

# Third-Party Contract Insurance Guidelines



To: Multi-Line Program Members

Re: Third-Party Contract Insurance Guidelines

This edition of the Third-Party Contract Insurance Guidelines is an informational tool to assist our members in better understanding some of the insurance coverage and policy form nuances associated with the myriad contracts you are asked to review and opine on in the course of your duties. We hope these guidelines will prove to be a valuable tool in helping you manage your contractual risks.

We must stress that the Third-Party Insurance Guidelines are just that ... guidelines. Each supervisory union, each school, each insurance carrier, and each individual contract comes with its own unique set of conditions and circumstances. It is incumbent on those responsible for managing contracts at your school to ensure the terms, conditions, and insurance coverage requested meets the needs of your specific situation. No guideline, no matter how complete, is appropriate for all situations.

We at the Multi-Line Program can also be utilized as a resource. We know Vermont schools and are dedicated to assisting members with their risk management needs.

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## Establishing Contractual Insurance Guidelines

**These guidelines were created to assist staff who review, approve, or manage contracts. They are guidelines only. The purpose of this document is to provide examples of specific coverages, terms and conditions you may want to consider when asked to comment on insurance requirements in contracts. The documents and contract language specified here are intended to be template guidelines, as examples of best practices. Each one should be adjusted to fit your specific risk profile. A legal opinion should be sought before making any changes to existing contract language.**

Every contract has risks that must be reviewed from the perspective of protecting *[Name of School]*'s assets. This document is designed to provide you with guidelines and tools to help you manage those risks when you contract on behalf of *[Name of School]*. An inherent part of contract management is to:

1. Evaluate the risks involved;
2. Decide whether to avoid, transfer, or accept the risks, and;
3. Implement appropriate risk transfer and/or risk financing mechanisms.

Read the contract thoroughly and anticipate events or situations that could happen within the scope of work outlined. Ask yourself:

1. Who are all the parties involved?
2. What kind of work is being done?
3. What type of accidents or losses could occur and what is the worst-case scenario in terms of financial loss and/or injury to persons or property?
4. Are the responsibilities for the risks appropriately placed with those in the best position to control them?
5. What is the ability of the parties to manage the risks and absorb the losses?
6. Is the contract legal and enforceable?

Within a contract risk transfer is accomplished through a combination of indemnification, hold harmless and waiver of subrogation clauses. Insurance is commonly required as a means of providing the financial support to back the Indemnitor's obligation to hold the Indemnitee harmless.

The goal of *[Name of School]* is to establish contract guidelines for insurance coverage that can be consistently applied with few exceptions. This can occur if *[Name of School]* decides on the limits that it will require and sticks to that decision. This may involve withstanding pressure from contractors, architect and engineering (A/E) firms, and brokers. As an example, many of the large A/E firms attempt to eliminate all Errors and Omissions (E&O) requirements in their contracts even though the firm carries Professional Liability coverage.

To insure the continued success of *[Name of School]*'s contract review program, once insurance requirements have been set, they must be communicated in all bid proposals prior to awarding a contract. The program will not be successful if the insurance is negotiated after a contractor has been selected.

## General Insurance Requirements for All Insurers

These general requirements should be incorporated into every contract and should not to be waived without consulting with the *[Department Responsible for Insurance]*.

*[Name of School]* requires that all insurers:

1. Be licensed or approved to do business within the State.
2. Write required insurance on an “occurrence” basis (Professional Liability and Pollution Liability are acceptable written on a “claims-made” basis.)
3. Name *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents, and volunteers as “Additional Insureds” on General Liability and other policies as specified by the contract. Please refer to the Contract Language section for sample wording for this requirement.
4. Possess a minimum A.M. Best’s Insurance Guide rating of A VII. A.M. Best rating is composed of two parts: the letter denotes the company’s financial strength level (see chart below) and the Roman numeral denotes financial size. Please visit <http://www.ambest.com/ratings/default.asp> for further explanation and to look up insurance company ratings.

A.M. Best’s Rating Chart	
Level	Category
A++	Superior
A+	Superior
A	Excellent
A-	Excellent
B++	Very Good
B+	Very Good
B	Good
B-	Good
C++	Fair
C+	Fair
C	Marginal
C-	Marginal
D	Below minimum standards

5. Provide a minimum of 30 days advance written notice of cancellation, material change, or non-renewal of policies to *[Name of School]*.

6. Provide a completed Certificate of Insurance containing the following information:

Name, address, phone number, and fax number of agent/broker

Name of insurance company(s) and policy number(s)

- Policy period
- Name and address of insured
- Description of coverage(s)
- Policy limits

Special instructions or terms of coverage (for example: addition of *[Name of School]* as an additional insured, waivers of subrogation in favor of *[Name of School]*, identification of project, or operations).

*[Name of School]* listed as the certificate holder

Signature of the insurer's agent/broker and date

7. *[Name of School]* requires that all contractor policies provide coverage on a primary and non-contributory basis with any other insurance coverages and/or self-insurance available to *[Name of School]*.
8. *[Name of School]* requires the contractor to provide a renewal certificate at least 15 days prior to expiration.
9. *[Name of School]* may also require that proof of Professional Liability and Pollution Liability coverages be provided for not less than three (3) years after the completion of a project if written on a claims-made basis.
10. The Contractor agrees that the insurance requirements specified in the contract do not reduce the liability Contractor has assumed in the indemnification/hold harmless section of the contract.

*[Name of School]* reserves the right to approve the security of the insurance company and the coverage terms and conditions. Failure of the Contractor to fully comply with these requirements during the term of the Contract will be considered a material breach of contract and will be cause for immediate termination of the Contract at the option of *[Name of School]*.

## Insurance Coverages

### Commercial General Liability

This coverage is required in all *[Name of School]* contracts. Bid specifications and contracts should state that required coverage is written on standard ISO form CG0001 or a substitute form providing equivalent coverage. Coverage is to include:

- Premises and Operations
- Personal Injury/Advertising Liability
- Products/Completed Operations
- Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract)
- Independent Contractors

### Automobile Liability

Automobile Liability insurance coverage is required for contracts contemplating any use of an automobile, for example: construction projects, premises lease agreements, service contracts, and student transportation. Bid specifications and contracts should state that required coverage is written on standard ISO form CA0001 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide Contractual Liability coverage equivalent to that provided in the 1990 and later editions of ISO form CA0001. Contracts must contain a requirement that the contractor provide business automobile liability coverage that includes:

- All vehicles that are owned, non-owned, and hired
- Personal Injury Protection (when applicable)

### Workers' Compensation

*[Name of School]* requires all contractors, lessees and vendors to maintain Workers' Compensation insurance with statutory limits. Employers' Liability is also required with minimum limits of \$500,000 Each Accident Limit/\$500,000 Disease – Policy Limit/\$500,000 Disease – Each Employee Limit.

Contractors and lessees shall be responsible for Workers' Compensation insurance for subcontractors or sub-lessees who directly or indirectly provide services or lease premises under contract. This coverage must include statutory coverage for states in which employees are engaging in work. If there is an exposure of injury to Contractors' employees under the following federal acts – coverage shall be included for such injuries or claims:

- Longshore and Harbor Workers' Compensation Act (LHWCA) – WC 00 01 06A
- Outer Continental Shelf Lands Act Coverage Endorsement – WC 00 01 09A
- Defense Base Act – WC 00 01 01A
- Nonappropriated Fund Instrumentalities Act – WC 00 01 08A
- Federal Coal Mine Health and Safety Act of 1969 (FCMHSA) and related acts – WC 00 01 02
- General Maritime Law; Death on the High Seas Act; and Merchant Marine Act of 1920 – WC 00 02 01 A
- Federal Employers' Liability Act (FELA) – WC 00 01 04
- Migrant and Seasonal Agricultural Workers' Protection Act (MSAWPA) – WC 00 01 11

**Note:** Some types of employments are not required by law to have Workers' Compensation insurance. Each state allows exemptions for different types of employments which typically apply to persons or organizations with few employees; domestic workers; agricultural workers; real estate salespersons; and casual employments. We do not recommend contracting with persons or organizations that do not carry Workers' Compensation coverage for their employees even if they are not required to do so by law.

