

## APPENDIX 1. MINIMUM INSURANCE REQUIREMENTS

The following requirements pertain to Fixed Base Operators and Special Aviation Service Provider. Specific Insurance Requirements are applicable to FBOs and SASOs.

1. **General Requirements.** Operator shall not commence operations or construction until Operator has obtained the types and amounts of required insurance as indicated below and until such insurance has been reviewed by the City and a Certificate of Insurance is received indicating required coverage. If the coverage period ends prior to the term of Operator's Lease or Permit, Operator must, prior to the end of the coverage period, forward a new Certificate of Insurance to City as verification of continuing coverage for the duration of the term of the Lease or Permit. Operator must submit certificates of insurance for all subcontractors to the City prior to commencing work. The following conditions apply:
  - a. Approval of insurance by City and the required minimums shall not relieve or decrease the liability or responsibility of the Operator hereunder and shall not be construed to be a limitation of liability on the part of the Operator.
  - b. Operator's and all subcontractor's insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policy is issued and shall be written by companies with an A.M. Best rating of A- or better. Hazardous materials insurance, if required, shall be written by companies with an A.M. Best rating of A- or better. Contractor must obtain workers' compensation coverage through a licensed insurance company in accordance with Texas laws. The contract for coverage must be written on a policy and with endorsements approved by the Texas Department of Insurance. The coverage provided must be in amounts sufficient to assure that all workers' compensation obligations incurred by the contractor will be promptly met.
  - c. The operator must obtain and maintain in force insurance at all times during the term of the lease agreement.
  - d. All endorsements naming the City as additional insured, waivers of subrogation, and notices cancellation, endorsements, as well as Certificates of Insurance shall indicate:

City of Corpus Christi  
Department of Aviation  
1000 International Drive  
Corpus Christi, Texas 78406  
Attn: Director of Financial Services

A copy of the insurance certificate shall be provided to the City's Risk Management Division.

- e. The "other" insurance clause shall not apply to the City where the City of Corpus Christi is an additional insured shown on any policy. It is intended that Policies required in these Minimum Standards covering the City and Operator, shall be considered primary coverage as applicable.
  - f. If insurance policies are not written for the amounts specified below the Operator shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the Primary Coverage.
  - g. The City shall be entitled, upon request and without expense, to receive certified copies of policies and endorsements thereto and may make any reasonable requests for the deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
  - h. The City reserves the right to review insurance requirements set forth during the term of a Lease and to make reasonable adjustments to required types of insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial considerations of the insurance company as well as the Operator.
  - i. The Operator shall not cause any insurance to be cancelled nor permit any insurance to lapse during the Term of a Lease or as required in the Lease.
  - j. The Operator shall provide all deductibles and self-insured retentions, if any, stated in the policies. All deductibles and self-insured retentions shall be disclosed on the Certificates of Insurance.
  - k. Liability insurance provided by an Operator pursuant to the Minimum Standards shall cover and protect the City, its officials, officers, agents, Personnel, contractors, successors, and assigns, as their interests may appear.
  - l. The operator is responsible for insuring their own interest.
2. **Specific Insurance Requirements.** The Operator shall obtain, and maintain throughout the term of its Lease or Permit, the following insurance coverages, and furnish certificates of insurance and policy endorsements as evidence thereof:

- a. Workers' Compensation and Employers Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Section 401) and minimum policy limits for employers liability of \$1,000,000 bodily injury each accident, \$1,000,000 bodily injury policy limit and \$1,000,000 bodily injury each Personnel. The following endorsements shall be added to the policy:
  - i. A Waiver of Subrogation in favor of the City of Corpus Christi;
  - ii. A thirty (30) day written Notice of Cancellation/Material Change in favor of the City.
- b. Property insurance coverage on an "All Risk of Physical Loss" form for 100% of the value of all improvements leased from the City, or constructed by or for Operator on the Airport. Coverage shall include, but not be limited to, fire, wind, hail, theft, vandalism, and malicious mischief. The coverage shall be written on a replacement cost basis. The proceeds from such insurance shall be used to restore the improvements to their original condition in the event of a covered loss. Operator is responsible for insuring their own interest.
- c. Liability insurance in the specific types and amounts specified below for FBOs and SASOs, as applicable for the proposed Commercial Aeronautical Service. Where more than one Commercial Aeronautical Service is being provided, the minimum limits shall meet or exceed the minimum limits of the more demanding Commercial Aeronautical Service.
  - i. All Commercial General Liability Insurance policies shall contain:
    1. Waiver of Subrogation in favor of the City of Corpus Christi.
    2. Thirty (30) day written notice of Cancellation in favor of the City of Corpus Christi.
    3. City of Corpus Christi listed as additional insured, form CG 2010, or its equivalent.
    4. Independent Contractors coverage.
    5. Blanket contractual liability coverage for liability assumed under the Lease or Permit.
    6. Damage to Premises rented to you in an amount not less than \$250,000.
    7. Medical Expense coverage with a limit of \$5,000 any one person.

- d. Fuel Storage Tank Liability to include remediation and spill/leakage clean-up with minimum limits of \$2,000,000 per claim / \$2,000,000 aggregate limit issued on a claims made policy with retro dates of twenty four (24) months.

### 3. FBO Requirements.

	Commercial General Liability (Bodily Injury and Property Damage / Personal and Advertising Injury)	Completed Operations	Hangar Keepers	Aircraft Liability (Bodily Injury and Property Damage including Passengers)	Non Owned Aircraft
FBO	\$10M / \$10M	\$10,000,000	\$2,000,000	\$10M / \$10M	\$10M

### 4. SASO Requirements.

Type of Activity	Commercial General Liability (Bodily Injury and Property Damage / Personal and Advertising Injury)	Completed Operations	Hangar Keepers	Aircraft Liability (Bodily Injury and Property Damage including Passengers)	Non Owned Aircraft
Flight Training	\$1M / \$1M			\$1M / \$1M	\$1M
Airframe and Power Plant Maintenance	\$10M / \$10M	\$10,000,000	\$2,000,000	\$10M / \$10M	\$10M
Air Charter or Taxi or Aircraft Management Operations	\$20M / \$20M	\$20,000,000		\$20M / \$20M	\$20M
Aircraft Rental	\$1M / \$1M			\$1M / \$1M	\$1M
Avionics Sales and Maintenance	\$10M / \$10M	\$10,000,000	\$2,000,000	\$10M / \$10M	\$10M
Aircraft Storage Hangar			\$2,000,000		
Aircraft Sales	\$1M / \$1M	\$1,000,000		\$1M / \$1M	\$1M
Aircraft Restoration and Refurbishing	\$10M / \$10M	\$10,000,000	\$2,000,000	\$10M / \$10M	\$10M
Specialized Flying Services	\$1M / \$1M	\$1,000,000		\$1M / \$1M	\$1M
Light Sport Aircraft Services	\$10M / \$10M	\$10,000,000	\$2,000,000	\$10M / \$10M	\$10M

### 5. Motor Vehicle Requirements. For vehicles operated in the AOA the following conditions apply:

- a. Business Automobile Liability Insurance for all owned, non-owned, and hired vehicles with a minimum combined single limit of \$5,000,000 for

bodily injury and property damage.

- b. City of Corpus Christi named as additional insured, Form TE 9901B.
- c. Thirty (30) day written Notice of Cancellation in favor of the City of Corpus Christi, form TE 0202A.