

**EXHIBIT 1**  
**SEMINOLE ELECTRIC COOPERATIVE, INC. (SECI)**  
**CONTRACTOR'S INSURANCE REQUIREMENTS**

Acceptable certificate(s) of insurance and policy endorsements, as specified below, showing that Contractor's insurance coverages are in compliance with the insurance requirements set forth below, must accompany the proposal. SECI shall have the right at any time to require insurance limits greater than those stated below, or to require other changes in insurance coverages, and only in such event shall the premium or premiums, payable solely as the result of such additional insurance requirements, be added to the Contract price.

The Contractor shall maintain, at its own expense, throughout the Contract and any extensions thereof, the insurance coverages of the types and in the minimum amounts described below. All coverages shall provide for payment of defense costs. Failure by Contractor to maintain any required insurance coverages shall be deemed to be a material breach of the terms of this Contract. In all cases where excess or umbrella liability policies are used in order to meet the minimum required levels of coverage, the coverage provisions of such excess or umbrella liability policies must exceed or follow form of the underlying policies.

- a. Workers' Compensation Insurance.** Workers' Compensation Insurance as required by the Workers' Compensation or Occupational Disease Laws of the State of Florida or any other State, if applicable, including, when required, the United States Longshoremen's and Harbor Workers' Act, the Federal Employers' Liability Act and the Jones Act, covering all employees who perform any of the obligations of the Contractor under the Contract. If any employer or employee is not subject to workers' compensation laws of the governing State, then insurance shall be obtained voluntarily to extend to the employer and/or employee to the same extent as though the employer or employee were subject to the workers' compensation laws.
- b. Employer's Liability Insurance.** Employer's Liability Insurance and, if necessary, commercial excess or umbrella liability insurance with limits of not less than: \$1,000,000 each accident; \$1,000,000 disease – per employee; \$1,000,000 disease – policy limit. The policy shall include a Voluntary Compensation Endorsement.
- c. Commercial General Liability Insurance.** Commercial General Liability Insurance (CGL) and, if necessary, commercial excess or umbrella liability insurance with limits of not less than: \$1,000,000 each occurrence, \$2,000,000 general aggregate, \$2,000,000 Completed Operations/Products aggregate, \$1,000,000 Personal Injury/Advertising Injury, and \$5,000 per person medical payments regardless of fault. CGL insurance shall be written on Insurance Services Office, Inc. (ISO) occurrence form (or substitute form providing equivalent coverage) and shall cover liability arising from: Personal Injury/Advertising Injury and Property Damage, including fellow-employee coverage; Incidental Malpractice; Premises/Operations; Products/Completed Operations; Independent Contractors; liability assumed under an insured contract; and the tort liability of another assumed in a business contract. Completed Operations coverage shall extend for 10 years or the Statute of Repose, whichever is less. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage (XCU), and no residential exclusions shall apply. At the reasonable request of SECI, aggregates shall apply per project with respect to the work performed under this Contract.

- d. Business Auto Liability Insurance.** Business Auto Liability Insurance and, if necessary, commercial excess or umbrella liability insurance with limits of not less than \$1,000,000 per occurrence, combined single limit. Such insurance shall cover any bodily injury, death or property damage liability arising out of the use of any auto (including owned, hired, and non-owned autos). Business auto coverage shall be written on ISO form or a substitute form providing equivalent liability coverage.
- e. Professional Liability Insurance.** All architects, engineers and design professionals working under the Contract shall have coverage for Errors and Omissions (Professional Liability Insurance) in an amount at least as large as the total amount of architectural, engineering or design services under the Contract but not less than \$500,000 each occurrence. If the total amount of architectural, engineering or design services under the Contract exceeds \$10,000,000, the Contractor shall separately price in its proposal the cost to provide limits of Professional Liability Insurance specific to the work performed under this Contract, with per project aggregate, in \$10,000,000 coverage increments up to the total amount of such services.
- f. Property Insurance, Builder's Risk and/or Installation Floaters.** SECI does not maintain a standing Builder's Risk policy and has large deductibles under its all-risks Property Insurance coverage. Contractor shall reimburse SECI for any deductible amount SECI is required to pay as a result of any property loss which is caused solely or partially by Contractor's (or any subcontractor's) negligence, errors or omissions.

With respect to the Work, SECI and Contractor may agree that Contractor will be added as a "loss payee" under SECI's Property Insurance, as Contractor's interest may appear, for property intended for ultimate delivery to SECI. (In no event will SECI be responsible for any loss to Contractor's or any subcontractor's tools or other supplies or equipment which are not intended for ultimate delivery to SECI.) **Alternatively**, if SECI and Contractor agree that Contractor shall provide coverage for the property being delivered, created, constructed, installed, replaced or repaired as part of the work under this Contract, then such insurance coverage shall be written on a builder's risk or installation floater "all-risks" or equivalent policy form acceptable to SECI, for the full replacement value of all work to be performed under the Contract, including any Contract modifications, and including the replacement value of any property supplied or installed by others which becomes part of the total work to be delivered to SECI under the Contract. Such insurance coverage shall be maintained until the property is completely and finally turned over to and accepted by SECI. This insurance shall include Operational Testing coverage sufficient for the entire duration and extent of such testing. This insurance shall provide a waiver of subrogation in favor of SECI, and SECI shall be named "loss payee" as its interest may appear. Furthermore, such insurance coverage shall be specifically shown on the certificate of insurance provided to SECI under this Contract, and copies of the policy endorsements providing waiver of subrogation and naming SECI as loss payee shall be provided to SECI.