## **Umbrella Liability**

An Umbrella Liability policy (or Excess Liability) may be used to provide additional Commercial General Liability, Automobile Liability, and Employers' Liability limits to meet *[Name of School]*'s minimum coverage requirements.

## **Professional Liability (Errors & Omissions)**

Professional Liability insurance protects against losses that occur when a "professional" errors in judgment, planning, or design that could result in an economic loss to *[Name of School]*.

The term "Professional Liability" may have a different meaning when it relates to insurance and school contracts. In order to determine if you should require Professional Liability insurance, ask yourself:

1. Is the professional licensed or certified (i.e. architect, consultant, paramedic, attorney, engineer, etc.)?
2. Will information developed by the professional be used in a decision-making process within the school that could create a liability?

If the answer is **yes** to either of these questions, then professional liability insurance should be required.

The types of losses that can occur under such circumstances are often excluded under general liability policies. They can be covered through separate Professional Liability insurance policies, also known as "Errors and Omissions" (E&O) liability insurance.

Examples of services that would require Professional Liability coverage include:

- Accountants
- Appraisers
- Architects
- Attorneys
- Auditors
- Computer/Software Design
- Engineers
- Executive Search
- Financial Consultants
- Insurance/Risk Management Consultants
- Investment Consultants
- Media Firms (traditional and electronic)
- Medical Professionals
- Project Management (construction, design)
- Property Managers/Real Estate Agents
- Social Workers

Because Professional Liability insurance is generally written on a claims-made basis, there is a concern about coverage for latent defects, design errors, or mistakes that may result in claims after the work has been completed. One solution is to require the contractor to maintain the coverage for a specified period after the project has been completed or to purchase an Extended Reporting Period (ERP), otherwise known as "tail coverage." It should be *[Name of School]*'s standard requirement for Professional Liability coverage written on a claims-made basis to continue coverage or purchase an ERP for not less than three years (six years for construction and design/build contracts).

### **Pollution Liability Coverage (Including Contractors' Pollution Liability Coverage)**

Pollution Liability Coverage should be considered whenever the contracted work involves the handling of hazardous materials or the operations could create or exasperate an environmental hazard.

The Contractor should provide Pollution Liability coverage for bodily injury; property damage, (including natural resource damage), cleanup costs, removal, storage, disposal, and or use of the pollutant; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. Coverage should apply to the sudden and gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants (including asbestos).

Pollution Liability coverage is normally written on a claims-made basis. Therefore, the Contractor needs to warrant that any retroactive date applicable to coverage under the policy precedes the effective date of the contract; and that continuous coverage will be maintained (or an extended reporting period will be exercised) for a period of three (or specify desired number) years beginning from the time the work under the contract is completed.

If the Contractor is responsible for removing any pollutants from a site, then the Contractor will need to cover its automobile exposure for transporting the pollutants from the site to an approved disposal site. Automobile Liability coverage should be endorsed to include the required auto pollution Endorsements and Motor Carrier Act Endorsement, MCS 90.

### **Property – Tenants/Lessees**

This insurance is required for those that lease facilities you own. If your tenant's/lessee's property is damaged or destroyed – you want it replaced so they can stay in business and continue paying rent to the school. Minimally the tenant/lessee shall obtain Commercial Property insurance covering tenant's/lessee's business personal property and equipment. **The lease agreement should also be written so it is clear about which party, the school or the tenant/lessee, is responsible for insuring the fixtures and improvements have been made to the space.** The perils insured should be the equivalent of ISO special causes of loss form CP1030 and the valuation of covered property should be the replacement cost. It is common for leases to include a mutual waiver of subrogation.

### **Sexual Abuse and Molestation – Tenants/Lessees**

Many schools allow their facilities to be used by a tenant/lessee that is in the business of providing child care services or for various types of camps. It is not uncommon for businesses that provide services for minors to carry insurance for sexual abuse and molestation. When appropriate, the school should consider including a requirement that the tenant/lessee has insurance for sexual abuse and molestation that also protects the school for liability arising out of the businesses' operations and activities.

### **Builders' Risk/Installation Floater**

**Builders' Risk** insurance is designed to cover buildings and construction materials while in the course of construction. Builders' Risk insurance is a form of Property insurance that protects the construction project against loss or damage caused by a variety of perils, for example, fire, wind, hail, etc.

**Installation Floaters** are similar to Builders' Risk insurance policies in that they are designed to cover damage to material and equipment to be installed in an "existing building." Installation Floaters are required from contractors performing a specialized job on an existing building or installing equipment or materials that are **not** included in a construction project contract. An example would be a contract to replace the plumbing/fixtures in the bathroom of an existing building.

## Bonds

A **bond** is a three-party contract in which the surety company guarantees the performance or honesty of the contractor to *[Name of School]*. Contractors typically are required to provide up to three types of bonds on a construction project.

A **bid bond** is commonly required in competitive bid situations. It is submitted with the bid and guarantees that if the contractor is awarded the job, it will agree to perform the work at the price quoted and will provide additional bonds as required by the construction contract. If the contractor declines to enter into a contract to perform the work at the agreed-upon price, the bid bond will reimburse *[Name of School]* the difference between the defaulting contractor's bid and the next lowest bid, up to the bid bond penal amount.

A **performance bond** guarantees that the contractor will perform the work in accordance with the construction contract and related documents, thus protecting *[Name of School]* from financial loss up to the bond limit in the event the contractor fails to fulfill its contractual obligations.

The general contractor is responsible for contracting for all materials and labor needed for the project, and for paying for such materials and labor in accordance with the contract provisions. The **payment bond** guarantees that suppliers and subcontractors will in fact be paid for materials and labor furnished to the contractor. The ultimate purpose of the payment bond is to guarantee *[Name of School]* delivery of a project that is free of liens.

## Self-Insurance (Including Captive Insurance Arrangements)

Many large organizations today are self-insured or have captive insurance companies. This means that instead of buying insurance with small deductibles they choose to purchase insurance to cover themselves for catastrophic events and "self-insure" the predictable losses. Deductibles can range from the hundreds of thousands to the millions of dollars. In certain limited circumstances, generally involving very large and financially secure companies which have the financial capability to pay claims for damages and losses related to their activities, *[Name of School]* may, at its discretion, accept proof of self-insurance for some or all of the insurance requirements set forth under these guidelines. If so, *[Name of School]* should require the company to certify that their program is funded to actuarial projected losses.

## Insurance Requirements

The following are examples of insurance requirements for the following types of contracts:

1. Construction/Renovation Projects
2. Vendor Agreements
3. School Bus Services
4. Consulting and Professional Services Agreements (for example: architects, engineers, environmental consultants, etc.)
5. Short-Term Lease Agreements (for those parties using *[Name of School]* premises/buildings for special events).
6. Commercial Lease Agreements of *[Name of School]* Owned Premises

**Note:** The size and scope of the contract and the potential exposure will dictate the minimum level of coverage required. The suggested minimum limit is \$1,000,000.

The next few pages contain examples of minimum insurance requirements for each of the above situations. Thorough explanations of the insurance requirements for each of these situations are contained in the Appendices, along with suggested language that may be used as inserts into the insurance requirements section of *[Name of School]* contracts.

