

**NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY**

**INSURANCE SPECIFICATIONS  
&  
MINIMUM REQUIREMENTS**

**CONSTRUCTION LOAN  
MULTIFAMILY RESIDENTIAL PROPERTIES**

**Date of Issue – August 22, 2018**

*These Insurance Specifications and Minimum Requirements may be amended from time to time and such amendments may occur without notice and are applicable to all pending and future insurance documentation submissions. Accordingly, it is suggested that contact be made with the Insurance Division of the New Jersey Housing and Mortgage Finance Agency to ascertain whether or not there have been any changes since the date of these Insurance Specifications and Minimum Requirements and for complying with same.*

**NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY  
INSURANCE SPECIFICATIONS  
MINIMUM REQUIREMENTS**

**CONSTRUCTION LOAN  
MULTIFAMILY RESIDENTIAL PROPERTIES**

**GENERAL CONTRACTOR INSURANCE REQUIREMENTS**

**1. Comprehensive Commercial General Liability**

This insurance provides coverage against certain risks such as personal injury, bodily injury, death, property damage, medical expenses and liability assumed by the contract.

**POLICY REQUIREMENTS:**

**a. Minimum Coverage Limits:**

- \$1,000,000      Each Occurrence
- \$2,000,000      General Aggregate
- \$100,000        Damage to Rented Premises
- \$10,000         Medical Expenses
- \$1,000,000      Each – Personal and Advertising
- \$2,000,000      Products/Completed Operations Aggregate

**b. Additional Insured:**

- New Jersey Housing and Mortgage Finance Agency (NJHMFA)  
637 South Clinton Avenue  
Trenton, NJ 08611

**c. Evidence of Coverages:**

- ACORD 25 forms “Certificate of Liability Insurance” may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers’ Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.)

- Project name and address must be noted in the Description of Operations/Locations section of ACORD 25.
- All applicable coverage limits Policy Numbers, Policy Effective Dates and coverage limits must be completed.
- NJHMFA must be indicated on the ACORD 25 as “Additional Insured”.
- NJHMFA must be indicated as the Certificate Holder on the ACORD 25 as follows:

New Jersey Housing and Mortgage Finance Agency  
 ATTN: Insurance Division  
 PO Box 18550  
 Trenton, NJ 08650-2085

## 2. Umbrella/Excess Liability

This coverage is in addition to Comprehensive General Liability

### **POLICY REQUIREMENTS:**

- a. Minimum Coverage Limits:
  - \$10,000,000
- b. Additional Insured/Mortgagee:
  - New Jersey Housing and Mortgage Finance Agency (NJHMFA)  
 637 South Clinton Avenue  
 Trenton, NJ 08611
  - ACORD 25 forms “Certificate of Liability Insurance” may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers’ Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.)
  - Project name and address must be noted in the Description of Operations/Locations section of ACORD 25.

- All applicable coverage limits Policy Numbers, Policy Effective Dates and coverage limits must be completed.
- NJHMFA must be indicated on the ACORD 25 as “Additional Insured”.
- NJHMFA must be indicated as the Certificate Holder on the ACORD 25 as follows:

New Jersey Housing and Mortgage Finance Agency  
 ATTN: Insurance Division  
 PO Box 18550  
 Trenton, NJ 08650-2085

### 3. Commercial Automobile Liability

This insurance provides coverage for owned, hired, borrowed and non-owned Employee vehicles operated in relation to the project.

#### **POLICY REQUIREMENTS:**

##### a. Minimum Coverage Limits:

- \$1,000,000 Combined Single Limit (Each Accident)
- Must include coverages for hired and non-owned vehicles
- Coverage for bodily injury and property damage
- 

##### b. Evidence of Coverages:

- ACORD 25 forms “Certificate of Liability Insurance” may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers’ Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.)
- Project name and address must be noted in the Description of Operations/Locations section of ACORD 25.
- All applicable coverage limits Policy Numbers, Policy Effective Dates and coverage limits must be completed.

- NJHMFA must be indicated as the Certificate Holder on the ACORD 25 as follows:

New Jersey Housing and Mortgage Finance Agency  
 ATTN: Insurance Division  
 PO Box 18550  
 Trenton, NJ 08650-2085

**4. Worker's Compensation/Employer's Liability**

This insurance provides coverage for workers injured on the job.

