

17-44 INSURANCE REQUIREMENTS

PRIOR TO THE COMMENCEMENT OF WORK UNDER THIS AGREEMENT, THE CONTRACTOR SHALL SECURE AND MAINTAIN AT NO EXPENSE TO ELECTRIC BOAT CORPORATION, POLICY OR POLICIES OF INSURANCE AS DETAILED BELOW. EVIDENCE OF SUCH INSURANCE SHALL BE DELIVERED TO THE BUYER OF RECORD ON THE PURCHASE ORDER AT:

ATTN: (BUYER'S NAME)
ELECTRIC BOAT CORPORATION
75 EASTERN POINT ROAD
GROTON, CONNECTICUT 06340-4989

1. A POLICY OF COMMERCIAL LIABILITY INSURANCE, WRITTEN ON AN INSURANCE INDUSTRY STANDARD OCCURRENCE FORM, INCLUDING ALL THE USUAL COVERAGES KNOWN AS: PREMISES/OPERATIONS LIABILITY; PRODUCTS/COMPLETED OPERATIONS; PERSONAL INJURY; CONTRACTURAL LIABILITY; INDEPENDENT CONTRACTORS LIABILITY; AND, FIRE DAMAGE LEGAL LIABILITY. SUCH POLICY(IES) MUST PROVIDE THE FOLLOWING MINIMUM LIMIT:

- . BODILY INJURY AND PROPERTY DAMAGE - \$2,000,000 EACH OCCURENCE
- . PRODUCTS OR COMPLETED OPERATIONS - \$2,000,000 EACH OCCURENCE

ANY DEDUCTIBLE OR SELF-INSURED RETENTION MUST BE DISCLOSED AND IS SUBJECT TO APPROVAL BY THE ELECTRIC BOAT CORPORATION'S RISK MANAGER. THE COST OF ANY CLAIM PAYMENTS FALLING WITHIN THE DEDUCTABLE SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR.

2. A POLICY OF BUSINESS AUTOMOBILE LIABILITY, INCLUDING COVERAGE FOR OWNED, NON-OWNED, LEASED OR HIRED VEHICLES (IF USED ON ELECTRIC BOAT CORPORATION PROPERTY) WRITTEN ON AN INSURANCE

INDUSTRY STANDARD FORM. SUCH POLICY(IES) MUST PROVIDE THE MINIMUM LIMIT:

- . BODILY INJURY AND PROPERTY DAMAGE - \$1,000,000 EACH ACCIDENT

3. A POLLICY OF WORKERS' COMPENSATION: THIS POLICY MUST MEET THE STATUTORY OBLIGATIONS IMPOSED BY WORKERS' COMPENSATION LAW IN THE STATE IN WHICH THE WORK UNDER THIS AGREEMENT IS TO BE PERFORMED.

4. IF ANY WORK UNDER THIS AGREEMENT INVOLVES WORK TO DIRECTLY

SUPPORT THE CONSTRUCTION OR REPAIRS OF ANY VESSELS, OR INVOLVES MANUAL WORK ON ANY FACITLITY WITHIN THE SHIPYARD OR LIKE PROPERTY OR IS ON OR ADJACENT TO NAVIGABLE WATER, THE POLICY MUST BE ENDORSED TO INCLUDE FEDERAL LONGSHORE COVERAGE.

5. IF THE CONTRACTOR IS QUALIFIED AS A SELF-INSURER IN ACCORDANCE WITH THE STATE OF CONNECTICUT REQUIREMENTS, THE CONTRACTOR SHALL SO CERTIFY BY LETTER SIGNED BY A CORPORATE OFFICER INDICATING THAT IT IS A QUALIFIED SELF-INSURED, AND SETTING FORTH THE LIMITS OF ANY POLICY OF EXCESS INSURANCE COVERING ITS EMPLOYEES.

