

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
Addl. Insured	Ongoing + Completed Ops	Limited by restrictive ISO forms.	☒ High
Primary/Non-Cont.	Mandated per contract	Requires specific endorsement/ISO CG 20 01.	☒ High
Waiver of Subrogation	Required	Standard, provided correctly scheduled.	Medium
Completed Ops	10-Year Tail	Significant market resistance above 5-7 yrs.	☒ High
Professional Liab.	Indemnified in contract	Frequently excluded under standard GL.	☒ High
Auto Liability	\$1M CSL	Standard market response.	Low
Pollution Liability	Silent or implied	Requires separate CPL/environmental tower.	Medium
Workers Comp	Statutory	Standard availability.	Low

4 KEY RISK TRANSFER RED FLAGS

□ 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

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	GL Professional Services Exclusion	Evaluate separate CPL placement.
Delay / Performance	DSU (Delay in Start-Up) not addressed	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

- CPL Strategy:** Confirm specific design/engineering responsibilities and align Contractors Professional Liability (CPL) strategy.
- Endorsement Audit:** Validate AI and Primary/Non-Contributory endorsements beyond the Certificate of Insurance (COI) level.
- Tail Negotiation:** Address 10-year tail mismatch prior to contract execution to manage carrier expectations.
- Wrap-Up Governance:** Obtain written confirmation of wrap-up enrollment and specific coverage carve-outs/limits.
- 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).