- g. Aircraft and Watercraft Liability Insurance.** Aircraft and Watercraft Liability Insurance for owned, non-owned, and hired craft is required when any such craft is used by the Contractor in performance of work under this Contract. The limits of liability will be determined by SECI and will not be less than \$10,000,000 each occurrence. In no event will aircraft or watercraft be used in the performance of work hereunder by the Contractor or any subcontractor without the prior written consent of SECI.
- h. Railroad Protective Liability Insurance.** Contractor shall maintain Railroad Protective Liability Insurance coverage (RPL) with a limit not less than \$3,000,000 each occurrence, if the work being performed is within fifty (50) feet of operating railroad tracks or otherwise involves exposures to railroad hazards. This RPL coverage may be included by endorsement to the CGL policy required by section (c) above or as a separate policy.
- i. Environmental Impairment Liability Insurance.** When the scope of work or services under this Contract includes the transportation of hazardous substances away from SECI's premises and the proper disposal of such substances at a waste disposal site, or when the services will include those of environmental consultants, engineers or remedial action (pollution cleanup) professionals, Contractor shall purchase and maintain Environmental Impairment Liability (EIL) Insurance, or other pollution hazards insurance coverage acceptable to SECI. The policy of insurance affording this coverage shall be maintained in an amount not less than \$10,000,000 each occurrence.
- j. Subcontractor Insurance Requirements.** Contractor shall cause each subcontractor engaged by Contractor in the performance of this Contract to maintain insurance coverages at least equal to those required herein of the Contractor. When requested by SECI, Contractor shall furnish copies of certificate(s) of insurance evidencing such coverage for each subcontractor.

## **INSURED STATUS**

SECI, its subsidiaries, trustees, directors, officers and employees shall be included as additional insureds under the insurance policies maintained pursuant to sections (b), (c), (d), (e), (g), (h) and (i) above, including any excess or umbrella liability policies; such insurance policies shall include cross-liability coverage as provided under standard ISO forms' separation of insureds clause. The above insurance shall apply as primary insurance and be non-contributory with respect to any other insurance or self-insurance programs afforded to SECI. There shall be no restrictions on the insurers' duty to defend SECI or the provision of defense costs for SECI as an additional insured under these policies. The named insured (Contractor) shall be solely responsible for reimbursing any deductible amount to the insurer. Any self-insured retentions (SIR's) must be disclosed to SECI. Copies of any endorsements to Contractor's insurance policies related to the provisions of this paragraph shall be provided to SECI prior to commencement of work.

## **WAIVER OF SUBROGATION**

Contractor waives all rights of subrogation against SECI, its subsidiaries, trustees, directors, officers and employees for recovery of damages to the extent these damages are covered by any of the Contractor's insurance policies maintained above.

## **INSURANCE COMPANIES AND UNDERWRITERS**

The insurance coverages required hereunder shall be placed with first class insurers and underwriters that have an A.M. Best rating of A or A- (Excellent) with a financial size category of X or better.

### **EVIDENCE OF INSURANCE AND COPIES OF POLICY DOCUMENTS**

Prior to commencing work, and then upon any change or renewal of any insurance coverage throughout the Contract term, Contractor shall furnish SECI with certificate(s) of insurance, acceptable to SECI, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements herein. In addition, **Contractor shall provide copies of policy endorsements** showing SECI, its subsidiaries, trustees, directors, officers and employees as **additional insureds**, and endorsements showing **waivers of subrogation** in favor of these same parties. Also, since the standard Acord form certificate of insurance no longer indicates a period of time to provide written notice of cancellation of insurance, Contractor shall provide copies of **policy endorsements providing for 30 days written notice to SECI prior to cancellation** of any insurance policy evidenced in the certificate(s). Failure of SECI to demand such certificate(s), endorsements or other evidence of full compliance with these insurance requirements, or failure of SECI to identify a deficiency from evidence that is provided, shall not be construed as a waiver of Contractor's obligations to maintain such insurance. SECI shall have the right, but not the obligation, to prohibit Contractor or any subcontractor from entering the project site until such certificate(s), endorsements or other evidence that insurance has been provided in complete compliance with the above insurance requirements, is received and approved by SECI. Contractor shall provide certified copies of all insurance policies required above within 10 days of SECI's reasonable written request for said copies; Contractor may omit certain confidential or proprietary information from said insurance policies prior to providing same to SECI. In the event of an occurrence triggering coverage under any of the above policies, Contractor shall immediately provide SECI a copy of relevant notice and duty provisions in the applicable policy(ies).

### **NO REPRESENTATION OF COVERAGE ADEQUACY**

By requiring insurance herein, SECI does not represent that coverages and/or limits will necessarily be adequate to protect Contractor, and such coverages and/or limits shall not be deemed a limitation on Contractor's liability under the indemnities or other obligations granted or due to SECI in this Contract.

