

 **AIA**® Memorandum

## *Changes in the Insurance Industry Impact Notice of Policy Cancellation Provisions in AIA Contract Documents*

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## Background Information and Purpose of this Memorandum

In September of 2009, the Association for Cooperative Operations Research and Development (ACORD) amended its Form 25 Certificate of Liability Insurance (ACORD Form 25) as it relates an insurer's duty to give notice of cancellation of an insurance policy. The changes, and related rulings by state insurance administrative agencies, make it difficult or impossible for construction industry professionals to satisfy some requirements found in several AIA Contract Documents. This memorandum provides an overview of these ACORD Form 25 changes and related rulings by state agencies, identifies affected AIA Contract Documents, and suggests edits users might incorporate into standard AIA Contract Documents to respond to these changes and rulings.

The AIA Contract Documents identified herein require various parties to obtain certificates of insurance and insurance policies that require 30 days' notice of cancellation or termination of a policy to parties other than the primary policyholder. These provisions are substantially similar to the following three provisions found in AIA Document 201–2007, General Conditions of the Contract for Construction:

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect . . . (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. . . .

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

ACORD is the nonprofit organization that develops and publishes standard forms for the insurance industry. ACORD Form 25 is a standard form insurance certificate that is used throughout the construction industry that summarizes coverages provided under an insured party's insurance policy. Historically, the standard language included in ACORD Form 25 was as follows:

“Should any of the above-described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail \_\_\_ days written notice to the certificate holder named to the left. But failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.”

Accordingly, Sections 9.10.2 and 11.1.3 of A201–2007 could be satisfied if the insurer or broker simply inserted “30 days” into the ACORD Form 25 fill point. Moreover, when requested to do so, insurers and brokers often modified this standard provision to read as follows:

“Should any of the above-described policies be canceled before the expiration date thereof, the issuing company will mail 30 days’ written notice to the certificate holder named to the left.”

However, a number of state insurance administrative agencies found these practices to be problematic, as the cancellation language in the ACORD Form 25 was often inconsistent with the terms of the underlying insurance policies. The standard terms of policies offered by the Insurance Services Office (ISO) do not require cancellation notification to certificate holders. Many states issued bulletins stating that issuance of a certificate of insurance inconsistent with the terms of the underlying insurance policy, including the notice of cancellation provisions, would run afoul of applicable laws. Further, many states indicated that such certifications might be construed as an attempt to modify the underlying insurance policies, which would also run afoul of applicable laws. In response, ACORD revised Form 25 in September of 2009 and, effective September 2010, the old ACORD Form 25 cannot be used. The new ACORD Form 25 reads:

“Should any of the above-described policies be canceled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.”

ACORD’s new Form 25 makes no statement about notice of cancellation other than referring to the underlying insurance policy, which typically does not require notice to certificate holders. Therefore, in order to comply with A201–2007 Sections 9.10.2 and 11.1.3, the insurer or broker must substantially modify the form’s standard language. As indicated above, this is impermissible in most jurisdictions. In addition, many states require that certificates of insurance be provided only on approved forms. The ACORD Form 25 is approved in most, if not all, jurisdictions; and can be used without having to consult with local insurance administrations. If the form is altered, however, the alterations have to be pre-approved by the relevant insurance administration. Thus, these recent developments make it difficult, and perhaps impossible, for users to comply with the certificate of insurance requirement in A201–2007 and other AIA Contract Documents.

In addition, it may now be commercially impractical for AIA users to fully comply with the portions of Sections 11.1.3 and 11.3.6 that require the Contractor or Owner to obtain a policy that requires 30 days’ written notice of cancellation or termination to parties other than the primary policyholder. As noted above, the ISO commercial general liability policies do not include cancellation provisions that meet these requirements. Further, given the heavy administrative burden associated with providing accurate notice to all certificate holders, insurers are reluctant to add an endorsement to their policies that would satisfy these obligations.

