal to the lesser of (i) the outstanding principal balance of the mortgage loan, or (ii) the maximum amount available for building coverage under

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the NFIP, currently \$250,000. The maximum allowable deductible for a NFIP flood policy is \$5,000.

6. Machinery Breakdown coverage on a comprehensive form shall be included. The property shall be insured to a limit equal to 100% of the full replacement value of the property. Coverage shall pay for losses on a replacement cost valuation basis, without deduction for depreciation, and shall contain an agreed value clause (no coinsurance to apply).
7. Loss of Rental Income insurance (loss of rents) shall be included. Coverage shall be provided to a limit equal to 100% of the development's total annual gross income at 100% occupancy.
8. The Authority shall be listed as a mortgagee, additional insured and loss payee on the policy. All property insurance policies must be endorsed with ISO form CP 12 18 (or an equivalent satisfactory to the Authority) with the Authority scheduled as Loss Payee for Clause D. Use of other equivalent forms is permitted, but they must be furnished to the Authority in advance for review and approval. For HUD developments, the appropriate interest of the Federal Housing Administration shall be included as their interest may appear.

B. Crime Insurance:

Mortgagors shall carry a blanket employee dishonesty bond or similar insurance coverage acceptable to the Authority. The fidelity bond or similar type insurance coverage, as applicable, shall be written on a loss sustained form, shall be maintained continuously in force, and shall cover all directors, officers, and employees of the mortgagor. The required limit of liability for such bond or insurance coverage, as applicable, shall be the lesser amount of (i) three (3) months' gross potential total rents for the development (at full occupancy), or (ii) \$250,000.

The Authority requires all fidelity bonds or insurance coverage, as applicable, to have a Loss Payable endorsement naming the Authority as payee on all losses as their interest may appear.

C. General Liability:

1. Mortgagors shall maintain General Liability insurance on a policy form no less broad than ISO form CG 00 01 and shall include coverages for premises and operations, personal and advertising injury, and products and completed operations. Coverage shall be written on an "occurrence" form.
2. The Authority shall be listed as "additional insured" with respect to all liability coverages. Endorsement(s) shall state that the Authority is an additional insured for both ongoing operations and completed operations. This requirement can be satisfied with endorsements ISO CG 20 26 and CG 20 37, or equivalents, identifying the Authority as additional insured. If evidence of insurance is temporarily in the form of an insurance binder, the binder shall specifically reference the

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Authority and these endorsements. If the Authority is named as additional insured with forms or endorsements other than the standard ISO forms listed, copies of the nonstandard endorsements must be attached to the binder for Authority review and acceptance.

3. The following minimum limits of liability coverage shall be carried:

a)	General Aggregate:	\$2,000,000
b)	Products and Completed Operations Aggregate:	\$1,000,000
c)	Personal and Advertising Injury:	\$1,000,000
d)	Each Occurrence:	\$1,000,000
e)	Fire Damage (any one fire):	\$ 50,000
f)	Medical Expense (any one person):	\$ 5,000

If the policy covers more than one location, the policy aggregate shall apply on a "per location" basis.

D. Automobile Liability:

Mortgagors shall maintain Automobile Liability insurance in conformance with applicable Connecticut law on all owned, leased or rented motor vehicles. Coverages shall be written for "symbol 1" covering "any vehicle", including owned, non-owned or hired vehicles. If the mortgagor does not have any owned vehicles, then such mortgagor shall provide the Authority with written evidence of non-owned or hired motor vehicle coverage.

The limit of insurance required is \$1,000,000 per accident.

E. Workers' Compensation and Employers' Liability:

Unless a mortgagor provides written evidence satisfactory to the Authority that the mortgagor has no employees, each mortgagor shall maintain a Workers' Compensation insurance policy in conformance with applicable Connecticut law.