**POLICY REQUIREMENTS:**

a. Minimum Coverage Limits:

- |                          |   |
|--------------------------|---|
| • Worker's Comprehensive | Statutory   |
| • Employer's Liability   | \$500,000 Each Accident/<br>\$500,000 Disease Each Employee<br>and \$500,000 Disease Policy Limit |

b. Evidence of Coverages:

- ACORD 25 forms "Certificate of Liability Insurance" may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers' Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.)
- Project name and address must be noted in the Description of Operations/Locations section of ACORD 25.
- All applicable coverage limits Policy Numbers, Policy Effective Dates and coverage limits must be completed.
- NJHMFA must be indicated as the Certificate Holder on the ACORD 25 as follows:

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 ATTN: Insurance Division  
 PO Box 18550  
 Trenton, NJ 08650-2085

**ARCHITECTS, ENGINEERS, SURVEYORS AND OTHER PROFESSIONALS**  
**INSURANCE REQUIREMENTS (As appropriate)**

**1. Errors and Omissions (E & O) Professional Liability**

This is insurance that protects professionals against negligence and other claims initiated by their clients. It is required by professionals who have expertise in a specific area because general liability insurance policies do not offer protection against claims arising out of business or professional practices such as negligence, malpractice or misrepresentation.

**POLICY REQUIREMENTS:**

a. Minimum Coverage Limits:

- 10% of the Construction Costs or \$1,000,000, whichever is greater.

b. Evidence of Coverages:

- ACORD 25 forms "Certificate of Liability Insurance" may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers' Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.)
- Project name and address must be noted in the Description of Operations/Locations section of ACORD 25.
- All applicable coverage limits Policy Numbers, Policy Effective Dates and coverage limits must be completed.
- NJHMFA must be indicated as the Certificate Holder on the ACORD 25 as follows:

New Jersey Housing and Mortgage Finance Agency  
ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

## OWNER/DEVELOPER INSURANCE REQUIREMENTS

### 1. Comprehensive Commercial General Liability

This insurance provides coverage against certain risks such as personal injury, bodily injury, death, property damage, medical expenses and liability assumed by the contract.

#### **POLICY REQUIREMENTS:**

##### a. Minimum Coverage Limits:

- \$2,000,000 General Aggregate Limit – other than Products/Complete Operations
  - \$1,000,000 Products/Completed Operations Aggregate
  - \$1,000,000 Personal & Advertising Injury Limit
  - \$1,000,000 Each Occurrence
  - \$ 10,000 Medical Expense Limit – Any One Person/Accident/Aggregate
  - \$1,000,000 Automobile Non-Ownership & Hired Car Liability if no separate auto policy is in place.
  - \$1,000,000 Employee Benefits Liability (Each Claim Made with \$1,000 Maximum deductible)
  - \$1,000,000 Employee Benefits Liability, Annual Aggregate
- Directors & Officers Liability (Where Applicable)
- Volunteers as Insureds
- Medical Payments \$10,000
- Knowledge & Notice of Occurrences
- Unintentional Errors & Omissions
- Exception to the Pollution Exclusion for hostile fires and building heating equipment

Fidelity

- \$ 500,000 Employee Dishonesty per loss  
(Maximum Deductible \$5,000)
- \$ 3,000 Money and Securities – Inside  
Premises
- \$ 3,000 Money and Securities –  
Outside Premises
- \$ 100,000 Forgery or Alteration

Including part time & temporary employees, Directors  
and/or Trustees, whether compensated or not,  
unemployed spouses, and Managing Agents

b. Additional Insured/Mortgagee:

- New Jersey Housing and Mortgage Finance Agency (NJHMFA)  
637 South Clinton Avenue  
Trenton, NJ 08611

c. Evidence of Coverage:

- ACORD 25 forms “Certificate of Liability Insurance” may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers’ Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.)
- Project name and address must be noted in the Description of Operations/Locations section of ACORD 25.
- All applicable coverage limits Policy Numbers, Policy Effective Dates and coverage limits must be completed.
- NJHMFA must be indicated on the ACORD 25 as “Additional Insured”.



- NJHMFA must be indicated as the Certificate Holder on the ACORD 25 as follows:

New Jersey Housing and Mortgage Finance Agency  
ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

## 2. Umbrella/Excess Liability

This coverage is in addition to Comprehensive General Liability

### **POLICY REQUIREMENTS:**

- a. Minimum Coverage Limits:
  - \$10,000,000
- b. Additional Insured/Mortgagee:
  - New Jersey Housing and Mortgage Finance Agency (NJHMFA)  
637 South Clinton Avenue  
Trenton, NJ 08611
- c. Evidence of Coverages:
  - ACORD 25 forms "Certificate of Liability Insurance" may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers' Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.)
  - Project name and address must be noted in the Description of Operations/Locations section of ACORD 25.
  - All applicable coverage limits Policy Numbers, Policy Effective Dates and coverage limits must be completed.
  - NJHMFA must be indicated on the ACORD 25 as "Additional Insured".

- NJHMFA must be indicated as the Certificate Holder on the ACORD 25 as follows:

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ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

### 3. Commercial Automobile Liability

This insurance provides coverage for owned, hired, borrowed and non-owned Employee vehicles operated in relation to the project.

