



Client Assistance Memo (CAM)

Updated Office of Housing Deed of Trust Insurance Requirements (6/25/10)

This CAM has been developed to briefly summarize the updated City’s Deed of Trust insurance requirements. The Borrower (“Grantor”) should forward this CAM to its prime contractor as well as to Grantor’s own insurance broker, agent or risk manager to assist them in producing acceptable insurance certification. The full Deed of Trust insurance boilerplate is attached for reference and constitutes the definitive insurance requirement.

INSURANCE: DURING COURSE OF CONSTRUCTION

GRANTOR’S CONTRACTOR

☑ CGL insurance Limits \$1,000,000/\$2,000,000

- ✓ Grantor must require in its written agreement with its contractor that the Beneficiary (the City of Seattle, et al¹) must be an additional insured for primary/non-contributory limits per ISO CG 20 26 11 85 or equivalent
- ✓ “Owners, Lessees or Contractors” additional insured forms including the CG 20 09, CG 20 10, CG 20 33 or equivalent are not acceptable as Grantor’s contractor is not performing any work for Beneficiary

GRANTOR OR GRANTOR’S CONTRACTOR

☑ “ALL RISK” BUILDER’S RISK PROPERTY insurance on current 100% Replacement Cost Basis

- ✓ Earthquake and Flood coverage may be required
- ✓ Standard Mortgagee Clause 438BFU or equivalent acceptable to Beneficiary

INSURANCE: AFTER COMPLETION

GRANTOR

☑ CGL insurance Limits \$1,000,000/\$2,000,000

- ✓ The City of Seattle must be an additional insured for primary/non-contributory limits per ISO CG 20 26 or equivalent
- ✓ “Owners, Lessees or Contractors” additional insured forms including the CG 20 09, CG 20 10, CG 20 33 or equivalent are not acceptable as Grantor’s contractor is not performing any work for Beneficiary

☑ “ALL RISK” PROPERTY insurance on CP 10 30 Form covering Buildings, Improvements and Fixtures on current 100% Replacement Cost basis

- ✓ Water Damage/Sprinkler Systems damage must be covered
- ✓ Business Interruption/Extra Expense must be provided
- ✓ Earthquake and Flood coverage may be required
- ✓ Boiler & Machinery coverage must be covered if equipment installed
- ✓ Standard Mortgagee Clause 438BFU or equivalent acceptable to Beneficiary

INSURANCE: OTHER IMPORTANT PROVISIONS

- ✓ Minimum A.M. Best’s ratings of A- VII for Admitted carriers.
- ✓ Property insurance waiver of subrogation in favor of Beneficiary.

¹ The complete description of the additional insured is “The City of Seattle, its officers, elected officials, employees, agents, and volunteers”