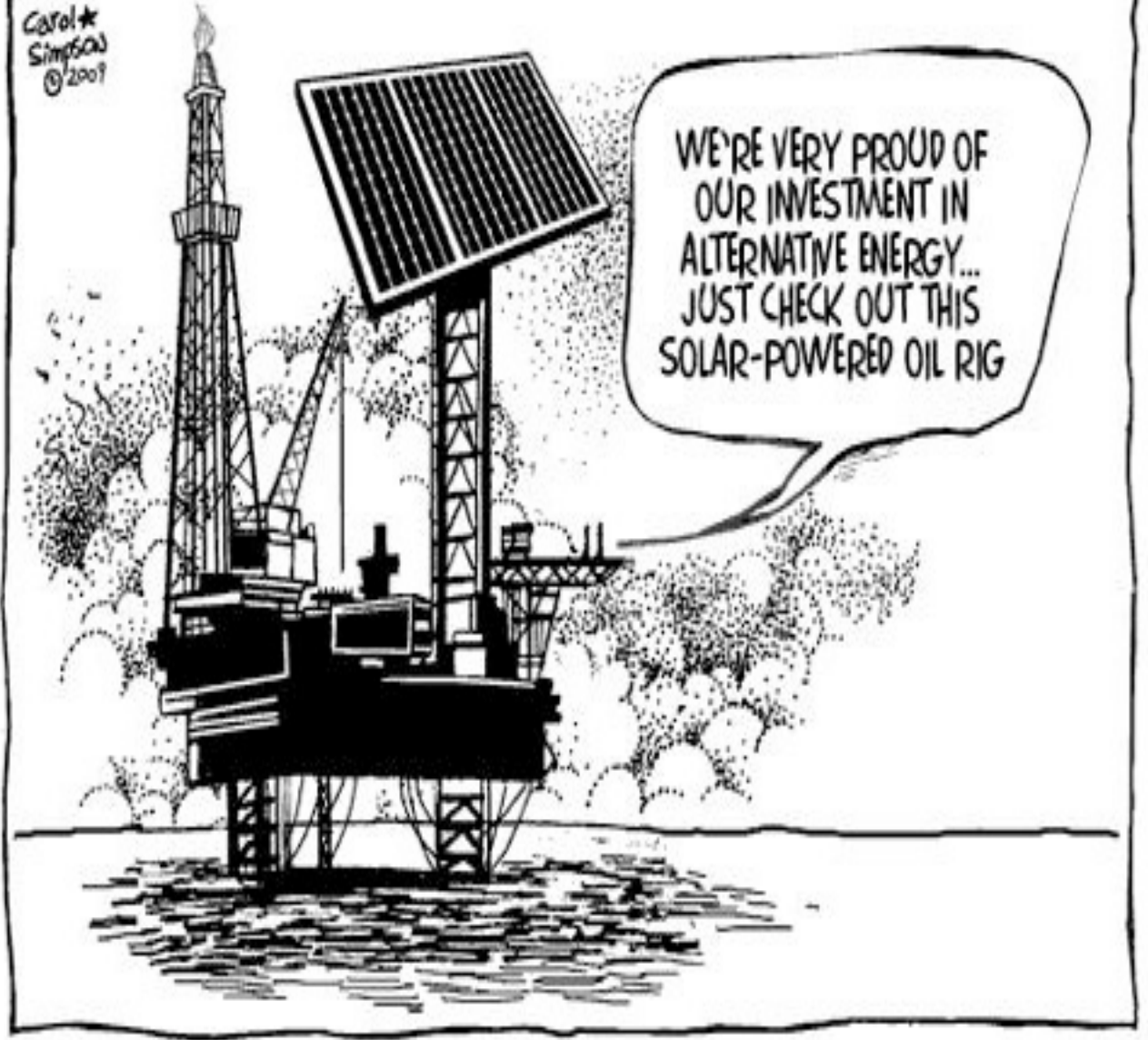


Carol★
Simpson
©2009



Insurance for Solar Integrators

Presented by

Ryan Fenchel

CEO

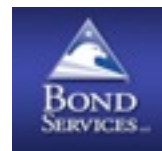
Integra Insurance Services



George Hill
Vice President
NIF Insurance Services of
Services of California



Ryan Tash
Vice President
Bond
California



In this informative 2 hour workshop we will be going over how General Liability, Professional Liability, Workers Compensation and Bonds can help protect a Solar Integrator when designing, installing and maintaining residential and commercial systems.