## Construction/Renovation Projects

Insurance Requirements	Minimum Limits	Notes
<p><b>Commercial General Liability</b></p> <p>ISO Form CG0001 or a Substitute Form Providing Equivalent Liability Coverage</p> <p>ISO Endorsement CG2010 – See Notes</p> <p>ISO Endorsement CG2037 – See Notes</p>	<p>\$1,000,000 Each Occurrence. See Tab 1 for Full Description Of Required Limits.</p> <p>\$2,000,000 General Aggregate</p> <p>\$2,000,000 Products/Completed Operations Aggregate</p>	<p>CGL must include coverage for liability arising from products/completed operations and liability assumed under an insured contract.</p> <p>If CGL insurance has a general aggregate limit then ISO Endorsement CG2503 (03/97 edition) or its equivalent should be added. The Designated Construction Project(s) General Aggregate Limit must be maintained for the duration of the agreement or longer, if required and so state in the contract. The size and scope of the contract and the potential exposure will dictate the minimum level of coverage required.</p> <p>The designated construction project(s) (per project aggregate) general aggregate and the products/completed operations aggregate should be twice the minimum required each occurrence limit.</p> <p><i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers should be included as an additional insured using ISO additional insured Endorsement CG2010 and CG2037 (completed operations) or a substitute providing equivalent coverage.</p> <p>This coverage should include ISO Endorsement CG2404 (or the equivalent) Waiver of Transfer of Rights of Recovery Against Others to Us.</p> <p>There should be no Endorsement or modification of the CGL limiting the scope of coverage for liability assumed under contract or liability arising from pollution, explosion, collapse, underground property damage, or damage to the work.</p> <p>This insurance shall apply as primary insurance/non-contributory with respect to any other insurance or self-insurance available to <i>[Name of School]</i>.</p>
<p><b>Business Automobile Coverage</b></p> <p>ISO Form CA0001 or a Substitute Form Providing Equivalent Liability Coverage</p> <p>ISO Endorsement CA9948 – See Notes</p> <p>ISO Endorsement MCS90 – See Notes</p>	<p>\$1,000,000 Each Accident Limit for Bodily Injury and Property Damage</p>	<p>Coverage must include all owned, non-owned, and hired vehicles and, where applicable, Personal Injury Protection.</p> <p>If necessary, the policy shall be endorsed to provide Contractual Liability coverage equivalent to that provided in the 1990 and later editions of ISO form CA0001.</p> <p>Pollution Liability coverage equivalent to that provided by ISO Pollution Liability – Broadened Coverage for Autos Endorsement CA9948 and the Motor Carrier Act Endorsement MCS90 shall be included if the contractor is responsible for transporting and disposing of hazardous materials.</p> <p>Contract should state that the Contractor waives all rights of subrogation against <i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers for recovery of damages to the extent these damages are covered by the Business Auto Liability insurance [or under any applicable Auto Physical Damage coverage.</p>

Insurance Requirements	Minimum Limits	Notes
<b>Workers' Compensation (Statutory) and Employers' Liability</b>	Coverage A – Workers' Compensation, in Compliance with the Laws of the State of <i>[Your State]</i> ; and Coverage B – Employers' Liability, \$500,000/\$500,000/ \$500,000	<p>This coverage must include statutory coverage for states in which employees are engaging in work. If there is an exposure of injury to Contractor's employees under any federal acts – coverage shall be included for such injuries or claims.</p> <p>Contract should state that the Contractor waives all rights of subrogation against <i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers for recovery of damages to the extent these damages are covered by workers' compensation and employers liability insurance. The NCCI Endorsement to use for this coverage is WC000313 Waiver of Our Right to Recover from Others.</p>
<b>Umbrella Liability</b>	Varies by Project	Can be used if contract requires limits higher than \$1,000,000.
<b>Professional Liability (Design Errors and Omissions Liability)</b>	\$1,000,000 Per Claim Per Policy Year	Required if the contractor is performing any type of design/build for a particular project. <i>[Name of School]</i> may require proof that this coverage be provided for up to three (3) years after project completion if written on a claims-made basis.
<b>Builders' Risk Insurance/ Installation Floater – Completed Value Basis Property</b>	Hard Construction Values of Project	Required on most construction projects. Two options are available: 1) Contractor provides coverage; or <i>[Name of School]</i> provides coverage. See Appendix (Tab 1). One of these options must be included in the contract/bid package. For assistance in determining which option to use, please contact <i>[Department Responsible for Insurance]</i> .
<b>Pollution Liability</b>	Varies By Project	<p>Required if the work involves the handling of hazardous materials or could exasperate an environmental hazard. Can be obtained through the Contractors' General Liability coverage by including the Limited Pollution Liability Extension ISO Endorsement CG 2415 (10/01 Edition).</p> <p>However, a separate contractors' pollution legal liability policy is also acceptable. Contract should state that <i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers should be included as an additional insured with respects to liability and defense of suits arising out of activities performed by or on behalf of contractor, including Completed Operations.</p> <p><i>[Name of School]</i> shall require the contractor provide proof of coverage for up to three (3) years after the project has been completed if written on a claims-made basis.</p>
<p><b>Note:</b> Contractors are required to ensure that all subcontractors are insured under the contractors' policies. All subcontractors and sub-tier contractors are required to comply with the coverage and limit requirements outlined in this document.</p>		



Vermont School Boards Insurance Trust

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
01/01/10

PRODUCER ABC Insurance Broker 123 Maple Street Any Town, IL 60000	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED A-1 Contracting, Inc. 456 Pine Lane Any Town, IL 60000	INSURER A: A VII or Better Insurance Company A	54321
	INSURER B: A VII or Better Insurance Company B	12345
	INSURER C: A VII or Better Insurance Company C	67890
	INSURER D: A VII or Better Insurance Company D	09876

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A	Y	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGG LIMIT APPLIES PER: POLICY <input checked="" type="checkbox"/> PROJECT LOC	ABC111	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occ)	\$50,000
						MED EXP (Any one person)	\$5,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS-COMP/OP AGG	\$2,000,000
B		AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS <u>PIP (if required)</u>	DEF222	01/01/10	01/01/11	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY ANY AUTO				AUTO ONLY-EA ACCIDENT	\$
						OTHER THAN EA ACC	\$
						AUTO ONLY: AGG	\$
C		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR CLAIMS MADE  DEDUCTIBLE RETENTION \$10,000	GHI333	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						AGGREGATE	\$1,000,000
						(include if needed to meet contract limit requirements and increase if necessary)	\$
							\$
D		WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/ EXEC Y/N OFFICER/MEMBER EXCLUDED? <u>N</u> IF YES, DESCRIBE BELOW.	JKL444	01/01/10	01/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER
						E.L. EACH ACCIDENT	\$500,000
						E.L. DISEASE-EA EMPLOYEE	\$500,000
						E.L. DISEASE-POLICY LIMIT	\$500,000
A		OTHER Professional Liability (if required) Pollution Legal Liability (if required - can also be done by adding ISO endt CG2415 to the GL policy)	MNO555 PQR666	01/01/10 01/01/10	01/01/11 01/01/11	\$1,000,000 per claim/aggregate \$1,000,000 per claim/aggregate (or higher amounts if needed)	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 Re: Project Name, Location and/or Contract Number. With respect to general liability: ISO form CG0001 is used (or the equivalent); [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers are included as additional insureds using ISO endorsement CG2010 & CG2037 (or the equivalent); coverage is primary/non-contributory; there is no XCU exclusion; and ISO Endorsement CG2404 (or the equivalent) is included. With respect to auto: ISO form CA0001 is used (or the equivalent); and ISO endorsement CA9948 & MCS90 is included (if required by contract). With respect to workers' compensation: a waiver of our right to recover from others NCCI endorsement WC000313 is included in favor of [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers; and coverage is included for the following Federal Acts (if required - list here). With respect to professional liability (if required and is written on a claims-made basis): the retroactive date precedes the date that work under this contract begins. With respect to pollution legal liability (if required and is written on a claims-made basis): the retroactive date precedes the date that work under this contract begins.