Required Limits:

Workers' Compensation:	Statutory	
Employers' Liability:	Bodily Injury by Accident:	\$1,000,000
	Bodily Injury by Disease:	\$1,000,000
	Bodily Injury by Each Employee:	\$1,000,000

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F. Umbrella or Excess Liability:

1. Mortgagors shall maintain insurance coverages written in excess of the General Liability, Automobile Liability, and Employers' Liability coverages as described above. Coverages may be written on an excess or following form basis but, in any event, coverages shall be no less broad than underlying liability policies.
2. Policies shall be written on an occurrence basis.
3. The required limit of Umbrella/Excess liability coverage is \$3,000,000. The Authority reserves the right to require additional limits of Umbrella/Excess liability coverage.
4. The Authority's interest as additional insured as described in the General Liability subsection, above, shall also extend to the Umbrella or Excess Liability policy.

G. Directors' and Officers' Liability:

For all developments that are considered cooperatives or are owned by a 501 (c) (3) non-profit organization, mortgagors shall maintain coverage for Directors' and Officers' liability. This requirement also extends to mortgagors who are non-profit entities owning developments that are considered as supportive housing, group homes or assisted living.

The minimum limit of liability for Directors' and Officers' coverage is \$1,000,000. Policies may be written on a claims made form. If so written, any retroactive date or prior acts date on the claims made policy shall be set to a date equal or prior to the closing date on any loan, and shall not be changed on any subsequent renewal policies during the term of the loan(s).

Section 3: Insurance Requirements For Management Companies

Mortgagors shall be responsible for submission of evidence of insurance acceptable to the Authority for all management companies providing property management services to the development. Evidence of insurance shall be provided prior to the first to occur of (i) the commencement of rendering of such property management services or (ii) the initial closing. Unless otherwise directed by the Authority, certificates of insurance shall be acceptable evidence of insurance for management companies.

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The following coverages shall be maintained by management companies for so long as each such management company provides property management services to the development.

A. Crime Insurance:

Management companies shall maintain a blanket employee dishonesty bond. The fidelity bond shall be written on a discovery form, shall be maintained continuously in force, and shall cover the management company and all of its directors, officers, and employees. The required limit of liability for such bond shall be the lesser amount of (i) six (6) months' gross potential total rents for the development (at full occupancy), or (ii) \$500,000.

The Authority requires all fidelity bonds to have a Loss Payable endorsement in favor of the mortgagor and the Authority naming them as loss payee on all losses.

B. General Liability, Automobile Liability, Workers' Compensation and Employers' Liability:

Management companies shall maintain the same General Liability, Automobile Liability, Workers' Compensation and Employers' Liability insurance coverages in the same amounts as specified for mortgagors in Section 2 hereof.

C. Umbrella or Excess Liability:

Management companies shall maintain the Umbrella or Excess insurance coverages in the same form as specified for mortgagors in Section 2 hereof provided the required limit of Umbrella/Excess liability coverage shall be \$1,000,000. The Authority reserves the right, at its sole discretion, to require additional limits of Umbrella/Excess liability coverage.

PART II

FOR PROJECTS UNDER CONSTRUCTION OR RENOVATION

The Connecticut Housing Finance Authority (the “Authority”) requires that mortgagors maintain or cause to be maintained certain types and levels of insurance coverage (the “Insurance Requirements”) for multifamily housing developments financed by the Authority. The Insurance Requirements are intended to protect the interests of the Authority in developments in which it has an interest. The Insurance Requirements specify the minimum levels of insurance to be maintained. The Authority makes no representation that the required coverages are sufficient to fully protect the interests of a mortgagor or any other respective insured party and recommends that each insured party make an independent determination as to the adequacy of the coverages obtained with respect to any particular property or development in order to adequately protect its own interests.