Burning Sun Insurance Company

COMMERCIAL GENERAL LIABILITY
POLICY NUMBER: VP123456789

Schedule of Limits – Declaration Page

<u>Description</u>	<u>Limit</u>
General Aggregate Liability Limit (Other Than Products-Completed Operations)	\$2,000,000
Products-Completed Operations Aggregate Liability Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal and Advertising Injury Liability Limit	\$1,000,000
Tenant's Legal Liability	\$100,000
Medical Expense Limit – Any One Person	\$5,000
Deductible	\$1,000

Commercial General Liability Policy

A standard insurance policy issued to business organizations to protect them against liability claims for bodily injury and property damage arising out of premises, operations, products, and completed operations; and advertising and personal injury liability. The CGL policy was introduced in 1986 and replaced the "comprehensive" general liability policy.

Source: www.irmi.com

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Each Occurrence Limit

In a commercial general liability coverage form, an accident, including continuous or repeated exposure to substantially the same general harmful conditions. General liability policies insure liability for bodily injury or property damage that is caused by an occurrence. This is the maximum amount of insurance per claim (unless an umbrella is in place).

Source: www.irmi.com

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General Aggregate Limit

Under the standard commercial general liability (CGL) policy, the maximum limit of insurance payable during any given annual policy period for all losses other than those arising from the products and completed operations hazards.

Source: www.irmi.com

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Personal Injury

Under general liability coverage, a category of insurable offenses that produce harm other than bodily injury. As covered by the 1986 commercial general liability (CGL) policy, personal injury includes: false arrest, detention, or imprisonment; malicious prosecution; wrongful eviction; slander; libel; and invasion of privacy. Also addressed in the homeowners policy. Under umbrella liability insurance, a broad category of insurable offenses that includes both bodily injury and the offenses defined as "personal injury" in CGL policies.

Advertising Injury

A general liability coverage, combined in standard commercial general liability policies with personal injury coverage, that insures the following offenses in connection with the insured's advertising of its goods or services: libel, slander, invasion of privacy, copyright infringement, and misappropriation of advertising ideas.

Source: www.irmi.com

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Deductible	\$1,000

Tenant's Legal Liability

One of the limits of liability prescribed by the standard commercial general liability policy; it applies to damage by fire to premises rented to the insured and to damage regardless of cause to premises (including contents) occupied by the insured for 7 days or less. The basic limit is \$100,000.

Medical Expense Limit

Medical Payments coverage pays medical expenses resulting from bodily injury caused by an accident on premises owned or rented by the insured, or locations next to such property, or when caused by the insured's operations. These payments are made without regard to the liability of the insured. This is often referred to as good will coverage. If someone is clumsy and falls down on your property, it is not necessarily your fault. However, most people are not willing to accept that they are clumsy and believe everything is someone else's fault. Medical expense coverage offers the opportunity to voluntarily pay any related medical expenses in the hope of avoiding a law suit.

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Deductible

\$1,000

Deductible

A portion of covered loss that is not paid by the insurer. Most property insurance policies contain a per-occurrence deductible provision that stipulates that the deductible amount specified in the policy declarations will be subtracted from each covered loss in determining the amount of the insured's loss recovery.

Source: www.irmi.com

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Products Liability

The liability for bodily injury or property damage incurred by a merchant or manufacturer as a consequence of some defect in the product sold or manufactured.

Source: www.irmi.com

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How does Products Liability Insurance help protect my company?

Typically **Products Liability** is purchased by the manufacturer of a product. A typical Products Liability claim could be a malfunctioning inverter causing a fire that in turn destroys a home. If you resell inverters, modules, etc. it is advisable to make sure your company is listed as a **Additional Insured** under the manufacturer's Product Liability policy. This is done through a **Vendors Coverage** endorsement.