CERTIFICATE HOLDER

[Name of Your School]  
[Address of Your School]

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE  
SIGNATURE OF AUTHORIZED REP OF INSURANCE COMPANY

<b>ACORD</b>	<b>EVIDENCE OF COMMERCIAL PROPERTY INSURANCE</b>	DATE (MM/DD/YYYY) 01/01/10
THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.		
PRODUCER NAME, CONTACT PERSON AND ADDRESS ABC Insurance Broker 123 Maple Street Any Town, IL 60000	PHONE (123) 456-7890 (A/C, No, Ext):	COMPANY NAME AND ADDRESS A VII or Better Insurance Company A 789 Cedar Avenue New York, NY 10000 IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH NAIC NO: 54321
FAX 312-773-1234 (A/C, No):	E-MAIL ADDRESS: smith@abc.com	POLICY TYPE Builders' Risk
CODE:	SUB CODE:	LOAN NUMBER POLICY NUMBER ABC111
AGENCY CUSTOMER ID #:	EFFECTIVE DATE 01/01/10	EXPIRATION DATE 01/01/11
NAMED INSURED AND ADDRESS A-1 Contracting, Inc. 456 Pine Lane Any Town, IL 60000	CONTINUED UNTIL TERMINATED IF CHECKED	
ADDITIONAL NAMED INSURED(S) [Name of School] and contractor, sub-contractors and sub-tier contractors		
PROPERTY INFORMATION (Use REMARKS on page 2, if more space is required) BUILDING OR BUSINESS PERSONAL PROPERTY		
LOCATION/DESCRIPTION [Project address] 100% replacement cost value of project; special risk causes of loss including theft, vandalism, malicious mischief, collapse, false-work, temporary buildings, off-site storage, transit, architect's fees and expenses, soft costs, and if applicable, all below and above ground structures, piping, foundations including underground water and sewer mains, pilings including the ground on which the structure rests and excavation, backfilling, filling and grading. Includes beneficial occupancy clause (if required by contract). Equipment breakdown coverage includes installation and testing. 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 EVIDENCE OF PROPERTY INSURANCE 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.		
COVERAGE INFORMATION PERILS INSURED BASIC BROAD SPECIAL		
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$ hard construction values of project and as further required by contract DED: as required by contract		
<input type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> RENTAL VALUE	YES	NO
BLANKET COVERAGE		
TERRORISM COVERAGE		
IS THERE A TERRORISM-SPECIFIC EXCLUSION?		
IS DOMESTIC TERRORISM EXCLUDED?		
LIMITED FUNGUS COVERAGE		
FUNGUS EXCLUSION (If "YES", specify organization's form used)		
REPLACEMENT COST	X	
AGREED VALUE	X	
COINSURANCE		
EQUIPMENT BREAKDOWN (If Applicable)	X	
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg	X	
- Demolition Costs	X	
- Incr. Cost of Construction	X	
EARTH MOVEMENT (If Applicable)	X	
FLOOD (If Applicable)	X	
WIND / HAIL (If Subject to Different Provisions)		
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS		
CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE ADDITIONAL INTEREST NAMED BELOW, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.		
ADDITIONAL INTEREST		
<input type="checkbox"/> MORTGAGEE <input type="checkbox"/> CONTRACT OF SALE <input type="checkbox"/> LENDERS LOSS PAYABLE	LENDER SERVICING AGENT NAME AND ADDRESS	
NAME AND ADDRESS [Name of Your School] [Address of Your School]	AUTHORIZED REPRESENTATIVE SIGNATURE OF AUTHORIZED REP OF INSURANCE COMPANY	
ACORD 28 (2006/2007)	Reserved © ACORD CORPORATION 2003-2006. All rights	

## Vendor Agreements

Insurance Requirements	Minimum Limits	Notes
<p><b>Commercial General Liability</b></p> <p>ISO Form CG0001 (12/04 Edition) or its Equivalent</p> <p>ISO Endorsement CG2026 – See Notes</p>	<p>\$1,000,000 Per Occurrence Bodily Injury and Property Damage</p> <p>\$2,000,000 General Aggregate</p> <p>\$2,000,000 Products/Completed Operations Aggregate</p>	<p>These insurance requirements are for vendors (those individuals or businesses who sell their product to others while on <i>[Name of School]</i> premises). Insurance must be maintained for the duration the vendor is on school premises.</p> <p>If CGL insurance has a general aggregate limit then ISO Endorsement CG2504 (03/97 edition) or its equivalent should be added. The Designated Location(s) General Aggregate Limit must be maintained for the duration of the agreement or longer, if required and so state in the contract. The size and scope of the contract and the potential exposure will dictate the minimum level of coverage required.</p> <p>The general aggregate and the products/completed operations aggregate should be twice the minimum required occurrence limit.</p> <p><i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers should be included as an additional insured using ISO additional insured Endorsement CG2026 or a substitute providing equivalent coverage.</p> <p>This coverage should include ISO Endorsement CG2404 (or the equivalent) Waiver of Transfer of Rights of Recovery Against Others to Us.</p> <p>There should be no Endorsement or modification of the CGL limiting the scope of coverage for liability assumed under a contract, or liability arising from pollution.</p> <p>This insurance shall apply as primary insurance with respect to any other insurance or self-insurance available to <i>[Name of School]</i>.</p>
<p><b>Business Automobile Coverage</b></p> <p>ISO Form CA0001 or a Substitute Form Providing Equivalent Coverage</p>	<p>\$1,000,000 Each Accident Limit for Bodily Injury and Property Damage</p>	<p>Coverage must include: All owned, non-owned, and hired vehicles and, where applicable, Personal Injury Protection.</p>
<p><b>Workers' Compensation (Statutory) and Employers' Liability</b></p>	<p>Coverage A, in Compliance With the Laws of the State of <i>[Your State]</i>; and Coverage B, \$500,000/\$500,000/\$500,000</p>	<p>This coverage must include statutory coverage for states in which employees are engaging in work.</p>
<p><b>Liquor Liability</b></p>	<p>\$1,000,000 Per Occurrence Bodily Injury and Property Damage</p> <p>\$1,000,000 Aggregate</p>	<p>If the vendor is operating a business that distributes, sells or serves alcoholic beverages or if their activities require a liquor license they should maintain Liquor Liability insurance and shall include <i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers as an additional insured.</p>
<p><b>Umbrella Liability</b></p>	<p>Varies by Project</p>	<p>Required if contract requires limits higher than \$1,000,000.</p>
<p><b>Note:</b> Depending on the nature of the product being sold, higher limits of liability may be required.</p>		

<b>PRODUCER</b> ABC Insurance Broker 123 Maple Street Any Town, IL 60000	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
<b>INSURED</b> A-1 Vendor, Inc. 456 Pine Lane Any Town, IL 60000	INSURER A: A VII or Better Insurance Company A	54321
	INSURER B: A VII or Better Insurance Company B	12345
	INSURER C: A VII or Better Insurance Company C	67890
	INSURER D: A VII or Better Insurance Company D	09876

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A	Y	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGG LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC	ABC111	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occ)	\$50,000
						MED EXP (Any one person)	\$5,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS-COMP/OP AGG	\$2,000,000
B		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> PIP (if required)	DEF222	01/01/10	01/01/11	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/>				AUTO ONLY-EA ACCIDENT	\$
						OTHER THAN EA ACC	\$
C		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	GHI333	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						AGGREGATE	\$1,000,000
						(include if needed to meet contract limit requirements and increase if necessary)	\$
							\$
D		WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/ EXEC Y/N OFFICER/MEMBER EXCLUDED? <u>  N  </u> IF YES, DESCRIBE BELOW.	JKL444	01/01/10	01/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
						E.L. EACH ACCIDENT	\$500,000
						E.L. DISEASE-EA EMPLOYEE	\$500,000
						E.L. DISEASE-POLICY LIMIT	\$500,000
A		OTHER Liquor Liability (if required)	MNO555	01/01/10	01/01/11	\$1,000,000 per claim/aggregate (or higher amounts if needed)	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 Re: Contract No. \_\_\_\_\_: With respect to general liability: ISO form CG0001 is used (or the equivalent); [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers are included as additional insureds using ISO endorsement CG2026 (or the equivalent); coverage is primary/non-contributory; and ISO Endorsement CG2404 (or the equivalent) is included. With respect to auto: ISO form CA0001 is used (or the equivalent). With respect to liquor liability (if required) [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers are included as additional insureds.