In order to address the current situation, the AIA suggests users modify affected AIA Contract Documents to require that the primary policyholder give non primary insureds written notice within five business days of the date the primary policyholder is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first. Using A201–2007 as an example, the AIA suggests the following edits:

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner’s property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that

insurance required by the Contract Documents to remain in force after final payment is currently in effect ~~and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner~~, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. ~~These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.~~ An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness. The Contractor shall provide written notification to the Owner of the cancellation or expiration of any insurance required by Section 11.1. The Contractor shall provide such written notice within five (5) business days of the date the Contractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. ~~Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.~~ The Owner shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Section 11.3. The Owner shall provide such written notice within five (5) business days of the date the Owner is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

The following section of this memorandum identifies AIA documents with similar certificate and notice provisions, and includes proposed edits to address the issues discussed earlier.

## Affected AIA Documents and Suggested Edits

### AIA Document A107™—2007, Agreement Between Owner and Contractor for a Project of Limited Scope

§ 17.1 The Contractor shall purchase from, and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, insurance for protection from claims under workers' compensation acts and other employee benefit acts which are applicable, claims for damages because of bodily injury, including death, and claims for damages, other than to the Work itself, to property which may arise out of or result from the Contractor's operations and completed operations under the Contract, whether such operations be by the Contractor or by a Subcontractor or anyone directly or indirectly employed by any of them. This insurance shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater, and shall include contractual liability insurance applicable to the Contractor's obligations under Section 9.15. Certificates of Insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. ~~Each policy shall contain a provision that the policy will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.~~ The Contractor shall provide written notification to the Owner of the cancellation or expiration of any insurance required by this Section 17.1. The Contractor shall provide such written notice within five (5) business days of the date the Contractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first. The Contractor shall cause the commercial liability coverage required by the Contract Documents to include: (1) the Owner, the Architect and the Architect's Consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 17.3.2 The Owner shall file a copy of each policy with the Contractor before an exposure to loss may occur. ~~Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.~~ The Owner shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Sections 17.2 and 17.3. The Owner shall provide such written notice within five (5) business days of the date the Owner is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

### AIA Document A141™—2004, Agreement Between Owner and Design-Builder, Exhibit A

§ A.9.10.2 Neither final payment nor any remaining retained percentage will become due until the Design-Builder submits to the Owner (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Design-Build Documents to remain in force after final payment is currently in effect ~~and will not be cancelled or allowed to expire until at least 30 days' prior written notice has been given to the Owner,~~ (3) a written statement that the Design-Builder knows of no substantial reason that the insurance will not be renewable to cover the period required by the Design-Build Documents, (4) consent of surety, if any, to final payment, and (5) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Design-Build Contract, to the extent and in such form as may be designated by the Owner. If a Contractor refuses to furnish a release or waiver required by the Owner, the Design-Builder may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Design-Builder shall refund to the Owner all money that the Owner may be liable to pay in connection with the discharge of such lien, including all costs and reasonable attorneys' fees.

§ A.11.2.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. ~~These certificates and the insurance policies required by this Section A.11.2 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.~~ If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment as required by Section A.9.10.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Design-Builder with reasonable promptness in accordance with the Design-Builder's information and belief. The Design-Builder shall provide written notification to the Owner of the cancellation or expiration of any insurance required by Section A.11.2. The Design-Builder shall provide such written notice within five (5) business days of the date the Design-Builder is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

§ A.11.4.6 Before an exposure to loss may occur, the Owner shall file with the Design-Builder a copy of each policy that includes insurance coverages required by this Section A.11.4. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. ~~Each policy shall contain a provision that the policy will not be canceled or allowed to expire and that its limits will not be reduced until at least 30 days' prior written notice has been given to the Design-Builder.~~ The Owner shall provide written notification to the Design-Builder of the cancellation or expiration of any insurance required by Sections A.11.3 and A11.4. The Owner shall provide such written notice within five (5) business days of the date the Owner is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## **AIA Document A142™–2004, Agreement Between Design-Builder and Contractor, Exhibit A**