#### POLICY REQUIREMENTS:

a. Minimum Coverage Limits:

- \$1,000,000 Combined Single Limit (Each Accident)
- Must include coverages for hired and non-owned vehicles
- Coverage for bodily injury and property damage

b. Evidence of Coverages:

- ACORD 25 forms "Certificate of Liability Insurance" may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers' Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.)
- Project name and address must be noted in the Description of Operations/Locations section of ACORD 25.
- All applicable coverage limits Policy Numbers, Policy Effective Dates and coverage limits must be completed.
- NJHMFA must be indicated as the Certificate Holder on the ACORD 25 as follows:

New Jersey Housing and Mortgage Finance Agency  
ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

#### 4. Worker's Compensation/Employer's Liability

This insurance provides coverage for workers injured on the job.

##### POLICY REQUIREMENTS:

a. Minimum Coverage Limits:

- |                          |   |
|--------------------------|---|
| • Worker's Comprehensive | Statutory   |
| • Employer's Liability   | \$500,000 Each Accident/<br>\$500,000 Disease Each Employee<br>and \$500,000 Disease Policy Limit |

b. Evidence of Coverages:

- ACORD 25 forms "Certificate of Liability Insurance" may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers' Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.)
- Project name and address must be noted in the Description of Operations/Locations section of ACORD 25.
- All applicable coverage limits Policy Numbers, Policy Effective Dates and coverage limits must be completed.
- NJHMFA must be indicated as the Certificate Holder on the ACORD 25 as follows:

New Jersey Housing and Mortgage Finance Agency  
ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

## 5. Builder's Risk:

This insurance protects the insured's insurable interest in materials, fixtures and/or equipment being used in the construction or renovation of a building or structure should those items sustain physical loss or damage from a covered cause. This type of coverage is designed to provide coverage for buildings while under construction.

### POLICY REQUIREMENTS:

- Coverage must apply to property of every kind and description intended to become a permanent part of the construction, installation or erection of the project, including but not limited to materials, supplies, fixtures, machinery, temporary structures, scaffolding, construction forms, cribbing, foundations, underground work, sidewalks and paving.
- Policy must include coverage for all work incorporated in the contract documents with no exclusions.
- Completed Value (Non-Reporting form)
- Coverage must equal the expected completed value of the project, including soft costs.
- Valuation Method: 100% Full Replacement Cost.
- All claims are to be made on a replacement cost basis without any deduction for depreciation.
- Deductibles:       \$5,000 Maximum Policy Deductible  
                          \$25,000 Maximum Wind/Hail Deductible
- Covered Causes of Loss/Endorsements
  - (a) "Special Causes of Loss" form including coverage for Vandalism, malicious mischief and theft.
  - (b) Wind/Hail (\$25,000 Maximum Deductible)
  - (c) Fungus

- (d) Ordinance and Law (Coverage A, B, C) (B & C may be a combined limit  
 Coverage A – Should equal 100% of the anticipated replacement cost of all buildings  
 Coverage B & C – Should equal 20% of Coverage A
- (e) Soft Costs
- (f) Permission to Occupy
- (g) Flood, Earthquake and Equipment Breakdown (if applicable)
- (h) Property in transit and stored off-site (if applicable)
- (i) Terrorism (optional)

Evidence of Coverage:

- ACORD 28 form “Evidence of Commercial Property Insurance” may be utilized to provide evidence of property coverages. All applicable information on the ACORD 28 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.).
- Named Insured – The owner must be the first named insured. The General Contractor should also be listed as a named insured to protect their insurable interest in the project.
- Policy Type - Builder’s Risk
- Perils Covered - Special
- In Location/Description - Reference the project’s name and address
- NJHMFA must be indicated as Mortgagee, Additional Insured and Lender’s Loss Payable
- All applicable coverage limits, deductibles, endorsements, extensions of coverages and policy terms must be indicated.

- The following language must be included when listing coverage details:

*Coverage applies to property of every kind and description intended to become a permanent part of the construction, installation or erection of the project. Including but not limited to materials, supplies, fixtures, machinery, temporary structures, scaffolding, construction forms, cribbing, foundations, underground work, sidewalks and paving.*

**ADDITIONAL NOTICE:**

**The contract between the Owner and the General Contractor must include the following language (Article 10, AIA Construction, Insurance and Bonds)**

*Owner and Contractor acknowledge, accept and agree that the Builder's Risk policy the Owner has purchased and placed on the development is adequate and covers all construction and rehab work to be completed under this Contract. Owner and Contractor acknowledge and agree that this policy has no more than a \$5,000 deductible and this policy, along with any and all liability policies carried by the Contractor, covers all costs for claims and/or damages during the construction/rehab process. Under no circumstances shall any claims or uninsured costs (except to the extent that the NJHMFA cost certification guidelines allow certain non-covered costs to be charged to the general conditions of the construction contract, if any) be paid out of the proceeds of any of the project funding sources and are the sole responsibility of the Owner and Contractor.*

## GENERAL INSURANCE REQUIREMENTS

### Insurance Company

Issuing Insurer must be currently eligible to write business in the State of New Jersey and have a current A.M. Best Rating of A- and with a Financial Size Category of VIII or a Demotech, Inc. Financial rating of A (Exceptional).

