

## **Contractor Insurance**

The General Contractor selected to complete the work shall have for any construction project involving Minnesota Housing Finance Agency (MHFA) financing adequate and appropriate Insurance. The MHFA will require evidence of Insurance prior to completing Loan Commitment phase unless End Loan.

**Purpose:** Provides protection against losses resulting from Contractor's operations under the contract and which the Contractor may be legally liable.

**Requirements:** The following construction related Insurance requirements must be complied with:

1. **Builder's Risk:** A Certificate of Insurance or Insurance Binder in an amount not less than the Construction Contract amount with a loss payee clause in favor of the Minnesota Housing Finance Agency. The certificate or binder must contain such a loss payee clause.
2. **Contractor's Liability:** A Certificate of Insurance or Insurance Binder with Minnesota Housing Finance Agency as named insured, wherein the limits of liability are bodily injury coverage of not less than \$1,000,000 and property damage coverage of no less than \$1,000,000. An umbrella excess liability policy may be used to satisfy the required minimum amounts.
3. **Worker's Compensation:** Evidence of Worker's Compensation Insurance with statutory coverage.
4. **Notice of Cancellation Clause.** The following must appear on the Contractor's Certificate of Insurance and Insurance Binders:

*"Should any of the above described policies be cancelled before the expiration date thereof, the issuing Company will mail 30 days written notice to Minnesota Housing Finance Agency."*