6. WHEN ANY WORK TO BE DONE WHOLLY OR IN PART BY A CONTRACTOR OR SUBCONTRACTOR WHICH MAY BE A PART OF THE PROCESS OF ELECRCIC BOAT CORPORATION'S BUSINESS (SAME TYPE OF TASK PERFORMED BY AN ELECTRIC BOAT CORPORATION EMPLOYEE) AND PERFORMED IN, ON, OR ABOUT PREMISES UNDER ELECTRIC BOAT CORPORATION'S CONTROL, IN THE STATE OF CONNECTICUT, THE CONTRACTOR OR SUBCONTRACTOR WILL INCLUDE AN ENDORESEMENT TO ITS WORKERS' COMPENSATION POLICY INCLUDING ELECTRIC BOAT CORPORATION AS AN ALTERNATE FOR CLAIMS WHERE PRIMARY LIABILITY IS DETERMINED UNDER THE STATE OF CONNECTICUT WORKERS' COMPENSATION STATUE SECTION 31-291.

7. A POLICY OF EMPLOYER'S LIABILITY INSURANCE - MINIMUM LIMITS OF \$1,000,000 PER OCCURANCE.

8. POLICY OF PROFESSIONAL LIABILITY INSURANCE-APPROPRIATE TO THE CONTRACTOR'S OPERATIONS. COVERAGE SHOULD BE FOR A PROFESSIONAL ERROR, ACT OR OMISSION ARISING OUT OF THE SCOPE OF SERVICES REQUIRED BY THIS AGREEMENT. SUCH POLICY(IES) MUST PROVIDE THE FOLLOWING LIMITS:

. \$5,000,000 PER CLAIM

9. IN THE EVENT WATERCRAFT IS TO BE USED IN THE PERFORMANCE OF THIS AGREEMENT, THE COMMERCIAL GENERAL LIABILITY POLICY SHALL BE ENDORSED OR A POLICY OF PROTECTION AND INDEMNITY SHALL BE

PROVIDED WITH THE SAME MINIMUM LIMITS OF LIABILITY AS REQUIRED UNDER PARAGRAPHS (1) THROUGH (8) ABOVE. IN ADDITION, THE CONTRACTOR SHALL SECURE AND MAINTAIN JONES ACT COVERAGE FOR MASTERS AND CREWS OF THE SUBJECT WATERCRAFT.

10. THE CONTRACTOR SHALL REQUIRE ITS SUBCONTRACTORS TO SECURE AND MAINTAIN THE SAME FORMS AND MINIMUM LIMITS OF INSURANCE REQUIRED OF THE CONTRACTOR IN PARAGRAPHS (1) THROUGH (9) ABOVE. ALL INSURANCE MUST BE EVIDENCED TO THE RISK MANAGER OF ELECTRIC BOAT CORPORATION PRIOR TO THE SUBCONTRACTOR COMING ONTO THE JOB SITE.

IF ANY SUCH INSURANCE POLICY IS WRITTEN ON A CLAIMS MADE FORM, THE RETROACTIVE DATE SHALL BE PRIOR TO OR COINCIDENT WITH THE EFFECTIVE DATE OF THIS AGREEMENT. THE POLICY SHALL STATE THAT COVERAGE IS CLAIMS MADE, AND STATE THE RETROACTIVE DATE. CLAIMS MADE FORM COVERAGE SHALL BE MAINTAINED BY THE CONTRACTOR FOR A MINIMUM OF THREE YEARS, EXCEPT FOR PROFESSIONAL LIABILITY WHICH SHALL BE FOR SEVEN YEARS, FOLLOWING THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT. THE CONTRACTOR SHALL PROVIDE ELECTRIC BOAT WITH ANNUAL PROOF OF RENEWALS OF SUCH COVERAGE. IF RENEWAL OF THE CLAIMS MADE FORM OF COVERAGE BECOMES UNAVAILABLE, OR ECONOMICALLY PROHIBITIVE, THE CONTRACTOR SHALL PURCHASE AN EXTENDED REPORTING PERIOD ("TAIL") OR EXECUTE ANOTHER FORM OF GUARANTEE ACCEPTABLE TO THE RISK MANAGER OF ELECTRIC BOAT CORPORATION ASSURING FINANCIAL RESPONSIBILITY FOR LIABILITY FOR SERVICES PERFORMED.

