



City of Fullerton
303 West Commonwealth Avenue
Fullerton, California 92832
(714) 738-6323

Minimum Insurance Requirements

City of Fullerton

Fullerton Municipal Airport (FUL)

October 16, 2019



TABLE OF CONTENTS

1. INTRODUCTION.....	2
<i>1.1. Purpose</i>	2
<i>1.2. General Provisions</i>	2
2. MINIMUM INSURANCE REQUIREMENTS.....	3
3. ATTACHMENT A – MINIMUM INSURANCE REQUIREMENTS – COMMERCIAL ...	9
4. ATTACHMENT B – MINIMUM INSURANCE REQUIREMENTS – OTHER.....	10
<i>4.1. Contractor</i>	10
<i>4.2. Non-Commercial Self-Fueling Permittee</i>	10
<i>4.3. Non-Commercial Flying Club</i>	11
<i>4.4. Non-Commercial Based Aircraft</i>	11



1. INTRODUCTION

1.1. Purpose

The purpose of these Minimum Insurance Requirements is to set forth the insurance coverages and limits established by the City of Fullerton (City).

1.2. General Provisions

These Minimum Insurance Requirements incorporate, by reference, Appendix A - *General Provisions* of the Minimum Standards for the Fullerton Municipal Airport (Airport). The terms identified by use of a capital letter in these Minimum Insurance Requirements are addressed in Appendix B – *Definitions* of the Minimum Standards.



2. MINIMUM INSURANCE REQUIREMENTS

Commercial Aeronautical Operator

Commercial Aeronautical Operator (Operator) shall procure, maintain, and pay all premiums throughout the term of an Agreement for the applicable insurance coverages and limits required by Legal Requirements and set forth in Attachment A (Minimum Insurance Requirements) for Operator's Commercial General Aviation Aeronautical Activities (Activities). The insurance company or companies underwriting the required policies shall be authorized to write such insurance in the State of California (with a Best rating of A or above) or be approved in writing by the City.

Operator shall maintain insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the Operator's operation including the occupation and use of leased premises. Operator shall provide current evidence of the required insurance in a form acceptable to the City and shall provide replacement evidence for any required insurance which expires prior to the completion, expiration or termination of an Agreement or Commercial Operator Permit (COP).

Certificates of Insurance for the insurance coverages shall be delivered to the City upon execution of any Agreement, or when approval is given by the City to conduct Activities through a COP. Certificates of Insurance shall be provided prior to the conduct of Activities. Thereafter, Operator shall provide Certificates of Insurance to the City every 12 months. In addition, Operator shall furnish a Certificate of Insurance if any change (e.g., changing underwriters, coverages, or limits) occurs.

- The coverages and limits stipulated herein represent the minimum coverages and limits that shall be maintained by Operator, at all times, to engage in Activities at the Airport.
- When coverages or limits set forth in Attachment A are not commercially available, appropriate replacement coverages or limits must be approved in writing at least 60 calendar days in advance by the City.
- The City reserves the right to require more or different coverages or limits based on entity's individual risks or exposures associated with Operator's Activities.
- Operator with known environmental contamination exposures shall be required to secure appropriate environmental liability insurance with coverages and limits appropriate for the type and level of environmental contamination exposure risk, as determined by the City.

When Operator engages in more than one Activity, the minimum coverages and limits shall be established by the City and may vary depending on the nature of each Activity or combination of Activities but shall not necessarily be cumulative.

- While it may not be necessary for Operator to procure and maintain insurance for the combined total of the minimum requirements of each Activity, Operator shall procure and maintain insurance for all exposures in limits at least equal to the greatest of the required minimum or as established by the City.

Nothing in this section shall be construed as limiting in any way, the indemnification and hold harmless requirements contained in an Agreement, COP, or the extent to which Operator may be held responsible for payments of damages to persons or property.