Additional Insured

A person or organization not automatically included as an insured under an insurance policy, but for whom insured status is arranged, usually by endorsement. A named insured's impetus for providing additional insured status to others may be a desire to protect the other party because of a close relationship with that party (e.g., employees or members of an insured club) or to comply with a contractual agreement requiring the named insured to do so (e.g., customers or owners of property leased by the named insured).

Vendors Coverage

Additional insured coverage, usually under a manufacturer's general liability policy, for specified vendors with respect to their distribution or sale of the manufacturer's products designated in the schedule on the endorsement. This endorsement gives products liability coverage to the vendors distributing or selling the named insured's product and eliminates the need for the vendor to purchase separate products liability coverage. An example would be if you sell SUNPOWER modules to your customers. You would want to have SUNPOWER extend their Products Liability coverage to you via the Vendors Endorsement.

Source: www.irmi.com

Waiver of Subrogation

The relinquishment by an insurer of the right to collect from another party for damages paid on behalf of the insured. The waiver of subrogation condition in current standard policies is referred to as "transfer of rights of recovery."

Source: www.irmi.com

Primary and Non-Contributory Wording

Primary and Non-Contributory Wording means your General Liability policy, or any insurance policy that has this endorsement on it, will pay first in the event of a claim. The Non-Contributory part means that not only will your policy pay first, but it will pay the full amount of the claim until the limits are exhausted without your client contributing to the loss with their own insurance. Not all General Liability policies have this coverage built in and it can be quite expensive to purchase if your policy was issued without it.

Source: www.wiki.answers.com

Read more: http://wiki.answers.com/Q/How_does_stating_Primary_and_Non-Contributory_effect_your_general_liability_insurance#ixzz1BVlcKuB7

BLOOR WEST VILLAGE BIA INSTALLS 42 SOLAR PANELS TO POWER THEIR DECORATIVE LIGHTS

I DIDN'T THINK THEY COULD FIND A WAY TO MAKE TREES ANY GREENER!

DO YOU THINK IF WE WATER IT, IT'LL GET BIG ENOUGH TO POWER THE REST OF THE NEIGHBOURHOOD?





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Completed Operations

Under a general liability policy, work of the insured that has been completed as called for in a contract; or work completed at a single job site under a contract involving multiple job sites; or work that has been put to its intended use.

Source: www.irmi.com

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How does Completed Operations Liability Insurance protect my company?

Completed Operations Liability insurance is one of the most important components in a solar integrator's commercial liability insurance program. Completed Operations responds to bodily injury or property damage claims that would occur after the completion of a PV system installation, resulting from the negligence of the work performed. For example, if a solar integrator were to install a system and fail to properly flash the roof penetrations then during the next rain the roof leaked damaging the room below (furniture, equipment, etc.), the completed operations portion of the general liability policy would respond. It is crucial to note however, that this does not cover the faulty work itself, just the resulting bodily injury or in the example above the property damage.

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The Bakersfield Fire

On Sunday afternoon, April 5, 2009, smoke was seen rising from the roof of a big box store, home to a 383 kW PV array, in Bakersfield, California. The store manager quickly investigated, finding one row of eight modules on fire and a smaller fire some 200 feet away. Fire extinguisher in hand, the manager soon realized this was a job for the fire department. A 911 call was placed at 4:15 pm and first responders were on-site 5 minutes later.

By Bill Brooks, PE

A Lesson in Ground-Fault Protection

The subsequent investigator's report, which is named after the retail store, is the most widely read incident report related to PV systems. The fact that this retail establishment, which has been very supportive of the PV industry, inadvertently lent its name to a two-alarm fire is both unfortunate and unwarranted. For this reason, I refer to this incident as the *Bakersfield Fire*. Similarly, the product manufacturer and installer, while not without fault, are also not ultimately to blame for this fire. Therefore, in the analysis that follows certain manufacturer and installer-specific details particular to the PV system in Bakersfield have intentionally been changed. The generic circuit diagrams used here represent the majority of PV systems deployed in North America.

It is important not to get lost in the details of this specific installation. Instead, I want to emphasize an underlying problem, one that is endemic to all grid-connected PV systems larger than 30 kW that have been built in the past 5 years. The "thermal event" that occurred on April 5, 2009, is clearly cause for alarm. More alarming, however, is the fact that it could happen again.