CERTIFICATE HOLDER

CANCELLATION

[Name of Your School] [Address of Your School]	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
	AUTHORIZED REPRESENTATIVE SIGNATURE OF AUTHORIZED REP OF INSURANCE COMPANY

## School Bus Services

Insurance Requirements	Minimum Limits	Notes
<p><b>Commercial General Liability</b></p> <p>ISO Form CG0001 (12/04 Edition) or its Equivalent</p> <p>ISO Endorsement CG2026 – See Notes</p>	<p>\$1,000,000 Per Occurrence Bodily Injury and Property Damage</p> <p>\$2,000,000 General Aggregate</p> <p>\$2,000,000 Products/Completed Operations Aggregate</p>	<p>These insurance requirements are for those that provide contracted or chartered student/employee transportation services.</p> <p><i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers should be included as an additional insured using ISO Endorsement CG2026 or the equivalent.</p>
<p><b>Business Automobile Coverage</b></p> <p>ISO Form CA0001 or a Substitute Form Providing Equivalent Coverage</p>	<p>\$5,000,000 Each Accident Limit for Bodily Injury and Property Damage</p> <p>Limit May be Satisfied by an Umbrella/Excess Liability Policy</p>	<p>Coverage must include: All owned, non-owned, and hired vehicles and, where applicable, Personal Injury Protection.</p>
<p><b>Workers' Compensation (Statutory) and Employers' Liability</b></p>	<p>Coverage A, in Compliance With the Laws of the State of <i>[Your State]</i>; and Coverage B, \$500,000/\$500,000/\$500,000</p>	<p>This coverage must include statutory coverage for states in which employees are engaging in work.</p>

PRODUCER ABC Insurance Broker 123 Maple Street Any Town, IL 60000	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED A-1 Bus Services, Inc. 456 Pine Lane Any Town, IL 60000	INSURER A: A VII or Better Insurance Company A	54321
	INSURER B: A VII or Better Insurance Company B	12345
	INSURER C: A VII or Better Insurance Company C	67890
	INSURER D: A VII or Better Insurance Company D	09876

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
						EACH OCCURRENCE	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGG LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	ABC111	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occ)	\$50,000
						MED EXP (Any one person)	\$5,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS-COMP/OP AGG	\$2,000,000
B		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> PIP (if required)	DEF222	01/01/10	01/01/11	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/>				AUTO ONLY-EA ACCIDENT	\$
						OTHER THAN EA ACC	\$
						AUTO ONLY: AGG	\$
C		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	GHI333	01/01/10	01/01/11	EACH OCCURRENCE	\$4,000,000
						AGGREGATE	\$4,000,000
						(increase if required by contract)	\$
							\$
D		WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/ EXEC Y/N OFFICER/MEMBER EXCLUDED? <u>  N  </u> IF YES, DESCRIBE BELOW.	JKL444	01/01/10	01/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
						E.L. EACH ACCIDENT	\$500,000
						E.L. DISEASE-EA EMPLOYEE	\$500,000
						E.L. DISEASE-POLICY LIMIT	\$500,000
A		OTHER Liquor Liability (if required)	MNO555	01/01/10	01/01/11	\$1,000,000 per claim/aggregate (or higher amounts if needed)	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 Re: Contract No. \_\_\_\_\_ With respect to general liability: ISO form CG0001 is used (or the equivalent); and [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers are included as additional insureds using ISO Endorsement CG2026 (or the equivalent). With respect to auto: ISO form CA0001 is used (or the equivalent). With respect to umbrella/excess liability - aggregate limit is not applicable to auto liability coverage.

CERTIFICATE HOLDER

[Name of Your School]  
 [Address of Your School]

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE  
 SIGNATURE OF AUTHORIZED REP OF INSURANCE COMPANY

## Consulting and Professional Services Agreements

Insurance Requirements	Minimum Limits	Notes
<b>Commercial General Liability</b> ISO Form CG0001 or its Equivalent	\$1,000,000 Per Occurrence Bodily Injury and Property Damage \$2,000,000 General Aggregate	Insurance must be maintained for the duration of the contract or longer if so stated in the contract.  <i>The general aggregate should be twice the minimum required occurrence limit.</i>
<b>Business Automobile Coverage</b> ISO Form CA0001 or a Substitute Form Providing Equivalent Liability Coverage	\$1,000,000 Each Accident Limit for Bodily Injury and Property Damage	Coverage must include: All owned, non-owned, and hired vehicles and, where applicable, Personal Injury Protection.
<b>Workers' Compensation (Statutory) and Employers' Liability</b>	Coverage A, in Compliance With the Laws of the State of <i>[Your State]</i> ; and Coverage B, \$500,000/\$500,000/\$500,000	This coverage must include statutory coverage for states in which employees are engaging in work.
<b>Professional Liability Insurance</b>	\$1,000,000 Per Claim/Loss \$2,000,000 Annual Aggregate  The Scope of Work, Size of Contract and Potential for Loss May Require Higher Limits	Required whenever the service provider must be licensed by the State of <i>[your state]</i> and/or where the consultant's errors or allegations of errors in judgment, planning, design, etc., could result in an economic loss to <i>[Name of School]</i> . The policy should cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services in the Contract.  <i>[Name of School]</i> shall require that the Consultant/Service Provider provide proof of coverage for up to three (3) years after the completion of the project if written on a claims-made basis.

Insurance Requirements	Minimum Limits	Notes
<p><b>Professional Liability for IT Technology, including Cyber Risk</b></p>	<p>\$1,000,000 Each Claim/Loss \$2,000,000 Aggregate</p> <p>For Contracts over \$500,000 Recommend:</p> <ul style="list-style-type: none"> <li>• \$5,000,000 Each Claim/Loss</li> <li>• \$5,000,000 Aggregate</li> </ul>	<p>The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.</p> <p>In the event that the professional liability insurance required by the Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this Contract is completed.</p> <p>If such insurance is maintained on an occurrence form basis, Consultant should maintain such insurance for an additional period of one (1) year following termination of the Contract.</p> <p>If Consultant contends that any of the insurance it maintains pursuant to other sections of this clause satisfies this requirement (or otherwise insures the risks described in this section), then Consultant should provide proof of same.</p> <p>The insurance should provide coverage for the following risks</p> <ol style="list-style-type: none"> <li>a. Liability arising from theft, dissemination and/or use of confidential information (a defined term including but not limited to bank account, credit card account, personal information such as name, address, social security numbers, etc., information) stored or transmitted in electronic form.</li> <li>b. Network Security Liability arising from the unauthorized access to, use of or tampering with computer systems including hacker attacks, inability of an authorized third party, to gain access to your services including denial of service, unless caused by a mechanical or electrical failure.</li> <li>c. Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, computer system, network or similar computer related property and the data, software, and programs thereon.</li> </ol> <p>The contract should include a waiver of subrogation in favor of <i>[Name of School]</i>; and <i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers should be included as additional insureds with respect to liability arising out of the activities performed by, or on behalf of the Consultant.</p>

PRODUCER ABC Insurance Broker 123 Maple Street Any Town, IL 60000	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED A-1 Consulting, Inc. 456 Pine Lane Any Town, IL 60000	INSURER A: A VII or Better Insurance Company A	54321
	INSURER B: A VII or Better Insurance Company B	12345
	INSURER C: A VII or Better Insurance Company C	67890
	INSURER D: A VII or Better Insurance Company D	09876

COVERAGES

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INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A	Y	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGG LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	ABC111	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occ)	\$50,000
						MED EXP (Any one person)	\$5,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS-COMP/OP AGG	\$2,000,000
B		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> PIP (if required)	DEF222	01/01/10	01/01/11	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/>				AUTO ONLY-EA ACCIDENT	\$
						OTHER THAN EA ACC	\$
C		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	GHI333	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						AGGREGATE	\$1,000,000
						(include if needed to meet contract limit requirements and increase if necessary)	\$
							\$
D		WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/ EXEC Y/N OFFICER/MEMBER EXCLUDED? <u>N</u> IF YES, DESCRIBE BELOW.	JKL444	01/01/10	01/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
						E.L. EACH ACCIDENT	\$500,000
						E.L. DISEASE-EA EMPLOYEE	\$500,000
						E.L. DISEASE-POLICY LIMIT	\$500,000
A		OTHER Professional Liability (if required)	MNO555	01/01/10	01/01/11	\$1,000,000 per claim/aggregate (or higher amounts if required)	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 Re: Contract No. \_\_\_\_\_. With respect to general liability: ISO form CG0001 is used (or the equivalent); [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers are included as additional insureds using ISO endorsement CG2026 (or the equivalent); and coverage is primary/non-contributory. With respect to auto: ISO form CA0001 is used (or the equivalent). With respect to professional liability (if required and is written on a claims-made basis): the retroactive date precedes the date that work under this contract begins.

(If IT contract the professional liability must include – liability arising from theft, dissemination or use of confidential information; network security liability from unauthorized access and denial of service; and liability arising from computer virus).