§ A.9.10.2 Neither final payment nor any remaining retained percentage will become due until the Design-Builder has received payment from the Owner on account of the Contractor's final Application for Payment and until the Contractor submits to the Design-Builder (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Design-Builder or the Owner's property might be responsible or encumbered (less amounts withheld by Design-Builder) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect ~~and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Design-Builder,~~ (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, and (5) if required by the Design-Builder, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract Documents, to the extent and in such form as may be designated by the Design-Builder. If a Contractor refuses to furnish a release or waiver required by the Design-Builder, the Contractor may furnish a bond satisfactory to the Owner and Design-Builder to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Design-Builder all money that the Design-Builder may be liable to pay in connection with the discharge of such lien, including all costs and reasonable attorneys' fees. If, for any cause which is not the fault of the Contractor, the Design-Builder does not receive timely payment or does not pay the Contractor within seven days after receipt of payment from the Owner, final payment to the Contractor shall be made upon demand.

## AIA Document A142™–2004, Agreement Between Design-Builder and Contractor, Exhibit E

§ E.1.3 Certificates of insurance acceptable to the Design-Builder shall be filed with the Design-Builder prior to commencement of the Contractor's Work. ~~These certificates and the insurance policies required by this Exhibit E shall contain a provision that coverages afforded under the policies will not be cancelled or allowed to expire until at least 30 days' prior written notice has been given to the Design-Builder.~~ If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment as required by Section 5.5 of the Agreement and Section A.9.10 of Exhibit A, Terms and Conditions. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the Contractor with reasonable promptness according to the Contractor's information and belief. The Contractor shall provide written notification to the Design-Builder of the cancellation or expiration of any insurance required by Section E.1.1. The Contractor shall provide such written notice within five (5) business days of the date the Contractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## AIA Document A201™–2007, General Conditions of the Contract for Construction

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect ~~and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner,~~ (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. ~~These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.~~ An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness. The Contractor shall provide written notification to the Owner of the cancellation or expiration of any insurance required by Section 11.1. The Contractor shall provide such written notice within five (5) business days of the date the Contractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally

applicable conditions, definitions, exclusions and endorsements related to this Project. ~~Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.~~ The Owner shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Sections 11.2 and 11.3. The Owner shall provide such written notice within five (5) business days of the date the Owner is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## **AIA Document A201™–2007 SP, General Conditions of the Contract for Construction, for use on a Sustainable Project**

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect ~~and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner,~~ (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) all Sustainability Documentation required from the Contractor by the Contract Documents, (5) consent of surety, if any, to final payment and (6), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. ~~These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.~~ An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness. The Contractor shall provide written notification to the Owner of the cancellation or expiration of any insurance required by this Section 11.1. The Contractor shall provide such written notice within five (5) business days of the date the Contractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. ~~Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.~~ The Owner shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Sections 11.2 and 1.3. The Owner shall provide such written notice within five (5) business days of the date the Owner is first



aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## **AIA Document A232™–2009, General Conditions of the Contract for Construction, Construction Manager as Advisor Edition**

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect through the Construction Manager (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect ~~and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner,~~ (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be submitted to the Construction Manager for transmittal to the Owner with a copy to the Architect prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. ~~These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.~~ An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness. The Contractor shall provide written notification to the Owner of the cancellation or expiration of any insurance required by Section 11.1. The Contractor shall provide such written notice within five (5) business days of the date the Contractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. ~~Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.~~ The Owner shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Sections 11.2 and 11.3. The Owner shall provide such written notice within five (5) business days of the date the Owner is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## AIA Document A232™–2009 SP, General Conditions of the Contract for Construction, for use on a Sustainable Project, Construction Manager as Advisor Edition

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect through the Construction Manager (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect ~~and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner~~, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) all Sustainability Documentation required from the Contractor by the Contract Documents, (5) consent of surety, if any, to final payment and (6), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be submitted to the Construction Manager for transmittal to the Owner with a copy to the Architect prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. ~~These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.~~ An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness. The Contractor shall provide written notification to the Owner of the cancellation or expiration of any insurance required by Section 11.1. The Contractor shall provide such written notice within five (5) business days of the date the Contractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. ~~Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.~~ The Owner shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Sections 11.2 and 11.3. The Owner shall provide such written notice within five (5) business days of the date the Owner is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## AIA Document A251™–2007, General Conditions of the Contract for Furniture, Furnishings and Equipment