THE INVESTIGATOR'S REPORT

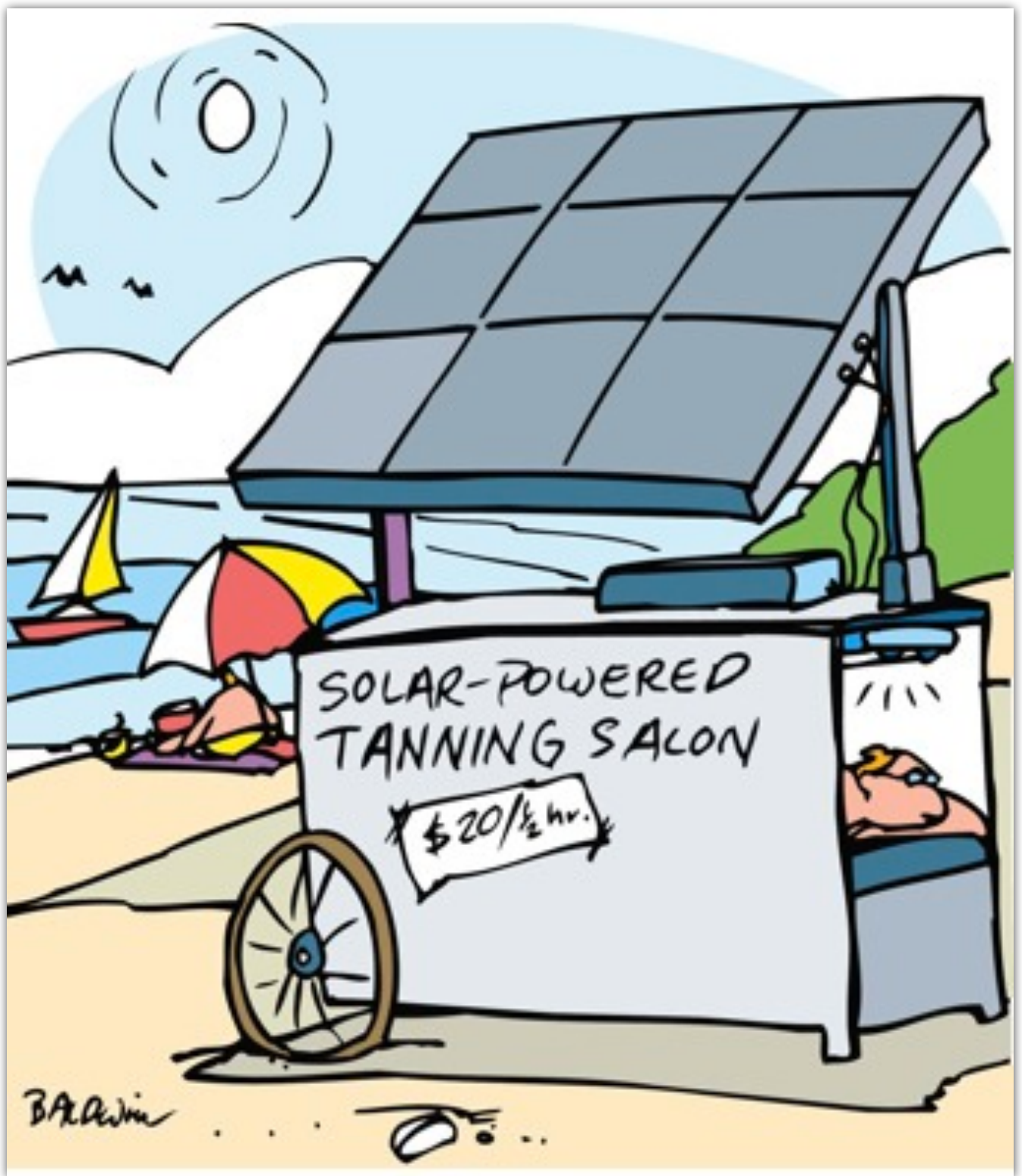
The investigator's report on the Bakersfield Fire is quite good, even if it does not tell the whole story. It is available on numerous websites, most notably the National Fire Protection Agency website (see Resources). The author of the report is Pete Jackson, an electrical specialist for Kern County, California, and the chief electrical inspector for the City of Bakersfield. Both the Kern County and the Bakersfield Fire Departments responded to the fire.