CERTIFICATE HOLDER

[Name of Your School]  
 [Address of Your School]

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE  
 SIGNATURE OF AUTHORIZED REP OF INSURANCE COMPANY

## Short-Term Lease Agreements/Special Events

Insurance Requirements	Minimum Limits	Notes
<p><b>Commercial General Liability</b></p> <p>ISO Form CG0001 or its Equivalent</p> <p>ISO Endorsement CG2011 – See Notes</p>	<p>\$1,000,000 Per Occurrence Bodily Injury and Property Damage</p>	<p>Contracts for lease of <i>[Name of School]</i> owned premises for special events normally require lessees to provide Commercial General Liability.</p> <p><i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents and volunteers are to be named as Additional Insured using ISO Endorsement CG2011 Additional Insured – Managers or Lessors of Premises or its equivalent.</p>
<p><b>Business Automobile Coverage</b></p>	<p>\$1,000,000 Each Accident Limit for Bodily Injury and Property Damage</p>	<p>Required when a vehicle will be used on the premises.</p> <p>Coverage must include: All owned, non-owned and hired vehicles and, where applicable, Personal Injury Protection.</p>
<p><b>Workers' Compensation (Statutory) and Employers' Liability</b></p>	<p>Coverage A, in Compliance With the Laws of the State of <i>[Your State]</i>; and Coverage B, \$500,000/\$500,000/\$500,000</p>	<p>This coverage must include statutory coverage for states in which employees are engaging in work.</p>

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
01/01/10

<b>PRODUCER</b> ABC Insurance Broker 123 Maple Street Any Town, IL 60000	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
<b>INSURED</b> A-1 Community Theater Group, Inc. 456 Pine Lane Any Town, IL 60000	INSURER A: A VII or Better Insurance Company A	54321
	INSURER B: A VII or Better Insurance Company B	12345
	INSURER C: A VII or Better Insurance Company C	67890
	INSURER D: A VII or Better Insurance Company D	09876

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
						EACH OCCURRENCE	
A	Y	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGG LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	ABC111	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occ)	\$50,000
						MED EXP (Any one person)	\$5,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS-COMP/OP AGG	\$2,000,000
B		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> PIP (if required)	DEF222	01/01/10	01/01/11	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
						AUTO ONLY-EA ACCIDENT	\$
C		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	GHI333	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						AGGREGATE	\$1,000,000
						(include if needed to meet contract limit requirements and increase if necessary)	\$
D		WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/ EXEC Y/N OFFICER/MEMBER EXCLUDED? <u>N</u> IF YES, DESCRIBE BELOW.	JKL444	01/01/10	01/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
						E.L. EACH ACCIDENT	\$500,000
						E.L. DISEASE-EA EMPLOYEE	\$500,000
						E.L. DISEASE-POLICY LIMIT	\$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 Re: Use of space at [School Address] for [event description] on [event date(s)]. With respect to general liability: ISO form CG0001 is used (or the equivalent); and [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers are included as additional insureds using ISO endorsement CG2011 (or the equivalent). With respect to auto: ISO form CA0001 is used (or the equivalent) (if required).

CERTIFICATE HOLDER

[Name of Your School]  
 [Address of Your School]

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE  
 SIGNATURE OF AUTHORIZED REP OF INSURANCE COMPANY

## Commercial Lease of Premises

Insurance Requirements	Minimum Limits	Notes
<p><b>Commercial General Liability</b></p> <p>ISO Form CG0001 or its Equivalent</p> <p>ISO Endorsement CG2010 or its Equivalent – See Notes</p>	<p>\$1,000,000 Per Occurrence Bodily Injury and Property Damage</p> <p>\$2,000,000 General Aggregate</p> <p>\$2,000,000 Products/Completed Operations</p> <p>\$50,000 Damage to Premises Rented to You</p> <p>\$5,000 Medical Payments</p>	<p>Contracts for lease of <i>[Name of School]</i> owned premises require tenants to provide Commercial General Liability.</p> <p>Agreements must include Waiver of Subrogation language in favor of <i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers that clearly states that the insurer paying any claim arising by reason of any operations under the lease <b>will not</b> seek reimbursement from <i>[Name of School]</i>. This can be accomplished by the use of ISO Endorsement CG2988 Waiver of Transfer of Rights of Recovery Against Others to Us or its equivalent.</p> <p><i>[Name of School]</i> and its <i>[Name of Governing Board]</i> are to be named as Additional Insured using ISO Endorsement CG2010 or its equivalent.</p> <p>The specifications in this section should be used in commercial-type leases with tenants. Generally, this section applies to long-term leases of office space or office buildings, land leases, development agreements and the like. This section does not apply to short-term leases or permits to use school premises (buildings, stadiums, etc.) for special events.</p>
<p><b>Business Automobile Coverage</b></p> <p>ISO Form CA0001 or a Substitute Form Providing Equivalent Liability Coverage</p>	<p>\$1,000,000 Each Accident Limit for Bodily Injury and Property Damage</p>	<p>Required where a vehicle will be used on the premises.</p> <p>Coverage must include: All owned, non-owned and hired vehicles and, where applicable, Personal Injury Protection.</p>
<p><b>Workers' Compensation (Statutory) and Employers' Liability</b></p>	<p>Coverage A, in Compliance With the Laws of the State of <i>[Your State]</i>; and Coverage B, \$500,000/\$500,000/\$500,000</p>	<p>This coverage must include statutory coverage for states in which employees are engaging in work.</p> <p>The contract should state that the Tenant waives all rights against <i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers for recovery of damages to the extent these damages are covered by Workers' Compensation and Employers' Liability insurance. The Endorsement to use for this coverage is NCCI #WC000313 Waiver of Our Right to Recover from Others.</p>

Insurance Requirements	Minimum Limits	Notes
<b>Commercial Property</b>	100% Replacement Cost Value of Tenant’s Business Personal Property and Equipment (and Other Property if Required in the Lease Agreement)	<ol style="list-style-type: none"> <li>a. Property insurance should be written on a Covered Cause of Loss-Special Form. The perils of flood and earth movement should be included if the property is located in an area with those hazards.</li> <li>b. <i>[Name of School]</i> is an Additional Insured – Owner/Loss Payee with respect to fixtures and improvements if the lease agreement requires the tenant/lessee to insure that type of property.</li> <li>c. <i>[Name of School]</i> is an Additional Insured – Owner/Loss Payee with respect to the building if the lease agreement requires the tenant/lessee to insure the building (this sometimes occurs when the tenant/lessee is the sole occupant).</li> <li>d. Coverage for Loss of Rents in an amount sufficient to satisfy the tenant/lessee obligations under the lease agreement using ISO Endorsement CP 15 03 06 07 or its equivalent.</li> <li>e. Must contain Waiver of Subrogation language that clearly states the insurer paying any claim will not seek reimbursement from <i>[Name of School]</i>. Note – most Property policies automatically include this language.</li> </ol>
<b>Pollution Liability</b>	Varies by Occupancy	<p>If tenant’s/lessee’s occupancy creates a pollution hazard this coverage should be required. This can be accomplished by adding ISO Endorsement CG2415 Limited Pollution Liability Extension or its equivalent to the CGL policy. A separate Pollution Legal Liability policy providing equivalent protection is also acceptable.</p> <p><i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents and volunteers shall be included as additional insureds.</p> <p><i>[Name of School]</i> shall require that the tenant/lessee provide proof of coverage for up to three (3) years after the termination of the lease agreement if written on a claims- made basis.</p>
<b>Sexual Abuse and Molestation</b>	\$1,000,000 Each Wrongful Act	<p>If the tenant/lessee is in the business of providing services to minors (for example – day care or camps), you may want to consider adding this as a coverage requirement.</p> <p><i>[Name of School]</i> and its <i>[Name of Governing Board]</i>, officers, employees, agents, and volunteers shall be included as additional insureds.</p> <p><i>[Name of School]</i> shall require that the tenant/lessee provide proof of coverage for up to three (3) years after the termination of the lease agreement if written on a claims-made basis.</p>