*Note – Any issuing Insurer with Ratings under Review by A.M. Best with Negative Implications and/or Long Term Negative Implications may be subject to further requirements and review by the NJHMFA.*

### Coverage Requirements

All insurance coverages required pursuant to these Insurance Specifications Minimum Requirements must be provided on a Per Occurrence/Per Location basis with coverage limits as noted herein.

### Insurance Professional/Agent

- Insurance Professional/Agent must provide a written statement on letterhead to the NJHMFA that the insurance coverages being provided meets or exceeds the NJHMFA minimum insurance requirements. This written statement is not to be construed as a Certificate of Insurance as defined under the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.).
- Insurance Professional/Agent must provide a Certificate of Insurance (ACORD 25 – Certificate of Liability Insurance) showing the Insurance Professional/Agent's Errors and Omissions Coverages (E & O). All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.). ACORD 25 to indicate NJHMFA as the Certificate Holder as follows:

New Jersey Housing and Mortgage Finance Agency  
ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

- NJHMFA requires that the Insurance Professional/Agent have unimpaired E & O coverage limits of at least \$5,000,000 on the underlying policy and a deductible not exceeding \$50,000. If the Producer (Insurance Professional/Agent) and the Insured (Insurance Professional/Agent) are the same or related party as disclosed on the respective Certificate of Insurance, further evidence of E & O Coverage is to be provided through submission of a copy of the respective Policy Declaration Pages.

- *Note – In instances where an Insurance Professional/Agent has an E & O Deductible in excess of \$50,000, NJHMFA may, upon request, consider acceptance of same subject to the review by NJHMFA of the most recent Certified Financial Statements of the respective Insurance Professional/Agent to determine the financial wherewithal of the Insurance Professional/Agent to fund a Deductible in excess of \$50,000.*

### Cancellation/Non-Renewal

Notice is to be provided to the NJHMFA via Certified Mail as follows:

New Jersey Housing and Mortgage Finance Agency  
ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

### Evidence of Insurance

- ACORD 28 forms “Evidence of Commercial Property Insurance” may be utilized to provide evidence of property coverages. All applicable information on the ACORD 28 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.).
- ACORD 25 forms “Certificate of Liability Insurance” may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers’ Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.).
- ACORD 28 “Evidence of Commercial Property Insurance” and/or ACORD 25 “Certificate of Liability Insurance” are to indicate NJHMFA as the Certificate Holder as follows:

New Jersey Housing and Mortgage Finance Agency  
ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

Samples of the ACORD 28 and ACORD 25 can be found at the end of this Booklet. *A word of caution – please be sure to use the most current edition of same.*



*A note about required NAIC numbers for use on the ACORD 28 and ACORD 25 forms – The National Association of Insurance Commissioners assigns an "NAIC" number to each domestic insurer domiciled in the United States. This NAIC Number is to be indicated on the appropriate ACORD form(s) for each insurer providing coverages. If a foreign carrier is providing the insurance coverages, the specific name of the carrier must be provided as well as the specific AM Best Number assigned to same. In the instances where a foreign carrier operates through and provides coverages utilizing a syndicate system, the specific name of each of the syndicates must be provided as well as the specific syndicate number and AM Best Number assigned to same. In all instances, any and all foreign carriers must meet all NJHMFA Insurance Requirements.*

**Complete copies of all Insurance Policies with all required Endorsements must be submitted for the review of the NJHMFA.**

*Note - In the event that complete copies of Insurance Policies are not available, NJHMFA may, upon request, permit the submission of sample policies with policy Declaration Pages/Binders detailing full coverages to be followed by submission to the NJHMFA of complete copies of all Insurance Policies with all required Endorsements immediately upon receipt from insurer(s).*

### **State Guaranty Funds**

NJHMFA highly recommends that insurers providing insurance coverage be members of the respective State Guaranty Fund. A State Guaranty Fund is a fund administered by a US State to protect policy holders in the event that an insurance company defaults on benefit payments or becomes insolvent. The Fund only protects beneficiaries of insurance companies that are licensed to sell insurance products in that State.

### **Risk Purchasing Groups**

If insurance coverages are provided through a purchasing group, a copy of the Registration Letter issued by the New Jersey Department of Banking and Insurance must be submitted, as well as a Designated Location(s) General Aggregate Limit Endorsement for each respective policy specifically noting the insured property.