I had the pleasure of meeting Mr. Jackson. He was particularly familiar with this installation, since he was the person who performed the project plan review. His report on the roof fire provides a reasonable outline of the events that transpired and the fire department's response to those



Was this a Products Liability or Completed Operations claim... or both?

I encourage everyone to learn more about this unfortunate situation by reading this month's SOLARPRO magazine or please visit www.solarprofessional.com.



General liability Insurance FAQ's

Q. What is the term of a commercial general liability insurance policy?

A. General liability insurance policies most commonly run on a 12 month term.

Q. How are general liability policy premiums determined?

A. Typically carriers that insure solar integrators use payroll and revenues to determine the policy premium.

Q. How do audits work in regards to general liability policies?

A. Typically carriers will ask for your estimated payrolls and/or revenues for the next 12 months of a policy term. After your policy has renewed the carrier will send out a audit request form asking for the actual payroll and/or revenue for the last policy term. Most carriers will only audit UP (thus requiring additional premium).

More FAQ's

Q. What is the difference between a Admitted vs. Non-Admitted insurer?

A.

Admitted

Insurance companies that are admitted are to follow guidelines that are set by the department of insurance (DOI) of the state they conduct business in. The admitted insurance company's rates as well as their practices, advertisements and cash reserves are regulated by the DOI and are prohibited from deviating or modifying any business decisions without their approval. Also, admitted companies are part of their states insurance guaranty program, which will pay the claims of clients belonging to an admitted company that becomes insolvent.

Non-Admitted

Insurance companies that choose to be a non-admitted business are not required to follow state regulations. They would have to prove to be financially able to conduct business. They would not have to report their rates to the DOI and can charge according to their risk exposure. This allows insurance companies to take on higher risk applicants who have greater loss potential. Insurance companies that cover flood, earthquake, liability and other special risks are mostly non-admitted entities.

More FAQ's

Admitted vs. Non-Admitted Insurers (Continued) Significance

It is important to know that although admitted companies have the promise of the state insurance fund to pay claims, the amount that policy owners would receive could be a smaller amount than what they were paying for. Each state has a cap on how much is to be paid out if an admitted company fails. This could be very difficult for the policy owner if it is considerably less than the amount needed or awarded. However, clients of non-admitted companies would be in a worse position as their claims would not be paid at all if their company folds.

Considerations

When it comes to choosing an admitted or non admitted insurance company, the financial strength of the firm is the most important factor to consider. AM Best, an independent company that rates the insurance companies based on their financial viability, sets the standard for the industry. The ratings are letters (A-S) with signs (+,-). The firms who are solidly solvent have an A++ rating, which means superior and secure. Unfortunately, companies that are struggling or have been placed under review may receive a rating of F or S, which is In Liquidation or Suspended, respectively.

More FAQ's

Admitted vs. Non-Admitted Insurers (Continued)

Misconceptions

Non-admitted companies may seem to be riskier to do business with, but that isn't the case.

Admitted companies, due to regulations, are smaller in size and have less cash reserves.

Therefore these companies can have a 'B' or worse rating and can be on the verge of becoming insolvent. The government will back claims made by clients before their ailing admitted company folds, but it may take years to get any compensation. Conversely, non-admitted companies can have the strongest ratings with billions of dollars in their reserve with no threat of losing their solvency.

Source: www.ehow.com



Architects & Engineers/ Contractors (read Solar System Designers) Professional Liability Insurance

A specialized coverage developed in the 1990s to address contractors' liability for design errors or omissions. Prior to the introduction of these policies, the few markets that offered this coverage did so by endorsement to a design professional liability policy, and coverage was typically limited to the contractor's vicarious liability for design errors and omissions (i.e., liability imposed on the contractor for the errors or omissions of another party, such as an engineer hired by the contractor to provide advice on structural matters). As more contractors began to perform design-build work, which dramatically increased their professional liability exposure, contractors professional liability policies were developed to address contractors' unique design liability exposures and coverage needs, including direct design liability. Coverage can be written on an annual basis to cover all of a contractor's operations, or on a project-specific basis to cover a contractor's design



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CUPERTINO CA 95014

ClimateSmart Enrolled
July 2010

Please return this portion with your payment. Thank you.