§ 13.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. ~~These certificates and the insurance policies required by Section 13.1.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the~~

~~Owner.~~ An additional certificate evidencing continuation of liability coverage including coverage for completed operations shall be submitted with the final application for payment and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 13.1.2. The Vendor shall provide information concerning reduction of coverage on account of revised limits or claims paid under the general aggregate, or both, with reasonable promptness. The Vendor shall provide written notification to the Owner of the cancellation or expiration of any insurance required by Section 13.1. The Vendor shall provide such written notice within five (5) business days of the date the Vendor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## **AIA Document A295™–2008, General Conditions of the Contract for Integrated Project Delivery**

§ 10.2.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the GMP Documents to remain in force after final payment is currently in effect ~~and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner,~~ (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the GMP Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. ~~These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.~~ An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness. The Contractor shall provide written notification to the Owner of the cancellation or expiration of any insurance required by Section 11.1. The Contractor shall provide such written notice within five (5) business days of the date the Contractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. ~~Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.~~ The Owner shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Sections 11.2 and 11.3. The Owner shall provide such written notice within five (5) business days of the date the Owner is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## AIA Document A401™–2007, Agreement Between Contractor and Subcontractor

§ 13.3 Certificates of insurance acceptable to the Contractor shall be filed with the Contractor prior to commencement of the Subcontractor's Work. ~~These certificates and the insurance policies required by this Article 13 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Contractor.~~ If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final application for payment as required in Article 12. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the Subcontractor with reasonable promptness according to the Subcontractor's information and belief. The Subcontractor shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Section 13.1. The Subcontractor shall provide such written notice within five (5) business days of the date the Subcontractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## AIA Document A401™–2007 SP, Agreement Between Contractor and Subcontractor, for use on a Sustainable Project

§ 13.3 Certificates of insurance acceptable to the Contractor shall be filed with the Contractor prior to commencement of the Subcontractor's Work. ~~These certificates and the insurance policies required by this Article 13 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Contractor.~~ If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final application for payment as required in Article 12. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the Subcontractor with reasonable promptness according to the Subcontractor's information and belief. The Subcontractor shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Section 13.1. The Subcontractor shall provide such written notice within five (5) business days of the date the Subcontractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## AIA Document A441™–2008, Agreement Between Contractor and Subcontractor for a Design-Build Project

§ 13.3 Certificates of insurance acceptable to the Contractor shall be filed with the Contractor prior to commencement of the Subcontractor's Work. ~~These certificates and the insurance policies required by this Article 13 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Contractor.~~ If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final application for payment as required in Article 12. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the Subcontractor with reasonable promptness according to the Subcontractor's information and belief. The Subcontractor shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Section 13.1. The Subcontractor shall provide such written notice within five (5) business days of the date the Subcontractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## AIA Document C101™–1993, Joint Venture Agreement for Professional Services

§ 9.3 Certificates of Insurance acceptable to the other Party shall be filed with that Party prior to commencement of services. ~~These Certificates and the insurance policies required by Sections 9.1.1 through 9.1.8 shall contain a provision stating that coverages afforded under the policies will not be canceled or non-renewed until at least 30 days' prior written notice has been given to the other Party.~~ If any Party to this Agreement reduces the limit of liability carried on the coverage required by Section 9.1.8, that Party will give 30 days' written notice to the other Party to this Agreement. The policyholder of any insurance required by Article 9 shall provide written notification to the other Party of the cancellation or expiration of any such policy. The policyholder shall provide this written notice within five (5) business days of the date the policyholder is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## AIA Document C191™–2009, General Conditions of the Multi-Party Agreement for Integrated Project Delivery, Exhibit A