### **Flood Insurance**

**National Flood Insurance (NFIP) is required for all Properties located in flood zones A, V and shaded X with the maximum available policy limits of coverage available under the NFIP Program for each building. The Property Policy must provide flood limits immediately in excess of NFIP policy limits up to the insurable value at each Location up to a maximum \$10,000,000 if available.**

**Sample ACORD 25  
“Certificate of Liability Insurance”**

**and**

**Sample ACORD 28  
“Evidence of Commercial Property Insurance”**

**Follow**

*A word of caution –  
Please be sure to use the most current edition of same.*



# CERTIFICATE OF LIABILITY INSURANCE

DATE PREPARED

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER, AUTHORIZED REPRESENTATIVE OR PRODUCER AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If INSURANCE IS DENIED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights in the certificate holder in lieu of such endorsement(s).

PERSON	CLAIMS MADE	
	PHONE	
	APR. NO. 241	FILE NO.
	CLASS	
	ADDRESS	
INSURED	INSURED #1	
	INSURED #2	
	INSURED #3	
	INSURED #4	
	INSURED #5	

COVERAGES      CERTIFICATE NUMBER      PERSON ADDRESS

THIS IS TO CERTIFY THAT THE POLICES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INDIVIDUAL NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF EACH POLICY. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE	TYPE OF COVERAGE	INSURER	POLICY NUMBER	POLICY EFF. DATE	POLICY EX. DATE	EXITS
GENERAL LIABILITY	COMMERCIAL GENERAL LIABILITY					<input type="checkbox"/> BODILY INJURY <input type="checkbox"/> DAMAGE TO PERSONAL PROPERTY <input type="checkbox"/> MEDICAL EXPENSES <input type="checkbox"/> PERSONAL AND ADJUTANT
	CLAIMS MADE <input type="checkbox"/> OCCUR					<input type="checkbox"/> GENERAL AGENT <input type="checkbox"/> PRODUCTS-COMMERCIAL AGENT
	OWNERS/OPERATORS (LIMIT APPLIES FOR FLEET) <input type="checkbox"/> PRO-DRIVER <input type="checkbox"/> LOG					<input type="checkbox"/> GENERAL AGENT AND FLEET <input type="checkbox"/> ADJUTANT (PREMIUM)
	ADDITIONAL COVERAGE					<input type="checkbox"/> BODILY INJURY (PREMIUM) <input type="checkbox"/> PROPERTY DAMAGE (PREMIUM) <input type="checkbox"/> FACH OCCURRENCE <input type="checkbox"/> AGREEMENT <input type="checkbox"/>
AUTOMOBILE LIABILITY	ANY AUTO					<input type="checkbox"/> BODILY INJURY (PREMIUM) <input type="checkbox"/> PROPERTY DAMAGE (PREMIUM)
	ALL OWNED AUTOS <input type="checkbox"/> RENTED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/>					<input type="checkbox"/> FACH OCCURRENCE <input type="checkbox"/> AGREEMENT <input type="checkbox"/>
PERSONAL AUTO	PERSONAL AUTO					<input type="checkbox"/> BODILY INJURY (PREMIUM) <input type="checkbox"/> PROPERTY DAMAGE (PREMIUM)
	PERSONAL AUTO					<input type="checkbox"/> FACH OCCURRENCE <input type="checkbox"/> AGREEMENT <input type="checkbox"/>
MEDICAL EXPENSES AND EMPLOYERS' LIABILITY	ANY PROFESSIONAL LIABILITY					<input type="checkbox"/> MEDICAL EXPENSES <input type="checkbox"/> EMPLOYERS' LIABILITY
	ANY PROFESSIONAL LIABILITY OFFERED BY EXCLUDED PROFESSIONS					<input type="checkbox"/> MEDICAL EXPENSES <input type="checkbox"/> EMPLOYERS' LIABILITY

EXPLANATION OF SYMBOLS: ( ) INCLUSIVE PERIODS; ( ) EXCLUSIVE PERIODS; ( ) LIMITED COVERAGE; ( ) EXCLUDED COVERAGE; ( ) EXCLUDED COVERAGE

CERTIFICATE HOLDER	CANCELLATION
	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE ISSUED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>APPROVED REPRESENTATIVE</p>

ACORD 25 (2/11/05)      The ACORD name and logo are registered marks of ACORD      © 1996-2010 ACORD CORPORATION. All rights reserved.