Service	Service Dates	Amount
Gas	06/16/2010 To 07/15/2010	\$10.99
Electric	06/16/2010 To 07/15/2010	12.02
Gas PPP Surcharge		0.84
ClimateSmart Amount		0.72
TOTAL CURRENT CHARGES		\$24.57
Previous Balance		31.64
07/07 Payment - Thank You		31.64
TOTAL AMOUNT DUE		\$24.57
DUE DATE - 08/10/2010		

Your bill includes a Gas Public Purpose Program (PPP) Surcharge, which is used to fund state-mandated gas assistance programs for low-income customers, energy efficiency programs, and public-interest research and development.

Thank you for supporting ClimateSmart. Your participation this month will benefit our environment by reducing 148 pounds of greenhouse gas emissions.

The California Alternate Rates for Energy (CARE) Program provides a monthly discount on energy bills for income-qualified households. Applying is free, easy and confidential. To see if you qualify, please visit www.pge.com/care or call 1-866-743-2273.

El programa de California Alternate Rates for Energy (CARE) ofrece un descuento en la cuenta mensual de energía a los hogares que califican. Inscribirse en el programa es gratis, fácil y confidencial. Para determinar si califica, por favor visite nuestra página en el internet www.pge.com/care o llámenos al 1-866-743-2273.

For your convenience, PG&E offers four-hour appointment scheduling for service visits. If you have special scheduling needs, be sure to let us know when you call.

Moving? Please call PG&E customer service at 1-800-PGE-5000 to notify us of your new mailing address.

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Page 1 of 4

Workers Compensation and Employers Liability Insurance

An insurance policy that provides coverage for an employer's two key exposures arising out of injuries sustained by employees. Part One of the policy covers the employer's statutory liabilities under workers compensation laws, and Part Two of the policy covers liability arising out of employees' work-related injuries that do not fall under the workers compensation statute. In most states, the standard workers compensation and employers liability policy published by the National Council on Compensation Insurance (NCCI) is the required policy form.



Source: www.irmi.com

Here is one product that has proven to be very helpful to solar integrator companies in lowering the amount of roof and ladder injuries. These types of products along with ongoing ladder and roof safety training have greatly reduced workers compensation claims thus lowering the cost for this important coverage.



