**Lower White Pine Project Insurance Package**

**From Darin Puryear, Arthur J. Gallagher**

**Owners & Contractors Protective Liability**

This coverage insures your liability as owner of the project, should any suits or demands come your way from this project. It is everyone’s intention to pass as much liability for the project as possible through to your chosen contractor through contractual language and the proper insurance endorsements, but this insurance is an additional layer of protection should Chelan be named in a suit that is outside the scope of the owner/contractor agreement.

**Environmental / Pollution Liability**

This is a coverage designed to protect Chelan County in the event of an environmental mishap at the jobsite. These policies have numerous different insuring agreements that are designed to protect various exposures and aspects of a potential environmental loss, and our intention is to provide several options for differing levels of coverage, offering you the opportunity to weigh each coverage against the risk of loss and its associated cost. It should also be noted that the contractor that you choose will likely already carry Contractors Jobsite Pollution coverage as part of their normal insurance program, so our job here will be to review the two programs side by side to find the best fit for this project. It may very well involve having some coverage on the contractors side, and other coverage on Chelan County’s side to construct the best overall program structure. Environmental Coverage is widely available, and we believe the cost options will be reasonable.

**Project Management Errors & Omissions**

This coverage is designed to protect Chelan County from financial losses that might arise out of improper management of, or errors in the management of the overall project. Since Chelan County is the overall project manager for this project, we believe it is in the best interest of the County to explore this added coverage. There are a number of markets that provide this coverage, and we believe the cost will be reasonable.

**Railroad Protective Liability Insurance**

This is a coverage that is mandated in the Underpass agreement, and is a typical coverage required by all Railroads. While the county would have the option of passing this coverage requirement through to the contractor, we do not believe it serves any purpose to do so. We believe strongly that it will make more financial sense to simply procure it yourself rather than having the contractor include it in their cost structure and then mark it up accordingly.

**Builders Risk Insurance**

This insurance provides coverage for physical damage to the project itself, arising out of either natural occurrences (weather, earthquake, etc) or the negligence of a jobsite worker that results in damage to the project. We will also provide an optional coverage limit for Business Interruption arising out of such damage (i.e. the contractually stipulated rail line “Shut-Down” costs). Again, this is a standard coverage in the construction industry, and we do not anticipate any challenges in receiving a reasonable offer of coverage.