**ACORD EVIDENCE OF COMMERCIAL PROPERTY INSURANCE** (ACORD 203)

THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND DOES NOT REPRESENT OR GUARANTEE THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT ATTRACTIVELY OR REPRESENTATIVELY ALIEN, ASSIGN OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER, AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

INSURER NAME POLICY NUMBER AND ADDRESS	INSURER ADDRESS
INSURER PHONE NUMBER	INSURER FAX NUMBER
INSURER TYPE INSURANCE CLASSIFICATION	INSURANCE CLASSIFICATION
INSURER NAME AND ADDRESS	INSURER ADDRESS
INSURER PHONE NUMBER	INSURER FAX NUMBER
INSURER TYPE INSURANCE CLASSIFICATION	INSURANCE CLASSIFICATION
INSURER NAME AND ADDRESS	INSURER ADDRESS
INSURER PHONE NUMBER	INSURER FAX NUMBER
INSURER TYPE INSURANCE CLASSIFICATION	INSURANCE CLASSIFICATION

PROPERTY INFORMATION (Also REMARKS on page 2. If more space is required)  BUILDING OR  BUSINESS PERSONAL PROPERTY

DESCRIPTION:

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR DEED, CONTRACT OR INSTRUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY RELY ON, THE INSURANCE AFFORDED BY THESE POLICIES SHALL BE SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS AND AMOUNTS MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION	PERILS INSURED	BASIC	BROAD	SPECIAL	PERIL
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE \$					
<input type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> RENTAL VALUE					YES, LIMIT
BLAZES COVERAGE					YES, LIMIT (where applicable) reported on primary schedule above. If
THEFT COVERAGE					YES, LIMIT (where applicable) reported on primary schedule above. If
IS THERE A TERRORISM-SPECIFIC EXCLUSION?					
IS DOMESTIC TERRORISM EXCLUDED?					
LIMITED FURNISH COVERAGE					YES, LIMIT
FURNISH EXCLUSION (if YES, specify type of exclusion below)					
REPLACEMENT COST					
AGREED VALUE					
CONTRIBUTION					YES, %
EQUIPMENT BREAKDOWN (if applicable)					YES, LIMIT
ORDINANCE DELAY - Coverage for loss or expense of profit					YES, LIMIT
- Damage to Stock					YES, LIMIT
- Inc. Cost of Construction					YES, LIMIT
EARTH MOVEMENT (if applicable)					YES, LIMIT
FLOOD (if applicable)					YES, LIMIT
WIND / HAIL (if Subject to Special Provisions)					YES, LIMIT
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS					YES

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE RECEIVED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

INSURER	CONTRACT NUMBER	INSURER NAME AND ADDRESS
INSURER PHONE NUMBER		
INSURER TYPE		
INSURANCE CLASSIFICATION		
INSURER NAME AND ADDRESS		
INSURER PHONE NUMBER		
INSURER TYPE		
INSURANCE CLASSIFICATION		

**INSURANCE REQUIREMENTS UPON**  
**COMPLETION OF**  
**CONSTRUCTION/REHAB**

## IMPORTANT NOTICE

IT IS THE OWNER'S RESPONSIBILITY TO NOTIFY THEIR INSURANCE COMPANY AT THE TIME CONSTRUCTION OF A BUILDING IS COMPLETE AND A CERTIFICATE OF OCCUPANCY HAS BEEN ISSUED. THE OWNER MUST THEN PROVIDE NJHMFA WITH INSURANCE COVERAGES IN COMPLIANCE WITH THE FOLLOWING REQUIREMENTS AND SPECIFICATIONS:

### GENERAL INFORMATION

#### Additional Insured

All policies providing Property/Crime/Liability and Equipment coverage must indicate the New Jersey Housing and Mortgage Finance Agency (hereinafter "NJHMFA") as Additional Insured and Mortgagee. Property policies must also indicate NJHMFA as Lender's Loss Payable.

#### Mortgage Clause (Standard Form)

All Property Insurance Policies must indicate the Mortgagee as:

New Jersey Housing and Mortgage Finance Agency  
637 South Clinton Avenue  
PO Box 18550  
Trenton, New Jersey 08650-2085

*Note – In instances where the mortgage financing provided by NJHMFA has been paid in full, NJHMFA need only be indicated as Additional Insured on all Property/Crime/Liability and Equipment coverages when the respective property continues in the portfolio of the NJHMFA pursuant to the terms of an executed Regulatory Agreement or Deed Restriction.*

#### Insurance Company

Issuing Insurer must be currently eligible to write business in the State of New Jersey and have a current A.M. Best Rating of A- and with a Financial Size Category of VIII or a Demotech, Inc. Financial rating of A (Exceptional).

*Note – Any issuing Insurer with Ratings under Review by A.M. Best with Negative Implications and/or Long Term Negative Implications may be subject to further requirements and review by the NJHMFA.*

## Coverage Requirements

All insurance coverages required pursuant to these Insurance Specifications Minimum Requirements must be provided on a Per Occurrence/Per Location basis with coverage limits as noted herein.