§ A.12.9.2 Final payment shall not become due until each Party submits to the Project Management Team (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Project for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect ~~and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner,~~ (3) a written statement that the Party knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor or Consultant refuses to furnish a release or waiver required by the Owner, the Party may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ A.14.1.3 Certificates of insurance acceptable to the Parties shall be provided to the other Parties within thirty days of execution of the Agreement and thereafter upon renewal or replacement of each required policy of insurance. ~~These certificates and the insurance policies required by this Section A.14.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the other Parties.~~ An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section A.12.9 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section A.14.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished with reasonable promptness. The policyholder of any insurance required by Section A.14.1 shall provide written notification to the other Parties of the cancellation or expiration of any such policy. The policyholder shall provide this written notice within five (5) business days of the date the policyholder is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## **AIA Document C196™–2008, Agreement Between Single Purpose Entity and Owner for Integrated Project Delivery**

### **§ 2.4.5 Certificates**

The Owner shall purchase the insurance required by Sections 2.4.1, 2.4.2, 2.4.3 and 2.4.4 above and provide certificates of insurance acceptable to the Company prior to commencement of the Work on the Project site and thereafter upon renewal or replacement of each required policy of insurance. Upon the Company's request, the Owner shall provide copies of the insurance policies required by this Agreement. ~~The certificates and the insurance policies required by this Section 2.4 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Company.~~ The Owner shall provide written notification to the Company of the cancellation or expiration of any insurance required by this Section 2.4. The Owner shall provide such written notice within five (5) business days of the date the Owner is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## **AIA Document C197™–2008, Agreement Between Single Purpose Entity and Non-Owner Member for Integrated Project Delivery**

§ 2.7.5 Certificates of insurance acceptable to the Company shall be provided to the Company prior to commencement of services under this Agreement and thereafter upon renewal or replacement of each required policy of insurance. Upon the Company's request, the Member shall provide copies of the insurance policies required by this Agreement. ~~The certificates and the insurance policies required by this Section 2.7 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Company.~~ The Member shall provide written notification to the Company of the cancellation or expiration of any insurance required by this Section 2.7. The Member shall provide such written notice within five (5) business days of the date the Member is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## **AIA Document C198™–2010, Agreement Between Single Purpose Entity and Consultant for Integrated Project Delivery**

§ 2.9.3 Certificates of insurance acceptable to the Company shall be provided to the Company prior to commencement of services under this Agreement and thereafter upon renewal or replacement of each required policy of insurance. Upon the Company's request, the Consultant shall provide copies of the insurance policies required by this Agreement. ~~The certificates and the insurance policies required by this Section 2.9 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Company.~~ The Consultant shall provide written notification to the Company of the cancellation or expiration of any insurance required by this Section 2.9. The Consultant shall provide such written notice within five (5) business days of the date the Consultant is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

## **AIA Document C199™–2010, Agreement Between Single Purpose Entity and Contractor for Integrated Project Delivery, Exhibit A**

§ A.5.26.2.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Company (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness

connected with the Work for which the Company or the Owner's property might be responsible or encumbered (less amounts withheld by Company) have been paid or otherwise satisfied; (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect ~~and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Company~~; (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents; (4) consent of surety, if any, to final payment; and (5), if required by the Company, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Company. If a Subcontractor refuses to furnish a release or waiver required by the Company, the Contractor may furnish a bond satisfactory to the Company to indemnify the Company and Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Company all money that the Company or Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ A.6.1.3 Certificates of insurance acceptable to the Company shall be filed with the Company prior to commencement of the Contractor's Construction Work and thereafter upon renewal or replacement of each required policy of insurance. ~~These certificates and the insurance policies required by this Section A.6.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Company.~~ An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section A.5.26.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section A.6.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness. The Contractor shall provide written notification to the Company of the cancellation or expiration of any insurance required by Section A.6.1. The Contractor shall provide such written notice within five (5) business days of the date the Contractor is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.

§ A.6.3.6 Before an exposure to loss may occur, the Company shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section A.6.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. ~~Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.~~ The Company shall provide written notification to the Contractor of the cancellation or expiration of any insurance required by Sections A.6.2 and A.6.3. The Company shall provide such written notice within five (5) business days of the date the Company is first aware of the cancellation or expiration, or is first aware that the cancellation or expiration is threatened or otherwise may occur, whichever comes first.