MINIMUM INSURANCE REQUIREMENTS

Required Endorsements

All insurance policies, which Operator is required to carry and keep in full force and effect, shall contain, or be endorsed to contain, the following provisions:

- “City of Fullerton and/or the City Council, individually and collectively, and its representatives, officers, officials, employees, agents, and volunteers are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of entity; premises owned, leased, occupied, or used by entity; or vehicles, equipment, or aircraft owned, leased, hired, borrowed, or operated by entity. Such insurance shall provide primary coverage and shall not seek any contribution from any insurance or self-insurance carried by agent or the City of Fullerton.”
- “Such insurance, as to the interest of the City of Fullerton only, shall not be invalidated by any act or neglect or breach of contract of entity. Any failure to comply with reporting or other provisions of the policies, including any breach of warranty, shall not affect coverage provided to City of Fullerton and/or the City Council, individually and collectively, and its representatives, officers, officials, employees, agents, and volunteers. Entity’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the aggregate limits of the insurer’s liability.”
- “Coverage shall not be suspended, voided, or canceled by either party or reduced in coverage or in limits except after 30 calendar days prior written notice, 14 calendar days prior written notice for cancellation for non-payment of premium, by certified mail, return receipt requested, has been given to City of Fullerton.”

Minimum Scope of Insurance

Airport Liability Insurance – Operator shall maintain airport liability insurance. If such insurance contains a general aggregate limit, it shall apply separately to the Agreement or COP or shall be twice the required occurrence limit. Such insurance shall include coverage for products and completed operations, contractual liability and personal injury.

Owned and Non-Owned Aircraft Liability Insurance – Operator shall maintain aircraft liability insurance. Per passenger sublimits are allowed only upon approval by the City and annual submission of certification by a qualified aviation insurance broker that such limits are not available to Operator. Such insurance shall include coverage for owned and non-owned aircraft.

Hangarkeeper’s Liability Insurance – Operator shall maintain hangarkeeper’s liability insurance with a minimum per occurrence limit equal to the greatest value of any aircraft in Operator’s care, custody or control at any one time, but not less than the minimum limit set forth in Attachment A. If such insurance contains a general aggregate limit, it shall apply separately to the Agreement or shall be twice the required occurrence limit. Such insurance shall have a deductible of no more than \$1,000.

Business Automobile Liability Insurance – Operator shall maintain business automobile liability insurance or an equivalent form. Such insurance shall include coverage for owned, hired and non-owned automobiles.



MINIMUM INSURANCE REQUIREMENTS

Workers' Compensation and Employers' Liability Insurance – Operator shall maintain workers' compensation insurance as required by the State of California and employers' liability insurance with limits of not less than \$1,000,000 each accident.

Deductibles and Self-Insured Retentions

Any deductible or self-insured retention must be declared to and approved by the City.

Other Insurance Provisions

The required insurance policies shall contain or be endorsed to contain the following provisions:

Airport, Aircraft, Hangarkeepers' Liability, and Business Automobile Liability – the City, its elected or appointed officials, officers, employees and volunteers are to be covered as insureds with respect to liability arising out of Operator's operation or the ownership, occupancy, maintenance or use of the leased premises; or with respect to liability arising out of aircraft or automobiles owned, leased, hired or borrowed by or on behalf of the Operator. The coverage shall contain no special limitations on the scope of its protection afforded to the City, its officials, officers, employees and volunteers.

Airport, Aircraft, Hangarkeepers' Liability, and Business Automobile Liability – this insurance shall be primary insurance as respects the City, its officers, employees and volunteers and shall apply separately to each insured against whom a suit is brought, or a claim is made. Any insurance or self-insurance maintained by the City, its officers, employees and volunteers shall be excess of this insurance and shall not contribute with it.

Workers' Compensation and Employers' Liability Insurance and All Risk Property Insurance – insurer shall waive their right of subrogation against City, its officers, employees and volunteers for work done on behalf of the City.

All Coverages – each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

Acceptability of Insurers – all required insurance shall be placed with insurers acceptable to the City with current Best's ratings of no less than B+, Class X. Workers' compensation insurance may be placed with the California State Compensation Insurance Fund. All insurers shall be licensed by or hold admitted status in the State of California. At the sole discretion of the City, insurance provided by non-admitted or surplus carriers with a minimum Best's rating of no less than A- Class X may be accepted if Operator evidences the requisite need to the sole satisfaction of the City.