### Insurance Professional/Agent

- Insurance Professional/Agent must provide a written statement on letterhead to the NJHMFA that the insurance coverages being provided meets or exceeds the NJHMFA minimum insurance requirements. This written statement is not to be construed as a Certificate of Insurance as defined under the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.).
- Insurance Professional/Agent must provide a Certificate of Insurance (ACORD 25 – Certificate of Liability Insurance) showing the Insurance Professional/Agent's Errors and Omissions Coverages (E & O). All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.). ACORD 25 to indicate NJHMFA as the Certificate Holder as follows:

New Jersey Housing and Mortgage Finance Agency  
ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

- NJHMFA requires that the Insurance Professional/Agent have unimpaired E & O coverage limits of at least \$5,000,000 on the underlying policy and a deductible not exceeding \$50,000. If the Producer (Insurance Professional/Agent) and the Insured (Insurance Professional/Agent) are the same or related party as disclosed on the respective Certificate of Insurance, further evidence of E & O Coverage is to be provided through submission of a copy of the respective Policy Declaration Pages.
- *Note – In instances where an Insurance Professional/Agent has an E & O Deductible in excess of \$50,000, NJHMFA may, upon request, consider acceptance of same subject to the review by NJHMFA of the most recent Certified Financial Statements of the respective Insurance Professional/Agent to determine the financial wherewithal of the Insurance Professional/Agent to fund a Deductible in excess of \$50,000.*

### Cancellation/Non-Renewal

Notice is to be provided to the NJHMFA via Certified Mail as follows:

New Jersey Housing and Mortgage Finance Agency  
ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

## Evidence of Insurance

- ACORD 28 forms “Evidence of Commercial Property Insurance” may be utilized to provide evidence of property coverages. All applicable information on the ACORD 28 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.).
- ACORD 25 forms “Certificate of Liability Insurance” may be utilized to provide evidence of General Liability, Automobile Liability, Excess/Umbrella Liability, Crime, Workers Compensation and Employers’ Liability coverages as are applicable. All applicable information on the ACORD 25 must be completed and information noted must reflect actual terms and conditions as contained in the underlying policies and be in conformity with the New Jersey Certificates of Insurance Act (NJSA 17:29A-54 et seq.).
- ACORD 28 “Evidence of Commercial Property Insurance” and/or ACORD 25 “Certificate of Liability Insurance” are to indicate NJHMFA as the Certificate Holder as follows:

New Jersey Housing and Mortgage Finance Agency  
ATTN: Insurance Division  
PO Box 18550  
Trenton, NJ 08650-2085

Samples of the ACORD 28 and ACORD 25 can be found at the end of this Booklet. *A word of caution – please be sure to use the most current edition of same.*

*A note about required NAIC numbers for use on the ACORD 28 and ACORD 25 forms – The National Association of Insurance Commissioners assigns an “NAIC” number to each domestic insurer domiciled in the United States. This NAIC Number is to be indicated on the appropriate ACORD form(s) for each insurer providing coverages. If a foreign carrier is providing the insurance coverages, the specific name of the carrier must be provided as well as the specific AM Best Number assigned to same. In the instances where a foreign carrier operates through and provides coverages utilizing a syndicate system, the specific name of each of the syndicates must be provided as well as the specific syndicate number and AM Best Number assigned to same. In all instances, any and all foreign carriers must meet all NJHMFA Insurance Requirements.*

**Complete copies of all Insurance Policies with all required Endorsements must be submitted for the review of the NJHMFA.**

*Note - In the event that complete copies of Insurance Policies are not available, NJHMFA may, upon request, permit the submission of sample policies with policy Declaration Pages/Binders detailing full coverages to be followed by submission to the NJHMFA of complete copies of all Insurance Policies with all required Endorsements immediately upon receipt from insurer(s).*



## State Guaranty Funds

NJHMFA highly recommends that insurers providing insurance coverage be members of the respective State Guaranty Fund. A State Guaranty Fund is a fund administered by a US State to protect policy holders in the event that an insurance company defaults on benefit payments or becomes insolvent. The Fund only protects beneficiaries of insurance companies that are licensed to sell insurance products in that State.

## Risk Purchasing Groups

If insurance coverages are provided through a purchasing group, a copy of the Registration Letter issued by the New Jersey Department of Banking and Insurance must be submitted, as well as a Designated Location(s) General Aggregate Limit Endorsement for each respective policy specifically noting the insured property.

## *Property Insurance*

### MINIMUM INSURANCE REQUIREMENTS:

#### Property

Real/Personal/Rental Values including but not limited to:

Walls, outdoor light poles, smokestacks, swimming pools, playground equipment, water towers, exterior poles, car ports, signs, fuel oil, tennis courts, basketball courts, radio and television antennas (including their lead-in wiring, masts or towers), and satellite dishes.

