



Risk Management Guidelines

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| <p>Subject: CONTRACTUAL INSURANCE REQUIREMENTS FOR VENDORS/CONTRACTORS</p> <p>(This includes maintenance/repair services, architects, engineers, technology/software services, educational consultants, environmental services, medical professionals, attorneys, and accountants)</p> |
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A. Indemnification and Hold Harmless Language in Contracts

District contracts should have language included in contracts which states that the Contractor will indemnify and hold the District harmless for any loss related to the Contractors performance of work with the District. *Note: There are a few occasions where a mutual indemnification is acceptable. If in doubt, contact District Risk Management.*

B. Minimum Scope and Limit of Insurance

In addition to indemnifying and agreeing to hold the District harmless, all Contractors shall secure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the contractor, its agents, representatives, or employees for the duration of the contract. Limits can be increased by purchasing umbrella or excess insurance. **Coverage shall be at least as broad as:**

1. Commercial General Liability (CGL): Policy shall be on “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence, **\$4,000,000** aggregate. *Note: Occurrence and aggregate limit may need to be increased depending on the size and scope of the contract. Please contact District Risk Management regarding construction projects over \$5,000,000.* The policy shall include the following endorsements:

- Additional Insured - District shall be named as an additional insured on the Contractor’s policy.
- Primary Non-Contributory Coverage – Contractor’s insurance coverage shall be primary non-contributory insurance coverage for the District.
- Waiver of Subrogation – Contractor’s insurance carrier agrees to waive their right to recover any payment made.

2. Automobile Liability: Coverage should be Any Auto. If Contractor has no owned autos, then coverage should for Hired and Non-Owned Vehicles with limit no less than **\$1,000,000** per accident for bodily injury and property damage. *If applicable: Auto liability is not needed if the contractor provides written verification stating that they and all subcontractors will only use District parking lots and agree not use any vehicles within a school campus or other facility.* The policy shall include the following endorsements:

- Additional Insured – District shall be named as an additional insured on the Contractor’s policy.
- Primary Non-Contributory Coverage – Contractor’s insurance coverage shall be primary non-contributory insurance coverage for the District.
- Waiver of Subrogation – Contractor’s insurance carrier agrees to waive their right to recover any payment made.

3. Workers’ Compensation insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury

or disease. ***If applicable:*** *Workers' Compensation not required if contractor provides written verification it has no employees.* The policy shall include the following endorsements:

- Waiver of Subrogation – Contractor's insurance carrier agrees to waive their right to recover any payment made.

4. Professional Liability (Errors and Omissions) Insurance appropriate to the Contractor's profession, with limit no less than **\$1,000,000** per occurrence or claim, **\$2,000,000** aggregate. ***If applicable:*** *Professional liability insurance coverage is normally required if the Contractor is providing a professional service regulated by the state. (Examples of service providers regulated by the state are insurance agents, architects, engineers, doctors, certified public accountants, lawyers, etc.). However, other professional Contractors, such as computer or software designers, should also have professional liability. If in doubt, please contact District Risk Management.* The policy shall include the following endorsements:

- Waiver of Subrogation – Contractor's insurance carrier agrees to waive their right to recover any payment made.

5. Aviation Liability insuring bodily injury and property damage arising out of the use of owned and non-owned unmanned aircraft (also known as "drones"). The limit of liability shall not be less than **\$2,000,000** each occurrence. A copy of the policy scheduling each insured unmanned aircraft and each insured operator of an unmanned aircraft is to be included with the certificate of insurance. ***If applicable:*** *Not required if contractor provides District with written notice that they and all subcontractors agree not use any unmanned aircraft.* The policy shall include the following endorsements:

- Additional Insured - District shall be named as an additional insured on the Contractor's policy.
- Primary Non-Contributory Coverage – Contractor's insurance coverage shall be primary non-contributory insurance coverage for the District.
- Waiver of Subrogation – Contractor's insurance carrier agrees to waive their right to recover any payment made.

6. Contractors Pollution Liability and/or Asbestos Pollution Liability applicable to the work being performed, with a limit no less than **\$1,000,000** per claim or occurrence and **\$2,000,000** aggregate per policy period of one year. ***If applicable:*** *This coverage applies to primarily environmental service contractor who handles or potentially handles hazardous materials.* The policy shall also include the following endorsements:

- Additional Insured - District shall be named as an additional insured on the Contractor's policy.
- Primary Non-Contributory Coverage – Contractor's insurance coverage shall be primary non-contributory insurance coverage for the District.
- Waiver of Subrogation – Contractor's insurance carrier agrees to waive their right to recover any payment made.

C. Other Insurance Provisions to be Included in Contract and Policies:

The contract and insurance policies are to contain, or be endorsed to contain, the following provisions:

1. Notice of Cancellation

Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the District.

2. District shall have access to Highest Policy Limits

It should state in the contract that if the Contractor maintains higher than required limits than shown above the District shall be entitled to that coverage.

3. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared and approved by the District. The District may require proof of ability to pay losses and claim defense within the retention.

4. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District.

5. Claims Made Policies (*Generally found in Professional Liability policies*)

If any of the required policies provide coverage on a claims-made basis:

- a. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
- b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

6. Verification of Coverage

Contractor shall furnish the District with certificates and endorsements of the applicable policy language effecting coverage. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractors obligation to provide them.

7. Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that District is an additional insured on insurance required from subcontractors.

8. Special Risks or Circumstances

District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

NAMED INSURED:
POLICY NUMBER:
WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 04 03 06

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be _____% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Job Description

School District, its Directors, Officers, Employees,
Volunteers, and Agents

**SAMPLE WC WAIVER OF
SUBROGATION**