Section 1: General Insurance Requirements For All Parties

The following requirements shall apply to all parties required to carry insurance as hereinafter provided:

1. Wherever the Insurance Requirements specify that the Authority is to be added as insured, loss payee, mortgagee, etc., or wherever notice is required for claims, policy changes, renewals, cancellations, etc., they mean “Connecticut Housing Finance Authority, its successors and assigns, as their interests may appear (“a.t.i.m.a”), 999 West Street, Rocky Hill, CT 06067-4005”. The named insured shall also include the mortgagor for each of the respective developments for which such mortgagor has an insurable interest.
2. All insurance documentation provided to the Authority shall be addressed to the Insurance Servicing Group in the Asset Management Department of the Authority, at the address shown in Section 1 above.
3. Unless otherwise specified in the following sections, all property insurance policies and binders include a provision that the coverage provided shall not be changed, assigned, cancelled, nonrenewed, reduced, amended or altered in any manner by the insured or the insurance company unless at least thirty (30) days advance written notice of such change(s) is delivered to the Authority by certified mail or, in the event of non-payment of premium, ten (10) days advance written notice is delivered to the Authority by certified mail.
4. All insurance shall be issued by companies licensed to do business in the state of Connecticut, and if not so licensed, then by companies approved by the Connecticut Commissioner of Insurance. Insurance companies shall maintain a current A.M. Best's Policyholder rating of "A-" or better, and a Financial Category Class VII or better.
5. The Insurance Requirements remain subject to change by the Authority. The Authority reserves

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the right, in its sole discretion, to modify, change or update the Insurance Requirements from time to time as circumstances warrant.

6. The Insurance Requirements shall not be altered, modified or waived, in whole or in part, except with the prior written authorization of the Authority's President-Executive Director or his/her designee.
7. Written notice of all insurance claims shall be reported immediately by the mortgagor or by its management agent to the insurance company that issued the insurance coverage and/or to its authorized agent and to the Authority.

Section 2: Insurance Requirements For Mortgagors

Mortgagors shall be responsible for submission of evidence of insurance acceptable to the Authority for itself and for all other parties required to maintain insurance hereunder, except as otherwise specifically provided hereafter. Evidence of insurance coverage for mortgagors shall be provided prior to the initial closing of the Authority's loan. Except as otherwise provided for herein, mortgagors are required to provide original insurance policies or complete certified copies of such policies. If copies are submitted, the insurance producer shall certify to the Authority that it is a full, true and complete copy of the original policy. Insurance binders may be submitted as evidence of compliance with the Insurance Requirements for a temporary period of time not exceeding one hundred twenty (120) days. Within one hundred twenty (120) days from the date insurance coverage initially became effective, and not later than ten (10) days prior to the expiration of the binder evidencing such insurance coverage, mortgagors shall deliver an original insurance policy or a certified copy thereof, as provided for hereinabove, to the Authority. Insurance binders shall specify the effective date and the expiration date of the insurance coverage evidenced by the binder and shall provide insurance coverages that are fully compliant with the Insurance Requirements. Evidence of renewal or replacement insurance coverage shall be delivered to the Authority a minimum of ten (10) days prior to the expiration of each required policy.

The following types of insurance shall be maintained by mortgagors for the entire term of the Authority loan:

A. Property Insurance:

For new construction or major renovation projects, the Authority requires that mortgagors maintain a Builder's Risk policy. The Builder's Risk policy shall include the following provisions and terms:

- 1) Insurance coverage shall be written on an open perils ("all risk") or ISO Special Perils form or equivalent. There shall be no exclusion for testing, ordinance or law, or machinery breakdown, all of which shall be included within the scope of coverage provided by the policy, unless coverage maintained by the mortgagor is otherwise provided by another policy satisfactory to the Authority. The policy shall be written on a completed value nonreporting form. Builder's Risk policies shall be project specific. Blanket Builder's Risk policies shall not be accepted by the Authority.