Verification of Coverage – Operator shall furnish the City with certificates of insurance which bear original signatures of authorized agents and which reflect insurers names and addresses, policy numbers, coverage, limits, deductibles and self-insured retentions. Additionally, Operator shall furnish certified copies of all policy endorsements required herein. All certificates and endorsements must be received and approved by City before Operator occupies premises. The City reserves the right to require at any time complete, certified copies of any or all required insurance policies and endorsements.



MINIMUM INSURANCE REQUIREMENTS

Contractor

Contractor shall procure, maintain, and pay all premiums throughout the entire construction period for the insurance coverages detailed herein, required by Legal Requirements, and in limits and set forth in Attachment B (Minimum Insurance Requirements - Other). City reserves the right to require greater insurance coverage limits based upon a given projects scope, scale, risk, and liability exposure. The insurance company or companies underwriting the required policies shall be authorized to write such insurance in the State of California with a Best rating of A or better or be approved in advance and in writing by the Airport Manager.

- All insurance required will be primary coverage and any insurance or self-insurance maintained by the City shall be excess of contractor's insurance coverage and shall not contribute to it.
- The City shall be notified immediately if any aggregate insurance limit is exceeded. Additional coverage shall be purchased to meet requirements.
- All insurance, which contractor is required to carry and keep in full force and effect, shall name the City and the City Council, individually and collectively, and its representatives, officers, officials, employees, agents, and volunteers as additional insured.
- Contractor agrees to waive all rights of subrogation against the City and the City Council, individually and collectively, and its representatives, officers, officials, employees, agents, and volunteers for losses arising directly or indirectly from the activities and/or work performed by contractor (applies only to Commercial General Liability and Workers' Compensation).
- Policies shall not be suspended, voided, or canceled by either party or reduced in coverage or in limits except after 30 calendar days prior written notice, 14 calendar days prior written notice for cancellation for non-payment of premium, by certified mail, return receipt requested, has been given to the City.

Contractor agrees to provide the City with the following insurance documents before the start of construction:

- certificates of insurance for all required coverages
- additional insured endorsements
- waiver of subrogation endorsements (e.g., waiver of transfer rights of recovery against others, waiver of our right to recover from others, etc.)
- 60 calendar days' notice cancellation clause endorsements.

It is the responsibility of the contractor to ensure that any and all subcontractors comply with all terms and conditions of the insurance provisions stipulated herein.

Insurance coverage in the minimum limits set forth herein shall not be construed to relieve contractor for liability in excess of such coverage, nor shall it preclude the City from taking such other actions as are available to it under the law.

Commercial General Liability – coverage must include at a minimum: bodily injury, personal injury, broad form Property damage, products/completed operations, explosion, collapse, underground, broad form blanket contractual, and fire legal liability insurance.



MINIMUM INSURANCE REQUIREMENTS

Commercial or Business Automobile Liability – coverage must include at a minimum: bodily injury and Property damage for all Vehicles arising out of the use, loading, and unloading of owned, non-owned, or hired Vehicles.

Personal Vehicle Liability – coverage must include at a minimum: bodily Injury property damage for each Vehicle to be operated in association with the contract that is not insured under commercial Vehicle liability.

Workers' Compensation (WC) – coverage must be in full compliance with California's statutory requirements, for all employees of contractor and Employer's Liability.

Professional Liability (Errors and Omissions) Engineers and Architects – coverage for each occurrence.

Property Coverage – course of construction (builder's risk) Insurance covering all materials and equipment at the job site, with limits of not less than one hundred percent (100%) of the total estimated cost of construction, against all perils including flood until the project is completed and accepted by the Airport Manager. Should the work being constructed be damaged by fire or any other causes during construction, contractor shall replace it in accordance with the requirements of the plans and specifications without additional cost or expense to the City.

Claims Made Insurance – if the professional liability coverage is "claims made", contractor shall, for a period of three years after the date when contract is terminated, completed, or non-renewed, maintain insurance with a retroactive date that is on or before the start date of contract services or purchase an extended reporting period endorsement (tail coverage).