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
01/01/10

<b>PRODUCER</b> ABC Insurance Broker 123 Maple Street Any Town, IL 60000	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
<b>INSURED</b> A-1 Community Theater Group, Inc. 456 Pine Lane Any Town, IL 60000	INSURER A: A VII or Better Insurance Company A	54321
	INSURER B: A VII or Better Insurance Company B	12345
	INSURER C: A VII or Better Insurance Company C	67890
	INSURER D: A VII or Better Insurance Company D	09876

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A	Y	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGG LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	ABC111	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occ)	\$50,000
						MED EXP (Any one person)	\$5,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS-COMP/OP AGG	\$2,000,000
B		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> PIP (if required)	DEF222	01/01/10	01/01/11	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY				AUTO ONLY-EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO <input type="checkbox"/>				OTHER THAN EA ACC	\$
						AUTO ONLY: AGG	\$
C		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	GHI333	01/01/10	01/01/11	EACH OCCURRENCE	\$1,000,000
						AGGREGATE	\$1,000,000
						(include if needed to meet contract limit requirements and increase if necessary)	\$
							\$
D		WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/ EXEC Y/N OFFICER/MEMBER EXCLUDED? <u>N</u> IF YES, DESCRIBE BELOW.	JKL444	01/01/10	01/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
						E.L. EACH ACCIDENT	\$500,000
						E.L. DISEASE-EA EMPLOYEE	\$500,000
						E.L. DISEASE-POLICY LIMIT	\$500,000
A		Pollution Liability (if required, can also be done by adding ISO endt CG2415 to the GL policy)	MNO555	01/01/10	01/01/11	\$1,000,000 per claim/aggregate	
A		Sexual Abuse & Molestation (if required)	PQR666	01/01/10	01/01/11	\$1,000,000 per wrongful act/aggregate (or higher amounts if needed)	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 Re: Lease of space at [School Address]. With respect to general liability: ISO form CG0001 is used (or the equivalent); [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers are included as additional insureds using ISO endorsement CG2010 (or the equivalent); and a waiver of subrogation in favor of [Name of School] is included using ISO endorsement CG2988 (or the equivalent). With respect to auto: ISO form CA0001 is used (or the equivalent) (if required). With respect to workers' compensation: a waiver of our right to recover from others NCCI endorsement WC000313 is included in favor of [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers. With respect to pollution legal liability (if required and is written on a claims-made basis): the retroactive date precedes the date the lease agreement begins; and [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers are included as additional insureds. With respect to sexual abuse & molestation (if required and is written on a claims-made basis): the retroactive date precedes the date that the lease agreement begins; and [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers are included as additional insureds.

CERTIFICATE HOLDER  [Name of Your School] [Address of Your School]	CANCELLATION  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
	AUTHORIZED REPRESENTATIVE SIGNATURE OF AUTHORIZED REP OF INSURANCE COMPANY

<b>ACORD</b>		<b>EVIDENCE OF COMMERCIAL PROPERTY INSURANCE</b>		DATE (MM/DD/YYYY) 01/01/10
THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.				
PRODUCER NAME, CONTACT PERSON AND ADDRESS ABC Insurance Broker 123 Maple Street Any Town, IL 60000		PHONE (123) 456-7890 (A/C, No, Ext):	COMPANY NAME AND ADDRESS A VII or Better Insurance Company A 789 Cedar Avenue New York, NY 10000 IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH	NAIC NO: 54321
FAX 312-773-1234 (A/C, No):		E-MAIL ADDRESS: smith@abc.com	POLICY TYPE Property	
CODE:		SUB CODE:	LOAN NUMBER	POLICY NUMBER ABC111
AGENCY CUSTOMER ID #:		EFFECTIVE DATE 01/01/10		EXPIRATION DATE 01/01/11
NAMED INSURED AND ADDRESS A-1 Community Theatre Group, Inc. 456 Pine Lane Any Town, IL 60000		THIS REPLACES PRIOR EVIDENCE DATED:		
ADDITIONAL NAMED INSURED(S)				

PROPERTY INFORMATION (Use REMARKS on page 2, if more space is required)  BUILDING OR  BUSINESS PERSONAL PROPERTY

LOCATION/DESCRIPTION  
[Premises address]  
[Name of Your School] is an Additional Insured – Owner/Loss Payee as required by contract.

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 EVIDENCE OF PROPERTY INSURANCE 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.

COVERAGE INFORMATION PERILS INSURED  BASIC  BROAD  SPECIAL

COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$(100% RCV of tenant property and as required by contract)

	YES	NO	N/A	
<input type="checkbox"/> BUSINESS INCOME <input checked="" type="checkbox"/> RENTAL VALUE	X			If YES, LIMIT: (amount required by lease agreement)
BLANKET COVERAGE				If YES, indicate value(s) reported on property identified above: \$
TERRORISM COVERAGE				Attach Disclosure Notice / DEC
IS THERE A TERRORISM-SPECIFIC EXCLUSION?				
IS DOMESTIC TERRORISM EXCLUDED?				
LIMITED FUNGUS COVERAGE				If YES, LIMIT: DED:
FUNGUS EXCLUSION (If "YES", specify organization's form used)				
REPLACEMENT COST	X			
AGREED VALUE	X			
COINSURANCE				If YES, %
EQUIPMENT BREAKDOWN (If Applicable)				If YES, LIMIT: DED:
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg				
- Demolition Costs				If YES, LIMIT: DED:
- Incr. Cost of Construction				If YES, LIMIT: DED:
EARTH MOVEMENT (If Applicable)	X			If YES, LIMIT: Included DED:
FLOOD (If Applicable)	X			If YES, LIMIT: Included DED:
WIND / HAIL (If Subject to Different Provisions)				If YES, LIMIT: DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS				

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE ADDITIONAL INTEREST NAMED BELOW, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

**ADDITIONAL INTEREST**

<input type="checkbox"/> MORTGAGEE <input type="checkbox"/> CONTRACT OF SALE	LENDER SERVICING AGENT NAME AND ADDRESS
<input type="checkbox"/> LENDERS LOSS PAYABLE	
NAME AND ADDRESS [Name of Your School] [Address of Your School]	AUTHORIZED REPRESENTATIVE SIGNATURE OF AUTHORIZED REP OF INSURANCE COMPANY

## Contract Language

### Indemnity

All contracts should contain language obligating the consultant, contractor, lessee, or vendor to indemnify, defend, and hold harmless *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents, and volunteers from and against any and all claims, losses, etc., arising from injury to persons or damage to property as a result of an act or omission of the consultant, contractor, lessee, or vendor. Hold harmless clauses come in many forms – categorized as either broad, intermediate, or limited form. In addition to *[Name of School]*'s preference regarding the type of hold harmless agreement used, each State has different laws and/or legal decisions that will govern which indemnification agreement is enforceable. Check with *[Department Responsible for Insurance]* before implementing changes to existing contract language. An explanation and example of each type of hold harmless clause is provided below.

### Hold Harmless and Indemnification Agreements and Non-Waiver

#### A. Hold Harmless and Indemnification Agreement

##### Broad Form

The indemnitor assumes an unqualified obligation to hold *[Name of School]* harmless for all liability associated with the subject matter of the agreement, regardless of which party was actually at fault (even if the damage, injury, or claim is due to the sole negligence of *[Name of School]*).

Example – Tenant will indemnify and hold *[Name of School]* harmless from all claims arising from or in connection with (i) the conduct or management of the Premises or of any business therein, or any work or thing whatsoever done, or any condition created in or about the Premises during the Term; (ii) any act, omission or negligence of Tenant or any of Tenant's subtenants or licensees or the partners, directors, officers, agents, employees, invitees, or contractors of Tenant or of Tenant's subtenants or licensees; (iii) any accident, injury, or damage whatsoever occurring in or at the Premises. Tenant hereby expressly indemnifies *[Name of School]* for the consequences of any negligent act or omission of *[Name of School]*, and its *[Name of Governing Board]*, officers, employees, agents, and volunteers, unless such act or omission constitutes gross negligence or intentional misconduct.

##### Intermediate Form

The indemnitor assumes all liabilities of *[Name of School]* relating to the subject matter of the agreement, except where the injury or damage is caused by *[Name of School]*'s sole negligence. Any amount of fault on the part of the indemnitor under an intermediate hold harmless agreement obligates the indemnitor to indemnify *[Name of School]* for the total amount of damages. The only instance in which the indemnitor is relieved of the contractual obligation to indemnify is when the loss is due solely to the fault of *[Name of School]*.