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- 2) The policy shall reflect the mortgagor, general contractor(s), and subcontractor(s) as Named Insureds. The policy shall include the interest of the mortgagor, all contractors, subcontractors, and suppliers as their interests may appear. Rights of subrogation shall be waived.
- 3) Covered property shall include:
 - a) Foundations, underground pipes, site preparation, excavations, temporary structures, scaffolding, construction forms and all similar property related to or in connection with the project;
 - b) Equipment, materials and supplies incidental to the construction project while in the building, in the open (including within vehicles) on the job site, off site and/or in transit to the site;
 - c) Trees, shrubbery, lawns, fence, site lighting, signs, equipment for special areas, and similar property all while in the open on the property (including within vehicles) and after installation;
 - d) Contractors' and subcontractors' tools and equipment, excess of any valid and collectible insurance carried by them on their own property;
 - e) In the case of renovations, existing structures or building shells and all fixtures, machinery and equipment, and heating, cooling, and electrical systems constituting a permanent part of said structures; and
 - f) Soft costs, including the mortgagor's soft costs and the contractors' and subcontractors' soft costs.
- 4) The amount of insurance coverage shall be equal to one hundred percent (100%) of the completed value of the development; no coinsurance provision shall apply. Losses shall be paid on a replacement cost basis, without deduction for depreciation. In the case of rehabilitation projects, building shells and other salvageable components shall also be insured for replacement cost.
- 5) The policy shall not provide for a deductible of more than \$25,000 unless the prior written consent of the Authority is obtained. If a deductible is expressed as time, as in for soft costs, the maximum deductible shall not exceed one (1) week.
- 6) The policy shall include coverage for acts of terrorism under the Terrorism Risk Insurance Act ("TRIA"). This coverage is optional for properties with fifty (50) or less units.
- 7) Flood insurance coverage is mandatory if the development, or any portion thereof, is located in a Federal Emergency Management Area ("FEMA")-designated special flood hazard area identified as zone A or V (the 100 year flood zone) or Zone B (the 500 year flood zone) on the most current Flood Insurance Rate Map ("FIRM"), as published or modified at any time during the term of the loan. Such insurance may be provided by a standard National Flood Insurance Program ("NFIP") policy.

It shall be the mortgagor's responsibility to document the location of the development outside a designated flood hazard area. In the absence of documentation satisfactory to the Authority, a mortgagor shall procure and maintain flood insurance.

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The amount of flood insurance carried shall be equal to the lesser of (i) the outstanding principal balance of the mortgage loan, or (ii) the maximum amount available for building coverage under the NFIP, currently \$250,000. The maximum allowable deductible for a NFIP flood policy is \$5,000.

- 8) For developments undergoing rehabilitation if any units are occupied, Loss of Rental Income insurance (loss of rents) shall be included. Coverage shall be provided to a limit equal to 100% of the development's total annual gross income at 100% occupancy.
- 9) While construction is ongoing, a "Permission to Occupy" endorsement shall be required to allow tenancy while the Builder's Risk policy covers the property.
- 10) The Authority shall be listed as a mortgagee, additional insured and loss payee on the policy. All property insurance policies must be endorsed with ISO form CP 12 18 (or an equivalent satisfactory to the Authority) with the Authority scheduled as Loss Payee for Clause D. Use of other equivalent forms is permitted, but they must be furnished to the Authority in advance for review and approval. For HUD developments, the appropriate interest of the Federal Housing Administration shall be included as their interest may appear.

B. Crime Insurance:

Mortgagors shall carry a blanket employee dishonesty bond or similar insurance coverage acceptable to the Authority. The fidelity bond or similar type insurance coverage shall be written on a loss sustained form, shall be maintained continuously in force, and shall cover all directors, officers, and employees of the mortgagor. The required limit of liability for such bond or insurance coverage, as applicable, shall be the lesser amount of (i) three (3) months' gross potential total rents for the development at 100% occupancy, or (ii) \$250,000.

The Authority requires all fidelity bonds or similar type insurance coverage, as applicable, have a Loss Payable endorsement naming the Authority as payee on all losses as their interest may appear.

