

**Brownsville Navigation District
INSURANCE REQUIREMENTS
Level Five**

These requirements are applicable to lessees of all business types who have lease sites that are:

- Lessees who operate liquid bulk terminals
- Lessees who perform ship breaking or ship repairs
- Lessees who receive, process or store scrap materials
- Lessees who handle hazardous materials

Workers' Compensation	
j. Employer's Liability	\$1,000,000 limit
k. Longshoremen and Harbormaster's Act (if applicable)	Statutory
l. Jones Act (if applicable) <small>Jones Act coverage may be included in the P & I policy, if required.</small>	\$1,000,000
Waiver of Subrogation Endorsement in favor of the Brownsville Navigation District d/b/a The Port of Brownsville for this policy must be submitted.	

Comprehensive General Liability	
Comprehensive General Liability including Broad Form Liability, Personal Injury Liability, Contractual Liability, Products/completed operations Liability and including coverage for:	
(9) Explosion, collapse, and underground, and	
(10) For goods, vessels and property of whatever description belonging to others while in the care, custody, and control of the lessee	
An acceptable option would be Warehouse Legal and/or Wharfingers Legal Liability coverage.	
m. Bodily Injury	\$ 21,000,000 Each occurrence
n. Property Damage	\$ 21,000,000 Each aggregate
o. Alternate to a. & b.	Combined single limit of \$ 21,000,000

Comprehensive Automobile Liability		
m. Bodily Injury	\$ 1,000,000 each person	\$ 1,000,000 each occurrence
n. Property Damage	\$ 1,000,000 each occurrence	
o. Alternate to a. & b.	Combined single limit of \$ 1,000,000	
Automobile Liability Coverage to include:	<i>In the event automobile liability is written with split limits, there should not be less than \$1,000,000 per accident for bodily injury liability nor less than \$1,000,000 per accident for property damage liability.</i>	
- All owned vehicles		
- All non-owned vehicles		
- All hired vehicles		
Personal automobile liability policies used to satisfy all or part of this requirement must be submitted in full and must not contain an exclusion for business use of a vehicle.		

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If lessee has no owned automobiles, non-owned and hired automobile coverage may be provided as part of the Comprehensive General Liability Policy.

Protection and Indemnity (P & I)

If a vessel is to be used by the lessee, P & I must be provided to include the vessel and the crew. Hull coverage must be equal to the value of the vessel.	Value of the vessel or \$1,000,000 limit, whichever is greater.
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Vessels/Rigs/Barges brought into the Port of Brownsville to be scrapped or to be repaired must have P & I coverage for the duration of the port call. Proof of this insurance is to be submitted with the Berth Application.

Towers' and Charterer's Liability must be provided as appropriate.

Pollution Liability Insurance

The following types of Pollution Liability Insurance are required:

X	Pollution Liability	\$ 50,000,000 Each occurrence
X	Environmental Impairment Liability	\$ 50,000,000 Each occurrence
X	Storage Tank Liability (<i>if storage tanks are located on the lease site</i>) All underground and above-ground storage tanks need to be included for coverage.	
	• Up to 500,000 bbl. capacity	\$20,000,000 Each occurrence
	• 500,000 to 1,000,000 bbl. capacity	\$30,000,000 Each occurrence
	• 1,000,000 to 1,500,000 bbl. capacity	\$40,000,000 Each occurrence
	• 1,500,000 bbl. and over capacity	\$50,000,000 Each occurrence
X	Sudden and Accidental	\$ 50,000,000 Each occurrence No less than 72 hours' discovery requirement No less than 30 day's reporting requirement
X	Water Pollution Liability	\$ 5,000,000 Each occurrence

Subcontractor Insurance Requirements

- Each subcontractor hired by the lessee must carry, at the minimum, the same levels of insurance coverage that is required by the lessee. The subcontractor must adhere to the same requirements listed in "Additional Insurance and Notice of Cancellation or Change Endorsements", "Endorsements Required", below.
- Subcontractors will be required to carry "Contractor's Pollution Liability" and/or "Errors and Omissions Coverage", as appropriate.
- Certificates of Insurance and other Proofs of Insurance must be provided to, and must be maintained by the lessee.

Deductible

Each of the required policies should not have a deductible and/or self-insured retention in excess of:
\$100,000.00.

Proof of Insurance Required

Date Issued: 10/17/1979
Date Updated: 11/20/2012
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Certificates of insurance as well as the declarations page from all policies will be submitted to the District as proof of insurance.

Additional Insured and Notice of Cancellation or Change Endorsements

All policies shall be endorsed to name the Brownsville Navigation District d/b/a The Port of Brownsville as an additional insured and shall be endorsed to require that the insurance will not be cancelled or changed without giving the District 30 days prior written notice. All policies must be endorsed with a Waiver of Subrogation in favor of the District.

