GENERAL INSTRUCTIONS FOR USE OF PURCHASE AGREEMENT

This document has been prepared to assist you ("the Contractor") with your use of the Purchase Agreement form that Selective makes available for its insureds' use with their supplier(s) or other subcontractor(s) (the "Subcontractor"). These instructions are a guideline intended to assist you with your completion of the Purchase Agreement (the "Purchase Agreement") and to highlight certain significant provisions. To the extent that there may be any divergence between these instructions and the materials comprising the Purchase Agreement, the Purchase Agreement's terms and provisions shall govern.

Selective grants you, its insured, permission to use and copy the Purchase Agreement. However, Selective's copyright notice may not be removed from any copies made of the Purchase Agreement.

We strongly recommend that you have these instructions and the Purchase Order Agreement reviewed by counsel of your choice in order to determine their suitability for specific projects and to insure they comport with applicable state or other applicable jurisdictional law.

Purpose of Purchase Agreement Form:

- The purpose of the Purchase Agreement is to constitute a Purchase Agreement for specific projects. The specific terms concerning compensation and other scope of work peculiar to an individual Project will only be decided at the time the Purchase Agreement is executed. **It must be signed and dated by the Contractor and the Subcontractor.**

Article 1 – Indemnification and Subcontractor’s Liability

- The Purchase Agreement states that the Subcontractor assumes responsibility for risk of loss to the work to be performed or product to be supplied (the “Work”) until acceptance of the Work by the Owner.
- The Purchase Agreement contains an indemnification provision intended to hold the Subcontractor liable for bodily injury, property damage, or other loss arising from the Subcontractor's negligence or that of any individuals or entities for which it may be deemed to be vicariously liable. Care must be taken to consult with legal counsel to determine whether any anti-indemnity statutes or case law that may affect whether this clause will be fully enforced as written or will need to be modified to conform to state or local law.

Article 2 – Subcontractor’s Insurance:

- The minimum coverages to be furnished by the Subcontractor are set forth in the Purchase Agreement.
- The Purchase Agreement provides that Subcontractor must name you (the Contractor) as an additional named insured on its policies.

Article 3 – Representations and Warranties:

- The Purchase Agreement contains various representations and warranties regarding the parties and their respective ability to enter into the Purchase Agreement and perform the Work.

**THIS DOCUMENT HAS IMPORTANT LEGAL AND INSURANCE CONSEQUENCES, AND IT IS NOT INTENDED AS A SUBSTITUTE FOR COMPETENT PROFESSIONAL SERVICES AND ADVICE. CONSULTATION WITH AN ATTORNEY AND AN INSURANCE ADVISER IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION.**

**FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS MAY VARY WITH RESPECT TO THE APPLICABILITY AND/OR ENFORCEABILITY OF SPECIFIC PROVISIONS IN THIS DOCUMENT.**

**SELECTIVE INSURANCE COMPANY OF AMERICA, ON BEHALF OF ITSELF, ITS SUBSIDIARIES, PARENT AND AFFILIATED CARRIERS, AND ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS (COLLECTIVELY, “SELECTIVE”) SPECIFICALLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PURCHASE AGREEMENT FORM AND THESE INSTRUCTIONS. THOSE WHO USE THESE MATERIALS ASSUME ALL LIABILITY WITH RESPECT TO THE USE OR MODIFICATION OF THIS DOCUMENT. SELECTIVE SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES RESULTING FROM THE USE OF SUCH PURCHASE AGREEMENT FORM IN ITS CURRENT FORM OR AS MODIFIED.**

Release: 12/2014