Solarlift Inclined to roof



Solarlift to roof

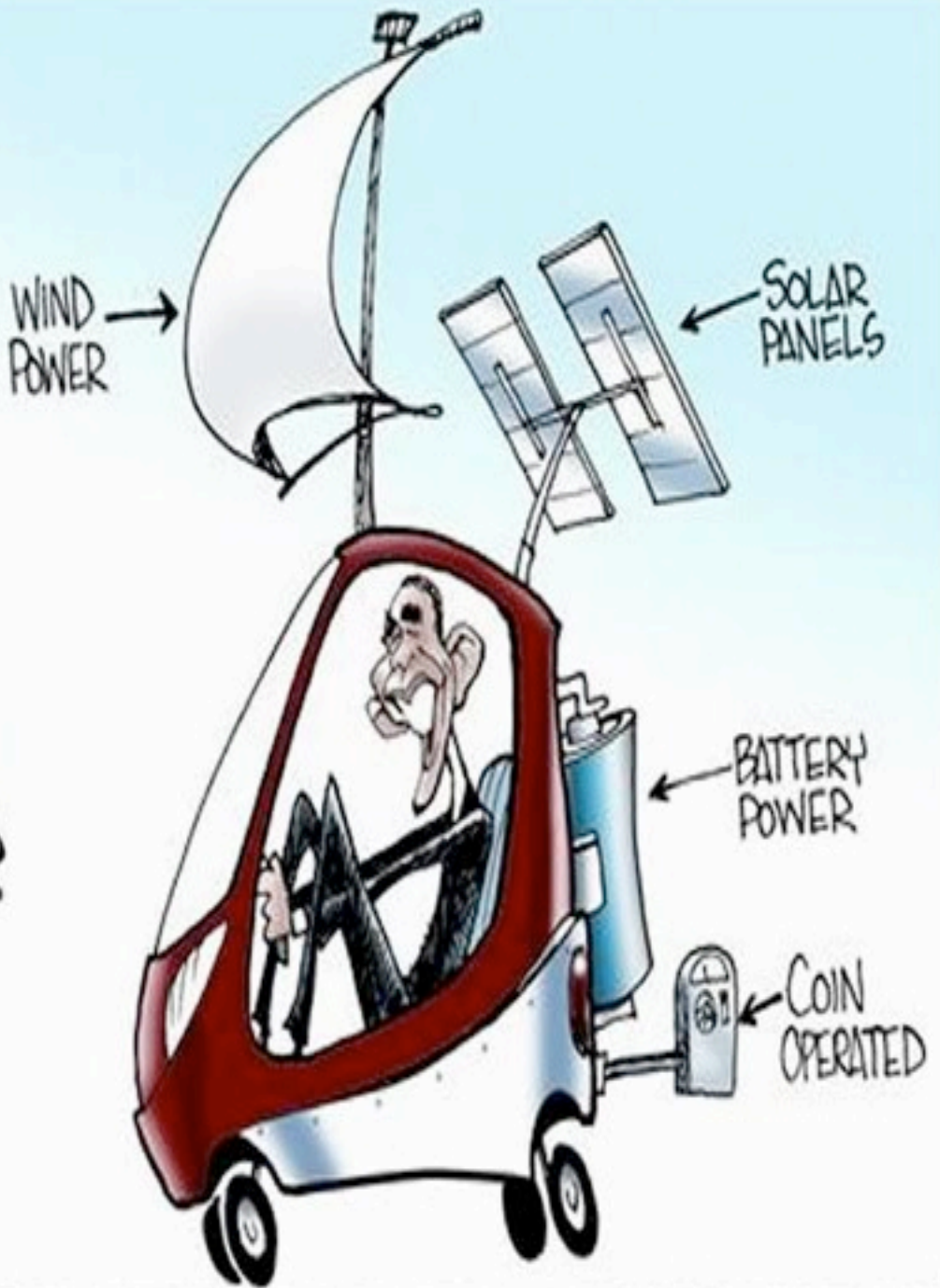
What is a Experience Modification Factor and how does it affect my Workers

A factor developed by measuring the difference between the insured's actual past experience and the expected or actual experience of the class. This factor may be either a debit or credit and, therefore, will increase or decrease the standard premium in response to past loss experience. When applied to the manual premium, the experience modification produces a premium that is more representative of the actual loss experience of an insured. An employer with average experience has a modifier of 1.0 and would pay the manual premium. Employers with poorer loss experience will have modifiers greater than 1.00 and would pay more than manual premium. Those with good experience would have modifiers below 1.00 and pay less than manual premium.

Source: www.irmi.com

Garry Knight
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The NEW GM OBAMACAR



garryknight.com

What are
some other
important
types of
coverages that
can help

Commercial Property Policy

An insurance policy for businesses and other organizations that insures against damage to their buildings and contents due to a covered cause of loss, such as a fire. The policy may also cover loss of income or increase in expenses that result from the property damage. Commercial property policies may be written on standard or nonstandard forms.



Installation Floater

An Inland marine coverage on property (usually equipment) being installed by a contractor at or in transit to the job site.

Tool Floater

An inland marine property insurance policy that covers personal property wherever it may be within the policy territory.

Source: www.irmi.com

Builders Risk Policy

A property insurance policy that is designed to cover property in the course of construction. There is no single standard builders risk form; most builders risk policies are written on inland marine (rather than commercial property) forms. Coverage is usually written on an all risk basis, and typically applies not only to property at the construction site, but also to property at off-site storage locations and in transit. The estimated completed value of the project is used as the limit of insurance.

Source: www.irmi.com



Commercial Automobile Insurance

Insurance purchased for cars, trucks, and other road vehicles. Its primary use is to provide protection against physical damage resulting from traffic collisions and against liability that could also arise there from.



Yes, that is a Tesla Roadster on the bottom.

