



Risk Management Guidelines

Number: 17-08
Date Issued: June 9 th 2017
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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>

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.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME	FAX (A/C, No):	
	PHONE (A/C, Ext):		
INSURED	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Philadelphia Indemnity Company		18058
	INSURER B: Philadelphia Insurance Company		R92535
	INSURER C: Star Insurance Company		18023
	INSURER D:		
	INSURER E:		
INSURER F:			

SAMPLE COPY

COVERAGES **CERTIFICATE NUMBER:** 2015-2016 **CERTS** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					EACH OCCURRENCE \$ 2,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		Policy #	11/1/2015	11/1/2016	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
		<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>				MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					GENERAL AGGREGATE \$ 4,000,000
	OTHER:					PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO		Policy #	11/1/2015	11/1/2016	BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
						Medical payments \$ 5,000
B	<input checked="" type="checkbox"/> UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE \$ 4,000,000
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$ 4,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		Policy #	11/1/2015	11/1/2016	
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					PER STATUTE OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A	Policy #	3/1/2016	3/1/2017	E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Event Date & Description: _____

School District, its Officers, Directors, Employees and Volunteers are named as Additional Insureds as respects general liability when required by contract which includes 1. Additional Insured & Auto Additional Insured Endorsement; 2. Endorsement Primary and Non-Contributory for Commercial General Liability; 3. Endorsement Waiver of Subrogation for General Liability and Worker's Compensation All Forms attached.

CERTIFICATE HOLDER School District's Full Name & Address	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
School District, its Directors, Officers, Employees, Volunteers, and Agents OR Blanket All Person(s) or Organization (s) as required by written contract agreement or permit.	All Locations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

<p>Name Of Person Or Organization:</p> <p>School District, its Directors, Officers, Employees, Volunteers, and Agents OR Blanket All Person (s) or Organization(s) as required by written contract, agreement or permit</p> <p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>
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The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

SAMPLE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

This Endorsement Changes The Policy. Please Read It Carefully.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – PRIMARY AND NONCONTRIBUTORY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
School District, its Directors, Officers, Employees, Volunteers, and Agents	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to “bodily injury” or “property damage” occurring after:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- (2) That portion of “your work” out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to SECTION III – Limits of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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**