C. General Liability:

1. Mortgagors shall maintain General Liability insurance on a policy form no less broad than ISO form CG 00 01, and shall include coverages for premises and operations, personal and advertising injury, and products and completed operations. Coverage shall be written on an "occurrence" form.
2. The Authority shall be listed as "additional insured" with respect to all liability coverages. Endorsement(s) shall state that the Authority is an additional insured for both ongoing operations and completed operations. This requirement can be satisfied with endorsements ISO CG 20 26 and CG 20 37, or equivalents, identifying the Authority as additional insured. If evidence of insurance is temporarily in the form of an insurance binder, then the binder shall specifically reference the Authority and these endorsements. If the Authority is named as additional insured with forms or

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endorsements other than the standard ISO forms listed, copies of the nonstandard endorsements must be attached to the binder for Authority review and acceptance.

3. The following minimum limits of liability coverage shall be carried:

a)	General Aggregate:	\$2,000,000
b)	Products and Completed Operations Aggregate:	\$1,000,000
c)	Personal and Advertising Injury:	\$1,000,000
d)	Each Occurrence:	\$1,000,000
e)	Fire Damage (any one fire):	\$ 50,000
f)	Medical Expense (any one person):	\$ 5,000

If the policy covers more than one location, the policy aggregate shall apply on a "per location" basis.

D. Automobile Liability:

Mortgagors shall maintain Automobile Liability insurance in conformance with applicable Connecticut law on all owned, leased or rented motor vehicles. Coverage shall be written for "symbol 1" covering "any vehicle", including owned, non-owned or hired vehicles. If the mortgagor does not have any owned vehicles, then such mortgagor shall provide the Authority with written evidence of non-owned or hired motor vehicle coverage.

The limit of insurance required is \$1,000,000 per accident.

E. Workers' Compensation and Employers' Liability:

Unless a mortgagor provides written evidence satisfactory to the Authority that the mortgagor has no employees, each mortgagor shall maintain a Workers' Compensation insurance policy in conformance with applicable Connecticut law.

Required Limits:

Workers' Compensation:	Statutory	
Employers' Liability:	Bodily Injury by Accident:	\$1,000,000
	Bodily Injury by Disease:	\$1,000,000
	Bodily Injury by Each Employee:	\$1,000,000

F. Umbrella or Excess Liability:

1. Mortgagors shall maintain insurance coverages written in excess of the General Liability, Automobile Liability, and Employers' Liability coverages as described above. Coverages may be

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written on an excess or following form basis but, in any event, coverages shall be no less broad than underlying liability policies.

2. Policies shall be written on an occurrence basis.
3. The required limit of umbrella/excess liability coverage is \$3,000,000. The Authority reserves the right to require additional limits of umbrella/excess liability coverage.
4. The Authority's interest as additional insured as described in the General Liability subsection, above, shall also extend to the Umbrella or Excess Liability policy.

Section 3: Insurance Requirements For Contractors

Mortgagors shall be responsible for submission of evidence of insurance acceptable to the Authority for all general contractors performing construction work on the development. Evidence of insurance shall be provided prior to the first to occur of (i) the commencement of rendering of such construction work or (ii) the initial closing. Unless otherwise directed by the Authority, certificates of insurance shall be acceptable evidence of insurance for general contractors.

Mortgagors shall also be responsible for confirming that all subcontractors performing work or providing services to the development maintain the same insurance coverages in the same amounts as specified for general contractors. Unless otherwise limited by the Authority, mortgagors shall not be required to submit evidence of insurance for subcontractors to the Authority. General contractors and subcontractors are referred to hereinafter as "contractors".

