



Memorandum

Date: September 24, 2014

To: Municipal Building Officials
Chief Elected Officials

From: Joseph V. Cassidy, P.E., Acting State Building Inspector

Subject: Insurance Certificate Requirements for Demolition Permits

The State of Connecticut, Office of the State Building Inspector is providing this memorandum and guidance to address a conflict between state laws relating to (1) insurance requirements for demolition permits; and (2) the form and content of “certificates of insurance.”

C.G.S. §29-406 outlines the requirements for obtaining a demolition permit, and states in relevant part:

No person shall be eligible to receive a permit under this section unless such person furnishes written notice to the building official (1) of financial responsibility in the form of a certificate of insurance specifying demolition purposes and providing liability coverage for bodily injury of at least one hundred thousand dollars per person with an aggregate of at least three hundred thousand dollars, and for property damage of at least fifty thousand dollars per accident with an aggregate of at least one hundred thousand dollars; *each such certificate shall provide that the town or city and its agents shall be saved harmless from any claim or claims arising out of the negligence of the applicant or his agents or employees in the course of the demolition operations; . . .* (emphasis provided).

Public Act 14-74 relates to “certificates of insurance,” and provides in relevant part that:

No certificate of insurance shall warrant that the referenced insurance policy complies with the insurance or indemnification requirements of a contract. The inclusion of a contract number or contract description on a certificate shall not be construed as making such a warranty.

It has come to our attention that the C.G.S. § 29-406 clause requiring that certificates of insurance include save harmless language conflicts with Public Act 14-74 and the Connecticut Unfair Insurance Practices Act under C.G.S. §38a-816, and may be problematic for insurance agents to fully comply given the coverage afforded under standard commercial general liability policies.

Please be advised that the Department of Administrative Services will be working with the legislature next session to revise C.G.S. § 29-406 to eliminate the conflict in the statutes and to ensure that any insurance required to obtain a demolition permit is commercially available and acceptable.

Until the statutory conflict is resolved, the Office of the State Building Inspector will no longer require that certificates of insurance relating to demolition permits include save harmless language. We recommend that municipalities accept the following documents instead to fulfill this statutory requirement:

- 1) A certificate of insurance demonstrating the prescribed coverage, and which names the municipality issuing the demolition permit as an additional insured; and
- 2) A separate declaration from the contractor, on company letterhead signed by an officer of the company, with the following save harmless statement:

In accordance with Connecticut General Statute § 29-406, we [**contractor**] hereby agree to save harmless the [**town or city**] and its agents from any claim or claims arising out of the negligence of the applicant or his agents or employees in the course of the demolition operations associated with [**project title, address**].