



SUBDIVISION IMPROVEMENT AGREEMENT

City of Chico – Building & Development Services Insurance Requirements - Information Sheet

Commercial General Liability Insurance

The Subdivider shall obtain commercial general liability insurance from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better, or in the alternative, an unlicensed U.S. domiciled company or companies with a rating of "A", which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 for each occurrence, and \$2,000,000 in the aggregate, **with a \$5,000 maximum deductible**. An Occurrence policy form is required.

Said insurance coverage shall be evidenced by a certificate of insurance with **policy endorsements**, executed by an authorized official of the insurer(s). **All parties to the Subdivision Improvement Agreement must be named insureds on the policy.** The **policy endorsements** to be attached to the certificate must provide all the following:

1. Name the City of Chico, its officers, boards and commissions, and members thereof, its employees and agents as **additional insureds** as respects to any liability arising out of the activities of the named insured. A CG 2010 or CG 2026 endorsement form or the equivalent is the appropriate form.
2. State that "the insurance coverages afforded by this policy shall be **primary insurance** as respects to the City of Chico, its officers, employees and agents. Any insurance or self-insurance maintained by the City of Chico, its officers, employees, or agents shall be in excess of the insurance afforded to the named insured by this policy and shall not contribute to any loss."

The above language can be included on the additional insured endorsement form or on a separate endorsement form. A photocopy of the language from the policy (typically found in the section which discusses "Other Insurance" and "Methods of Sharing") is also acceptable as evidence of primary coverage **provided that it is transmitted to the City with a note or letter on insurance agency or company letterhead certifying it is from the policy of the insured.**

3. Must include a statement that "The insurer will provide to the City at least thirty (30) days prior notice of cancellation or material change in coverage."

Please provide this information sheet to your insurance agent or broker and request he or she issue the certificate, with endorsements, to the City of Chico, Attention: Risk Management, P.O. Box 3420, Chico, CA 95927. The City will not execute the Subdivision Improvement Agreement until the evidence of insurance is approved. If your agent or broker has questions regarding the insurance requirements, he or she should call the Risk Management office at (530) 879-7910.

City of Chico – Human Resources & Risk Management
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