

**Date:** December 30, 2025  
**Subject:** Internal Contract Review  
**Reviewer:** Senior Brokerage Team  
**Asset Class:** Utility-Scale Solar / C&I

## CONTRACT INSURANCE EXHIBIT SCORECARD

Solar EPC / Construction Contract – Insurance & Risk Transfer Review

### 1 PURPOSE

Internal assessment to identify insurance-driven risk transfer deficiencies, market capacity mismatches, and potential coverage gaps prior to contract execution or placement finalization.

### 2 CONTRACT OVERVIEW

**Contract Type:** EPC / Design-Build (Solar)  
**Counterparty:** Owner / Developer  
**Project Scope:** Utility-scale and C&I solar assets  
**Jurisdiction:** Multi-state (Midwest US)  
**Wrap-Up Provision:** Conditional / Owner-Controlled Option (OCIP)

### 3 INSURANCE REQUIREMENTS VS. MARKET REALITY

Category	Contract Requirement	Typical Market Reality	Risk Level
General Liability	\$1M / \$2M / \$5M+	Generally achievable in standard markets.	Low
Excess Liability	\$25M+ project-driven	Subject to total tower capacity/pricing.	Medium
<b>Addl. Insured</b>	Ongoing + Completed Ops	<b>Limited by restrictive ISO forms.</b>	<span style="color: red;">❑ High</span>
<b>Primary/Non-Cont.</b>	Mandated per contract	Requires specific endorsement/ISO CG 20 01.	<span style="color: red;">❑ High</span>
Waiver of Subrogation	Required	Standard, provided correctly scheduled.	Medium
<b>Completed Ops</b>	10-Year Tail	<b>Significant market resistance above 5-7 yrs.</b>	<span style="color: red;">❑ High</span>
<b>Professional Liab.</b>	Indemnified in contract	<b>Frequently excluded under standard GL.</b>	<span style="color: red;">❑ High</span>
Auto Liability	\$1M CSL	Standard market response.	Low
Pollution Liability	Silent or implied	<b>Requires separate CPL/environmental tower.</b>	Medium
Workers Comp	Statutory	Standard availability.	Low

## 4 KEY RISK TRANSFER RED FLAGS

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### □ **Broad Form Indemnity**

Contract mandates indemnity for claims “arising out of or relating to” work, including potential design-related exposures.

*Issue:* General Liability (GL) policies exclude professional services; contractual indemnity may exceed the scope of available insurance, creating an unfunded liability.

### □ **Additional Insured (AI) Language**

Requirement for AI status on “any and all claims,” including completed operations without restriction.

*Issue:* Modern AI endorsements often restrict coverage for completed operations or fail to drop down into excess layers without follow-form confirmation.

### □ **Primary and Non-Contributory Requirement**

Mandated regardless of whether a wrap-up (OCIP/CCIP) structure is implemented.

*Issue:* Potential conflict with Excess/Umbrella schedules where policies may not follow form for specific contractual primary/non-contributory mandates.

### □ **Completed Operations Tail**

The ten-year duration for completed operations coverage exceeds typical carrier willingness for annual placement or project-specific extensions.

*Issue:* Requires specific negotiation or structural adjustment (e.g., project-specific policy) which may significantly impact pricing.

## 5 WRAP-UP (OCIP / CCIP) INTERACTION

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The contract grants the Owner the right to implement a wrap-up at their discretion. This creates secondary risks for the EPC regarding boundary of coverage.

### 5.1 Critical Considerations

- **Enrollment Verification:** Immediate confirmation of EPC enrollment is required to avoid double-insuring or gaps.
- **Scope Mapping:** Analysis of on-site vs. off-site coverage (fabrication/laydown yards).
- **Professional Services:** Typical OCIPs exclude professional/design liability; EPC must maintain separate PL/CPL.
- **Completed Ops Treatment:** Ensure OCIP tail matches the 10-year contract requirement.

*Risk:* Assumed coverage without written enrollment confirmation and specific carve-out analysis will result in uninsured exposure.

## 6 IDENTIFIED COVERAGE GAPS

Exposure	Coverage Gap	Required Action
Design Responsibility Delay / Performance	GL Professional Services Exclusion DSU (Delay in Start-Up) not addressed	Evaluate separate CPL placement. Address project-specific DSU needs.
Subcontractor Risk	Certificate-only reliance	Endorsement validation for lower tiers.
Excess AI Limits	Non-follow form across layers	Market-wide endorsement negotiation.

## 7 BROKER RECOMMENDATIONS

1. **CPL Strategy:** Confirm specific design/engineering responsibilities and align Contractors Professional Liability (CPL) strategy.
2. **Endorsement Audit:** Validate AI and Primary/Non-Contributory endorsements beyond the Certificate of Insurance (COI) level.
3. **Tail Negotiation:** Address 10-year tail mismatch prior to contract execution to manage carrier expectations.
4. **Wrap-Up Governance:** Obtain written confirmation of wrap-up enrollment and specific coverage carve-outs/limits.
5. **Legal Coordination:** Coordinate insurance structures with legal counsel to align indemnity language with policy definitions.

## 8 OVERALL RISK TRANSFER ASSESSMENT

**Status:** □ Conditionally Acceptable

*Primary Driver:* Contractual requirements currently exceed standard market insurance responses. Execution requires either modification of the contract language or structural adjustment of the insurance program (Project-Specific or CPL placement).