#### Limits

Real and Personal Property: Blanket Replacement Cost – Agreed Value.

Rental Value: An amount equal to 100% of anticipated rental income for one (1) year full occupancy -- with no Coinsurance Penalty.

#### Coverage

Comprehensive "All Risk" or "Special" + Flood & Earthquake Building Ordinance. Joint Loss Agreement. It is recommended that coverage be on an Insurance Services Office (ISO) Building and Personal Property Coverage form with Cause of Loss, Special Coverage to establish a standard of coverage.

**Flood Insurance**

National Flood Insurance (NFIP) is required for all Properties located in flood zones A, V and shaded X with the maximum available policy limits of coverage available under the NFIP Program for each building. The Property Policy must provide flood limits immediately in excess of NFIP policy limits up to the insurable value at each Location up to a maximum \$10,000,000 if available.

**Joint Loss Agreement**

A Joint Loss Agreement is necessary if Property and Boiler and Machinery insurers are different.

**Ordinance & Law Endorsement**

Ordinance & Law Endorsements are required. The Property insurance is to include loss as a result of enforcement of any Building Law or Ordinance that affects the reconstruction of the building(s), cost to demolish the undamaged section(s), cost to re-build including improvements resulting from a change in Building Codes and the additional loss of business income as a result of the above.

**Deductible**

Deductible amount is not to exceed \$10,000 combined per loss. Rent deductible should not exceed 72 hours.

***Commercial Liability – Per Occurrence Coverage:***

**General Liability**

\$2,000,000		General Aggregate Limit – other than Products/Complete Operations
\$1,000,000		Products/Completed Operations Aggregate
\$1,000,000		Personal & Advertising Injury Limit
\$1,000,000	-	Each Occurrence
\$ 10,000	-	Medical Expense Limit – Any One Person/Accident/Aggregate

**Coverages** - To Include:

\$1,000,000	Automobile Non-Ownership & Hired Car Liability if no separate auto policy is in place.
\$1,000,000	Employee Benefits Liability (Each Claim Made with \$1,000 Maximum deductible)
\$1,000,000	Employee Benefits Liability, Annual Aggregate Directors & Officers Liability (Where Applicable)

**General Liability Coverage Requirements Continued –**

Volunteers as Insureds

Medical Payments \$10,000

Knowledge & Notice of Occurrences

Unintentional Errors & Omissions

Exception to the Pollution Exclusion for hostile fires and building heating equipment

**Fidelity**

**Limits** (Maximum deductible \$5,000)

\$ 500,000	-	Employee Dishonesty per loss
\$ 3,000	-	Money and Securities – Inside Premises
\$ 3,000	-	Money and Securities – Outside Premises
\$ 100,000	-	Forgery or Alteration

Including part time & temporary employees, Directors and/or Trustees, whether compensated or not, unemployed spouses, and Managing Agents

## **Umbrella Liability**

Excess of Primary:

\$10,000,000

\$1,000,000/\$2,000,000

Schedule of Underlying Coverage to list

- General Liability
- Hired and Non-Owned Automobile Liability
- Employers Liability

## **Boiler and Machinery Limits**

Full Replacement Cost – Direct Damage

Actual Loss Sustained – Combined Business Interruption/Extra Expense – 100%  
of anticipated Rental Income for one year full occupancy

### **Coverage**

Comprehensive – Boilers/Fired & Unfired Pressure Vessels/Air Conditioning/  
Electrical Apparatus

### **Valuation**

Repair or Replace (New for Old)

## **Boiler and Machinery Requirements Continued –**

### **Minimum Sublimits:**

\$100,000	Ammonia Contamination
\$100,000	Water Damage
\$100,000	Hazardous Substances
\$100,000	Expediting Expenses

### **Deductibles**

Maximum of:

\$10,000	-	Direct Damage
72 Hours	-	Indirect Loss

### Workers' Compensation

Coverage requirements shall be pursuant to NJSA 34:15-12(a) and NJAC 12:235.16.

Coverage A	Statutory Limit
Coverage B	\$500,000 per employee disease Limit
	\$500,000 policy Limit for disease

### Optional Coverages

Tenant Discrimination  
Mold  
Terrorism

*The New Jersey Housing and Mortgage Finance Agency (NJHMFA) reserves the right to specify alternative insurance requirements on a case by case basis so long as such alternative insurance requirements are substantively consistent with the intent of NJHMFA's insurance requirements hereinabove, as NJHMFA shall determine in its sole discretion, and shall not, in any instance, be in conflict with or in violation of any and all applicable State Statutes and/or Administrative Code Regulations.*