Endorsements Required

Copies of endorsements regarding deductible and/or self insurance and the required additional insured and notice of cancellation or change notices. Copies of all endorsements that limit coverage or impose exclusions to coverage must also be submitted.

Notes

The above minimum requirements may be covered exclusively by primary insurance or may be covered by a combination of primary and umbrella liability insurance. The insurance shall have a combined deductible and/or self insured retention of no more than \$100,000.00.

The District reserves the right to request a copy of any and all insurance policies for review.

Individual exceptions to any of the above requirements may be granted or required due to unavailability of coverage, risk factor, magnitude of operations, or other individual reasons.

The requirements and limits in this document are acceptable for the lessee at the time of the preparation of the lease. The District reserves the right to amend these requirements in response to changes in the lessee's business, such as the addition of outside employees or a change in the lessees' business organization or the purpose of the lease.

**Brownsville Navigation District
Insurance Requirements
Pollution Insurance Coverage's**

Pollution Liability – This insurance is utilized to cover property contamination liabilities and costs. Coverage is to include third party claims for cleanup, bodily injury, and property damage, first party (policy holder) claims for property damage, including cleanup required by regulators and legal defense costs. This is usually a stand-alone policy.

Contractor's Pollution Liability – This coverage is required of contractors and consultants. It is to provide coverage for bodily injury, property damage and environmental damage arising out of covered operations performed by the insured contractor or consultant on a third party's real property, pollution arising out of professional services rendered by the insured contractor or consultant, on and off-site cleanup costs and defense costs. This is usually a stand-alone policy.

Errors and Omissions Insurance – This coverage is required of environmental consultants and environmental laboratories. Coverage is to be included for damages (including pollution liability) from acts, errors or omissions in professional services. Events such as failure of the consultant to detect contamination during a Phase I or a Phase II audit, or the negligent design of a remedial system are to be included. This may be a stand-alone policy or may be purchased in conjunction with a Contractor's Pollution Liability policy.

Pollution Legal Liability – This policy mitigates the environmental risks associated with real estate ownership or operation. This policy is to include coverage for both cleanup costs for discover of on-site newly discovered or pre-existing pollution conditions, third-party claims for on-site and off-site cleanup of newly discovered or pre-existing conditions, third-party claims for on-site and off-site bodily injury and property damage arising from pollution conditions, response to sudden and gradual pollution conditions and can be endorsed to meet RCRA compulsory financial responsibility requirements for hazardous waste treatment. This is usually a stand-alone policy.

Environmental Impairment Insurance – This coverage is utilized to address pollution risks typically excluded under general liability policies and is often referred to as Pollution Legal Liability. Coverage is to provide financial protections against losses related to pollution releases while responding directly to regulatory obligations and contract/lender/landlord requirements. Coverage is to include sudden and gradual pollution conditions, on-site cleanup costs for pre-existing and/or new conditions, off-site cleanup costs for pre-existing and/or new conditions, including pollution released on non-owned waste disposal sites, third-party claims for bodily injury and/or property damage, first-party business interruption expenses related to a pollution condition, defense costs, and pollution releases resulting from the transportation of waste products. This is typically a stand-alone policy.

Storage Tank Liability – This policy is to provide coverage for third-party bodily injury and/or property damage claims resulting from pollution releases from above-ground and/or underground storage tanks, cleanup

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or corrective action due to releases from scheduled tanks, and defense expenses. This policy also provides an efficient way for insured's to comply with government-mandated storage tank financial responsibility requirements. This is typically a stand-alone policy.

Sudden and Accidental Insurance – This policy is to provide coverage for liability for bodily injury, property damage and environmental damage resulting from sudden accidental pollution and related cleanup costs incurred by a lessee or a contractor arising out of the work or services (including transportation risk, when applicable) performed by the lessee or contractor. There is usually a time element (the specified number of days to discover the pollution condition after it occurs, and a specified number of days to report the claim once the condition is discovered) attached to this policy. The discovery time element must not be less than 72 hours and the reporting time element must not be less than 30 days. Often a Commercial General Liability policy can be endorsed to include this coverage, or it can be included in other pollution liability policies.

Water Pollution Liability Insurance – This policy is to provide financial and legal liability for causing contamination to oceans, rivers, lakes or streams. Entities that cause water pollution can be held liable for cleanup, regulatory fines, damage to third-party property, third-party loss of revenue, loss of public services, damages to public resources and more. Entities that might cause water pollution include barges, fishing boats, marine cargo, vessels, yachts, tugboats, ferries and others that operate on or adjacent to bodies of water. The owners of boats and vessels, as well as cargo owners, and marina owners and operators, can be held liable for causing pollution, which can be financially disastrous. This type of pollution insurance may be purchased through a specialty insurer such as the Water Quality Insurance Syndicate.