The following insurance coverages shall be maintained by contractors:

A. General Liability:

1. Contractors engaged for work on the development shall carry General Liability insurance on a policy form no less broad than ISO form CG 00 01, and shall include coverages for premises and operations, personal and advertising injury, and products and completed operations. Coverages shall be written on an "occurrence" form.
2. The Authority and the mortgagor shall be listed as "Additional Insured" with respect to all liability coverages. Endorsement(s) shall state that the Authority and the mortgagor are additional insureds for both ongoing operations and completed operations. This requirement can be satisfied with endorsements ISO CG 20 26 *or* CG 20 33, *and* CG 20 37, or equivalents satisfactory to the Authority, identifying the Authority and the mortgagor as additional insureds. If the Authority is named as additional insured with forms or endorsements other than the standard ISO forms listed, copies of the nonstandard endorsements must be submitted to the Authority for Authority review and acceptance.
3. The following minimum limits of liability coverage shall be carried:

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a) General Aggregate:	\$2,000,000
b) Products and Completed Operations Aggregate:	\$1,000,000
c) Personal and Advertising Injury:	\$1,000,000
d) Each Occurrence:	\$1,000,000
e) Fire Damage (any one fire):	\$ 50,000
f) Medical Expense (any one person):	\$ 5,000

4. The aggregate limit on the contractor's insurance coverage shall apply "per job" or "per project".
5. Contractors shall procure and maintain products and completed operations insurance for a period of three (3) years after substantial completion of their work.
6. Mold Coverage shall be included. No mold exclusion shall be permitted unless a separate environmental impairment policy with equal coverage is provided.
7. No Asbestos exclusion shall be permitted for contractors with a scope of work that includes the handling, abatement, removal, and/or disposal of asbestos containing materials. This requirement can be satisfied with separate insurance coverage.
8. No Lead exclusion shall be permitted for contractors with a scope of work including lead abatement. This requirement can be satisfied with separate insurance coverage.
9. On-Site pollution coverage shall be included with a minimum limit of \$100,000.
10. There shall be no Explosion, Collapse or Underground Hazard exclusions.

B. Automobile Liability:

Contractors shall maintain Automobile Liability insurance in conformance with applicable Connecticut law on all owned, leased or rented motor vehicles. Coverages shall be written for "symbol 1" covering "any vehicle", including owned, non-owned or hired vehicles.

The limit of insurance required is \$1,000,000 per accident.

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C. Workers' Compensation and Employers' Liability:

Contractors shall maintain a Workers' Compensation insurance policy in conformance with applicable Connecticut law.

Required Limits:

Workers' Compensation:	Statutory	
Employers' Liability:	Bodily Injury by Accident:	\$1,000,000
	Bodily Injury by Disease:	\$1,000,000
	Bodily Injury by Each Employee:	\$1,000,000

D. Umbrella or Excess Liability:

Contractors shall maintain an Umbrella or Excess Liability policy.

1. Coverage shall be written excess of the General Liability, Automobile Liability, and Employers' Liability coverages as described above. Coverage may be written on an excess or following form basis but, in any event, it shall be no less broad than underlying liability policies.
2. Coverage shall be written on an occurrence basis.
3. The required limit of liability is \$5,000,000. The Authority reserves the right to require additional limits of liability coverage.
4. The Authority's interest as an additional insured as described in the General Liability subsection, above, shall also extend to the Umbrella or Excess Liability coverage.

E. Contractor Environmental Impairment Liability Insurance (Pollution Liability):

1. Contractors involved in pollution remediation (including but not limited to the removal of lead or asbestos containing materials), shall maintain environmental impairment liability coverage for cleanup or remediation on the site, and property damage and bodily injury liability to third parties.
2. All insurance coverages shall be in full force and effect prior to the commencement of any work, and insurance coverage shall be maintained in effect for a period of three (3) years after completion of work on the project. Policies may be written on an occurrence basis or claims made basis. If written on a claims made basis, then any retroactive date or prior acts date on the claims made policy shall be set to a date equal or prior to the commencement of any work on the project, and shall not be changed on any subsequent renewal policies.
3. Mold Coverage shall apply to meet the mold requirement above.