Contamination and Pollution – contractor, at its own cost and expense, shall provide clean-up of the site, any other Property, or any natural resources that are contaminated or polluted as a result of contractor's activities. Any fines, penalties, punitive or exemplary damages assigned due to contaminating or polluting activities of the contractor shall be borne entirely by the contractor.

Non-Commercial Self-Fueling Permittee

Non-Commercial Self-Fueling Permittee shall maintain, at a minimum, the coverage detailed herein and in limits set forth in Attachment B (Minimum Insurance Requirements - Other). City reserves the right to require greater insurance coverage limits based upon Permittee's, scale, risk, and liability exposure.

- General Liability
 - Including Unlicensed Vehicles
- Business Automobile Liability
 - Non-Movement Area
 - Movement Area
- Environmental Liability

All insurance, which Non-Commercial Self-Fueling Permittee is required to carry and keep in full force and effect, shall name the City and the City Council, individually and collectively, and its representatives, officers, officials, employees, agents, and volunteers as additional insured.



MINIMUM INSURANCE REQUIREMENTS

Policies shall not be suspended, voided, or canceled or reduced in coverage or in limits except after 30 calendar days prior written notice, 14 calendar days prior written notice for cancelation for non-payment of premium, by certified mail, return receipt requested, has been given to the City.

Non-Commercial Flying Club

Non-Commercial Flying clubs shall procure, maintain, and pay all premiums for the insurance coverages detailed herein, required by Legal Requirements, and in limits and set forth in Attachment B (Minimum Insurance Requirements - Other).

- General Liability
- Aircraft and Passenger Liability
- Vehicular Liability
 - Unlicensed Vehicles

All insurance, which a Non-Commercial Flying Club is required to carry and keep in full force and effect, shall name the City and the City Council, individually and collectively, and its representatives, officers, officials, employees, agents, and volunteers as additional insured.

Policies shall not be suspended, voided, or canceled or reduced in coverage or in limits except after 30 calendar days prior written notice, 14 calendar days prior written notice for cancelation for non-payment of premium, by certified mail, return receipt requested, has been given to the City.

Non-Commercial Based Aircraft

Non-Commercial Based aircraft tenants shall procure, maintain, and pay all premiums for the insurance coverages detailed herein, required by Legal Requirements, and in limits and set forth in Attachment B (Minimum Insurance Requirements - Other).

- Aircraft Liability

All insurance, which a Non-Commercial Based aircraft tenant is required to carry and keep in full force and effect, shall name the City and the City Council, individually and collectively, and its representatives, officers, officials, employees, agents, and volunteers as additional insured.

Policies shall not be suspended, voided, or canceled or reduced in coverage or in limits except after 30 calendar days prior written notice, 14 calendar days prior written notice for cancelation for non-payment of premium, by certified mail, return receipt requested, has been given to the City.



ATTACHMENT A

MINIMUM INSURANCE REQUIREMENTS – COMMERCIAL

3. ATTACHMENT A – MINIMUM INSURANCE REQUIREMENTS – COMMERCIAL

Except as otherwise provided, Operator's shall maintain, at a minimum, the coverage and limits of insurance set forth below:

Fullerton Municipal Airport		Fixed Base Operator	Aircraft Maintenance Operator	Avionics or Instrument Maintenance Operator	Aircraft Rental or Flight Training Operator	Aircraft Charter or Aircraft Management Operator	Aircraft Sales Operator	Aircraft Storage Operator	Other Commercial Aeronautical Activities	Temporary Specialized Aviation Service Operator
COMMERCIAL GENERAL LIABILITY (Combined Single Limit)										
Each Occurrence		\$2,000,000	\$1,000,000 Piston/ Turboprop	\$1,000,000 Piston/ Turboprop	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
			\$5,000,000 Turbine	\$5,000,000 Turbine						
Unlicensed Vehicles		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
BUSINESS AUTOMOBILE LIABILITY (Combined Single Limit, Each Occurrence) *										
Non-Movement Area		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Movement Area		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
HANGAR KEEPER'S LEGAL LIABILITY (Largest Aircraft Accommodated) **										
SE Piston	Each Aircraft	\$10,000,000 Each Aircraft \$15,000,000 Each Occurrence	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000		\$500,000	\$500,000
	Each Occurrence		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000		\$500,000	\$500,000
ME Piston	Each Aircraft		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000		\$500,000	\$500,000
	Each Occurrence		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000		\$1,000,000	\$1,000,000
Turboprop Group I	Each Aircraft		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000		\$1,000,000	\$1,000,000
	Each Occurrence		\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000		\$2,500,000	\$2,500,000
AIRCRAFT AND PASSENGER LIABILITY (Each Occurrence)										
SE Piston					\$1,000,000/\$100,000 sub limit per person				As required	As required
ME Piston					\$1,000,000/\$100,000 sub limit per person				As required	As required
Turboprop					\$5,000,000/\$250,000 sub limit per person				As required	As required
Turbojet/Group I					\$5,000,000/\$250,000 sub limit per person				As required	As required
Student and Renters					\$250,000					
ENVIRONMENTAL LIABILITY (Combined Single Limit)										
		\$2,000,000	\$1,000,000							
WORKER'S COMPENSATION										
		Limits Based Upon Statutory Requirements								

* If entity operates any vehicle(s)

** Required for Operators possessing the care, custody, and control of non-owned Aircraft



ATTACHMENT B MINIMUM INSURANCE REQUIREMENTS – OTHER

4. ATTACHMENT B – MINIMUM INSURANCE REQUIREMENTS – OTHER

4.1. Contractor

Except as otherwise provided, a contractor shall maintain, at a minimum, the coverage and in limits of insurance set forth in below:

Contractor Minimum Insurance Requirements	
Commercial General Liability – combined single limit	
• Bodily injury and Property Damage (each occurrence)	\$1,000,000
• Aggregate	\$2,000,000
• Fire Liability	\$100,000
Commercial or Business Automobile Liability	
• Bodily injury and Property Damage (each occurrence)	\$1,000,000
Personal Vehicle Liability	
• Per person	\$250,000
• Bodily Injury (each accident)	\$500,000
• Property Damage (each accident)	\$100,000
Environmental Liability – combined single limit	\$2,000,000
Professional Liability (Errors and Omissions) (each occurrence and aggregate)	\$1,000,000
Workers Compensation – Limits Based Upon Statutory Requirements	

4.2. Non-Commercial Self-Fueling Permittee

Except as otherwise provided, Non-Commercial Self-Fueling Permittee shall maintain, at a minimum, the coverage and in limits of insurance set forth in below:

Non-Commercial Self-Fueling Permittees Minimum Insurance Requirements	
General Liability – combined single limit	
• Each occurrence	\$2,000,000
• Unlicensed Vehicles	\$2,000,000
Business Automobile Liability – combined single limit (if entity operates any vehicles)	
• Non-Movement Area	\$1,000,000
• Movement Area	\$2,000,000
Environmental Liability	\$2,000,000



ATTACHMENT B MINIMUM INSURANCE REQUIREMENTS – OTHER

4.3. *Non-Commercial Flying Club*

Except as otherwise provided, Non-Commercial Flying Club shall maintain, at a minimum, the coverage and limits of insurance set forth below:

Non-Commercial Flying Club Operators Minimum Insurance Requirements	
General Liability – combined single limit	
• Each occurrence	\$1,000,000
• Unlicensed Vehicles	\$1,000,000
Vehicular Liability – combined single limit	
• Each occurrence	\$1,000,000
Aircraft and Passenger Liability	
• Each occurrence	\$1,000,000
• Sub limit per person	\$100,000

4.4. *Non-Commercial Based Aircraft*

Except as otherwise provided, Non-Commercial Based aircraft shall maintain, at a minimum, the coverage and limits of insurance set forth below:

Non-Commercial Based Aircraft Minimum Insurance Requirements	
Aircraft Liability – combined single limit	
• Each occurrence	\$1,000,000