Employment Practices Liability Insurance aka EPLI

A form of liability insurance covering wrongful acts arising from the employment process. The most frequent types of claims alleged under such policies include: wrongful termination, discrimination, and sexual harassment. The forms are written on a claims-made basis and generally exclude coverage for large-scale, companywide layoffs. In addition to being written as a stand-alone coverage, EPLI is frequently available as an endorsement to directors and officers liability policies.



IN THE COUNTY COURT OF THE 11TH JUDICIAL CIRCUIT, IN AND FOR FRANKLIN COUNTY, FLORIDA.

Case No. 2011-00123

11-13-11

Michael Smith, Plaintiff,

vs.

Apple Inc., a Florida corporation, Defendant.

COMPLAINT

Plaintiff, Michael Smith (hereinafter "Smith"), by and through undersigned, hereby complains against Defendant, Apple Inc. (hereinafter "Apple"), and alleges as follows:

1. This is an action arising from and seeking relief for the violation of the Florida Civil Rights Act, Chapter 768, Florida Statutes (hereinafter "FCRA"). Specifically, Plaintiff was subjected to discrimination based upon his age.

2. The above entitled Smith seeks damages in amount of \$1,000,000. This Court possesses jurisdiction over the claims asserted in this Complaint.

3. These facts are set forth in the Petition filed in this case and are incorporated herein by reference to the Petition filed in this case in Orange County, Florida.

More FAQ's

Claims-Made vs. Occurrence

When a policy is written on a "claims-made" basis, it means that the policy in force at the time a claim against the insured is asserted applies to the claim, regardless of when the occurrence forming the basis of the claim occurred. Correlatively, the policy must be in force at the time that the claim is made for coverage to apply. The insured must also timely report it and follow all conditions precedent outlined in the policy while it is in force. There is a variant of a claims made policy, which may be set forth in an endorsement to the policy, that provides for a "retro" date. This means that the policy will apply to occurrences that took place prior to the inception of the policy (if they otherwise fall within the ambit of coverage).

With an "occurrence" based policy, even though the policy may have expired as of the time the insured received notice of the claim, the policy will afford coverage if the claim otherwise comes within the scope of coverage. This type of policy also has claims reporting provisions to which the insured must adhere, as well as a cooperation clause. The latter means that the insured must cooperate with the insurer (and the attorney it selects to defend that claim) in the defense.

Both forms of coverage have advantages and drawbacks, depending on the circumstances. It is difficult to predict whether, in any particular instance, it will be advantageous to insure using one form or the other. Only in hindsight can a judgment be made.

Source: www.wiki.answers.com

Read more: http://wiki.answers.com/Q/Claims_made_versus_occurrence_policy#ixzz1BSE36QpN

Savage Chickens

by Doug Savage



www.savagechickens.com

**Bonds. What are they
and which ones will I
come across as I
work on designing,
installing and
maintaining larger
commercial and**

What is a bond?

Bond, James Bond.



Ryan Tash

Vice President



Bond

A three-party contract in which one party, the surety, guarantees the performance or honesty of a second party, the principal (obligor), to the third party (obligee) to

License and Permit Bonds

Contractor's license bonds, which assure that a contractor (such as a plumber, solar integrator, or general contractor) complies with local laws relating to his field.

Bid Bond

Used in conjunction with construction bidding processes. The bond acts as a guarantee that, if awarded the contract based on the bid submitted, the contractor will enter into a contract to perform the work at the price quoted. If the contractor declines to enter into a contract to perform the work at the agreed-upon price, the bid bond will reimburse the obligee (owner or upper-tier contractor) the difference between the defaulting contractor's bid and the next lowest bid, up to the penal sum of the bond.

Performance Bond

A performance bond guarantees that the contractor will perform the work in accordance with the construction contract and related documents, thus protecting the owner from financial loss up to the bond limit (called the penal sum) in the event the contractor fails to fulfill its contractual obligations.

Payment Bond

Guarantees that suppliers and subcontractors will be paid for materials and labor furnished to the contractor. The owner's purpose in requiring a payment bond is to guarantee that the project will be delivered free of liens.

Source: www.irmi.com

Thank you for attending Insurance for Solar Integrators Workshop



Center for Sustainable Energy
CALIFORNIA



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