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4. The minimum amount of liability insurance coverage shall be the greater of (i) fifty percent (50%) of the contract cost, or (ii) \$3,000,000. The Authority reserves the right to require additional limits of liability.

Section 4: Insurance Requirements For Property Management Companies

Mortgagors shall be responsible for submission of evidence of insurance acceptable to the Authority for all management companies providing property management services to the development. Evidence of insurance shall be provided prior to the first to occur of (i) the commencement of rendering of such property management services or (ii) the initial closing. Unless otherwise directed by the Authority, certificates of insurance shall be acceptable evidence of insurance for management companies.

The following insurance coverages shall be maintained by management companies:

A. Crime Insurance:

Management companies shall maintain a blanket employee dishonesty bond. The fidelity bond shall be written on a discovery form, shall be maintained continuously in force, and shall cover the management company and all of its directors, officers, and employees. The required limit of liability for such bond shall be the lesser amount of (i) six (6) months' gross potential total rents for the development (at full occupancy), or (ii) \$500,000.

The Authority requires all fidelity bonds to have a Loss Payable endorsement in favor of the mortgagor and the Authority naming them as loss payee on all losses.

B. General Liability, Automobile Liability, Workers' Compensation and Employers' Liability:

Management companies shall maintain the same General Liability, Automobile Liability, Workers' Compensation and Employers' Liability insurance coverages in the same amounts as specified for mortgagors in Section 2 hereinabove.

C. Umbrella or Excess Liability:

Management companies shall maintain the same Umbrella or Excess insurance coverages as specified for mortgagors in Section 2 hereinabove except that the required limit of liability is \$1,000,000. The Authority reserves the right, at its sole discretion, to require additional limits of liability.

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Section 5: Insurance Requirements For Other Professionals

A. Professional Liability:

Design and/or supervisory architects, engineers, surveyors, and their professional consultants (individually or collectively, “other professionals”) shall each maintain professional liability insurance (errors and omissions liability insurance) in form, amount, and term satisfactory to the Authority.

All design and/or supervisory architects shall furnish evidence of professional liability insurance satisfactory to the Authority prior to the date of submission of any preliminary drawings and/or specifications to the Authority. Evidence of professional liability insurance satisfactory to the Authority for licensed landscape architects and civil, structural, mechanical and electrical or other engineers, Americans with Disabilities Act (“ADA”) consultants, and/or other similar professionals shall be submitted to the design and/or supervisory architect prior to the commencement of their work. Unless otherwise directed by the Authority, certificates of insurance shall be acceptable evidence of insurance.

Insurance coverage shall be maintained in full force and effect as of the date of submission, and insurance coverage shall be kept in effect for a period of five (5) years after substantial completion of work on the project. Insurance coverage may be written on a claims made form. If so written, any retroactive date or prior acts date on the claims made form shall be set to a date equal or prior to the commencement of any work on the project, and shall not be changed on any subsequent renewals.

The minimum amount of Professional Liability insurance coverage for other professionals shall be \$1,000,000 for projects with construction costs up to \$5,000,000 and \$3,000,000 for projects with construction costs between \$5,000,000 and \$10,000,000. Professional liability insurance coverage for projects with construction costs exceeding \$10,000,000 shall be a minimum of \$5,000,000 or as otherwise determined on a case-by-case basis by the Authority, in its sole discretion.

B. General Liability, Automobile Liability, Workers’ Compensation and Employers’ Liability

Other professionals shall maintain the same General Liability, Automobile Liability, Workers’ Compensation, and Employers’ Liability insurance coverages in the same amounts as specified for mortgagors in Section 2.

C. Umbrella or Excess Liability:

Other professionals shall maintain the same Umbrella or Excess coverages as specified for mortgagors in Section 2 hereinabove except that the required limit of liability is \$1,000,000.