ALL INSURANCE, AS PROVIDED UNDER PARAGRAPHS (1) (2) (4) (5) (6) (7) AND (8) ABOVE, SHALL BE ENDORSED TO INCLUDE THE ELECTRIC BOAT CORPORATION, ITS OFFICERS AND EMPLOYEES AS ADDITIONAL INSURED, AND SHALL NOT BE REDUCED OR CANCELED WITHOUT THIRTY (30) DAYS PRIOR WRITTEN NOTICE TO THE BUYER OR RECORD AT ELECTRIC BOAT. IN ADDITION, THE CONTRACTOR'S INSURANCE PROVIDED UNDER PARAGRAPH (3) MUST INCLUDE A WRITTEN APPROVAL BY THE INSURER TO WAIVE ITS RIGHT OF SUBROGATION AND THIS MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE THAT WILL BE PROVIDED TO ELECTRIC BOAT CORPORATION PRIOR TO BEGINNING ANY WORK ON ELECTRIC BOAT PREMISES.

EVIDENCE OF INSURANCE: CONTRACTOR SHALL FURNISH TO THE BUYER OF RECORD ON THE PURCHASE ORDER EVIDENCE OF SUCH INSURANCE COVERAGES AS REQUIRED ABOVE, TEN (10) DAYS PRIOR TO THE START OF ANY WORK. NOTIFICATION SHALL BE IN THE FORM OF A CERTIFICATE OF INSURANCE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE INSURANCE COMPANY.

THE CERTIFICATE OF INSURANCE MUST STATE THAT THE ELECTRIC BOAT CORPORATION IS NAMED AS THE CERTIFICATE HOLDER AND AN ADDITIONAL INSURED AND THE CONTRACTOR'S INSURANCE WILL PROVIDE PRIMARY COVERAGE. THE CERTIFICATE MUST ALSO SHOW THAT A WAIVER OF SUBROGATION HAS BEEN ENDORSED BY THE CONTRACTOR'S WORKERS' COMPENSATION INSURANCE POLICY. ELECTRIC BOAT CORPORATION MUST BE PROVIDED THIRTY (30) DAYS WRITTEN NOTICE PRIOR TO ANY CHANGE, SUBSTITUTION, OR CANCELLATION, PRIOR TO THE NORMAL EXPIRATION DATE OF SUBJECT INSURANCE.

SELF-INSURANCE: SHOULD THE CONTRACTOR BE SELF-INSURED, FOR ANY OR ALL OF THE ABOVE INSURANCE REQUIREMENTS, A LETTER FROM THE CORPORATE RISK MANAGER, OR APPROPRIATE FINANCE OFFICE, IS ACCEPTABLE-STIPULATING IF ACTUARIALLY FUNDED AND FUND LIMITS; PLUS ANY EXCESS DECLARATION PAGES TO MEET THE CONTRACT REQUIREMENTS. THIS LETTER SHOULD ALSO ADVISE HOW THE CONTRACTOR WOULD PROTECT AND DEFEND ELECTRIC BOAT CORPORATION AS AN ADDITIONAL INSURED IN ITS SELF-INSURED LAYER, AND INCLUDE CLAIMS HANDLING DIRECTIONS IN THE EVENT OF A CLAIM. CONTRACTOR'S WORKERS' COMPENSATION INSURANCE POLICY. ELECTRIC BOAT CORPORATION MUST BE PROVIDED THIRTY (30) DAYS WRITTEN NOTICE PRIOR TO ANY CHANGE, SUBSTITUTION, OR CANCELLATION, PRIOR TO THE NORMAL EXPIRATION DATE OF SUBJECT INSURANCE.

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