Example – To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents and volunteers from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of the Work, provided that any such claim, damage, loss or expense (i) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including the loss of use resulting therefrom and (ii) is caused in whole or in part by any negligent act or omission of the Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder.

### Limited Form

This agreement obligates the indemnitor only to the extent of its own fault. This type is often referred to as a comparative fault indemnification agreement.

Example – To the fullest extent permitted by law, Indemnitor shall indemnify and hold harmless *[Name of School]* from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the work itself) including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent acts or omissions of Indemnitor.

### **B. Non-Waiver**

The parties hereto understand and agree that *[Name of School]* is relying on, and does not waive or intend to waive by any provision of this Contract, any monetary limitations or any other rights, immunities, and protections provided by the State of *[your state]*, as from time to time amended, or otherwise available to *[Name of School]* or its *[Name of Governing Board]*, officers, employees, agents, or volunteers.

### Independent Contractor

All consulting contracts should contain language that the consultant is an independent contractor with respect to the services to be performed under the contract, and is not an employee of *[Name of School]*. An example is shown below.

Contractor and any persons employed by Contractor for the performance of work hereunder shall be independent contractors and not agents of *[Name of School]*. Any provisions in this Contract that may appear to give *[Name of School]* the right to direct Contractor as to details of doing work or to exercise a measure of control over the work mean that Contractor shall follow the direction of *[Name of School]* as to end results of the work only.

As an independent contractor, Contractor is not entitled to Workers' Compensation benefits except as may be provided by the Contractor, nor to unemployment insurance benefits unless unemployment compensation coverage is provided by the Contractor or some other entity. The Contractor is obligated to pay all federal and state income tax on any moneys earned or paid pursuant to this contract.

### Assignment

All consulting contracts should expressly prohibit the Consultant from subletting or assigning any services covered by the contract without written permission of *[Name of School]*. This provision does not extend to ancillary services such as printing or photocopying that are reimbursable under the contract.

## Appendices

Appendix	Subject
1	Construction/Renovation Contracts/Builders' Risk Options
2	Vendor Agreements
3	School Bus Services
4	Consulting and Professional Services Architects/Engineers and Information Technology Supplement
5	Short Term Lease Agreements/Special Events/Commercial Lease of Premises
6	Additional Insured Endorsements
7	Definitions of Common Terms
8	Example Request Letters

## **Appendix 1**

**Construction /Renovation Contracts/  
Builders' Risk Options**

## Insurance and Related Requirements

### Minimum Insurance Coverages and Requirements

(Contractor) shall obtain and maintain the minimum insurance coverages set forth below. By requiring such minimum insurance, [Name of School] shall not be deemed or construed to have assessed the risk that may be applicable to (Contractor) under Contract Number\_\_\_\_\_. (Contractor) shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The Contractor is not relieved of any liability or other obligations assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. The insurance coverages stated below do not replace any surety bonds as required by contract.

### Coverages

1. **Commercial General Liability** – ISO form CG0001 or its equivalent form providing equivalent liability coverage. Coverage to include:

- A. Premises and Operations
- B. Personal Injury/Advertising Injury
- C. Products/Completed Operations
- D. Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract)
- E. Independent Contractors

2. **Automobile Liability** including:

- A. Owned Vehicles
- B. Non-Owned Vehicles
- C. Hired Vehicles
- D. Personal Injury Protection (where applicable)

3. **Workers' Compensation and Employers' Liability**

Workers' Compensation (Coverage A) and Employers' Liability (Coverage B)

4. **Professional Liability (Including Design Build Errors and Omissions)**

When operations or activities under the contract involve any type of design work Professional Liability coverage shall be maintained by (Contractor) covering wrongful acts, errors, or omissions of (Contractor). If the coverage is written on a claims-made basis, the Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning from the time that work under this contract is completed.

5. **Contractors' Pollution Liability**

[Name of School] requires this coverage whenever work at issue under this Contract involves potential pollution risk to the environment or losses caused by pollution conditions (including asbestos) that may arise from the operations of the Contractor described in the Contractor's scope of services. The policy shall cover the Contractor's completed operations.

**Contractors' Pollution Liability (cont.)**

Coverage shall apply to sudden and gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants (including asbestos). If the coverage is written on a claims-made basis, the Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning from the time that work under this contract is completed.

This coverage can be obtained through the Contractor's Commercial General Liability policy by including the Limited Pollution Liability Extension ISO Endorsement CG 2415 or its equivalent.

If the Contractor is responsible for the transport of any hazardous waste, the Contractor should extend the Pollution Liability Policy to cover this exposure or the Contractor can add to the Business Automobile Policy by adding ISO Endorsement CA 9948 and MCS-90.

## Limits Required

(Contractor) shall carry the following minimum limits of liability and coverages:

<b>Commercial General Liability</b>	
General Aggregate (per project aggregate) <sup>(1)</sup>	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal/Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000
Medical Payments (Any One Person)	\$5,000
<b>Automobile Liability</b>	
Bodily Injury/Property Damage (Each Accident)	\$1,000,000
Personal Injury Protection, if applicable	Statutory
<b>Workers' Compensation</b>	
Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers' Liability)	\$500,000 \$500,000 \$500,000
<b>Umbrella Liability (if required)</b>	
Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$1,000,000
Products/Completed Operations Aggregate Limit	\$1,000,000
<b>Professional Liability (if required)</b>	
Each Occurrence/Incident/Claim	\$1,000,000
Aggregate	\$2,000,000
<i>[Name of School]</i> requires (Contractor) to keep this policy in effect after completion of the project as specified in the contract if written on a claims-made basis.	
<b>Pollution Liability (if required)</b>	
Per Loss	\$1,000,000
Aggregate	\$1,000,000
<i>[Name of School]</i> requires (Contractor) to keep this policy in effect after completion of the project as specified in the contract if written on a claims-made basis.	

<sup>(1)</sup> Designated Construction Project(s) General Aggregate (ISO Form CG2503).

## **Additional Requirements**

### **Commercial General Liability (CGL)**

CGL must include coverage for liability arising from products-completed operations and liability assumed under an insured contract.

If the CGL insurance has a general aggregate limit then ISO Endorsement CG2503 (03/97 edition) or its equivalent must be added. The Designated Construction Project(s) General Aggregate Limit must be maintained for the duration of the agreement and the limit must be twice the minimum required per occurrence limit.

(Contractor) shall name *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents, and volunteers as Additional Insureds on ISO Endorsement CG2010 or a substitute providing equivalent coverage and CG2037.

The CGL policy shall contain no endorsement or modification limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage, or damage to the work.

Must be written on a primary basis, non-contributory with any other insurance coverages and/or self-insurance available to *[Name of School]*.

Must include a Waiver of Subrogation in favor of *[Name of School]*.

### **Business Automobile**

Business Automobile must be endorsed to include Contractual Liability coverage if it is not automatically included within the form.

### **Contractors' Pollution Liability**

The Contractors Pollution Policy shall be endorsed to include the following *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents, and volunteers are included as additional insureds with respect to liability and defense of suits arising out of the activities performed by, or on behalf of the Contractor, including completed operations.

If coverage is written on a claims-made basis, the Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning from the time that work under this contract is completed.

### **Workers' Compensation**

Workers' Compensation policy must include NCCI Endorsement WC000313 Waiver of Our Right to Recover from Others Endorsement in favor of *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents, and volunteers.

If there is an exposure of injury to Contractors employees under any federal acts coverage shall be included for such injuries or claims.

### **All Policies**

May not be non-renewed, cancelled or materially changed or altered unless thirty (30) days advance written notice via certified mail is provided to *[Name of School]*.

### **Option I: Builders' Risk or Installation Floater Provided by Contractor – Completed Value Basis**

Unless otherwise provided, the Contractor shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, Builders' Risk Insurance in the amount of the initial Contract Amount plus values of subsequent modifications, change orders, and loss of materials supplied or installed by others comprising the value of the entire project at the site on a replacement cost basis. Such Builders' Risk Insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made or until no person or entity other than *[Name of School]* has an insurable interest in the property to be covered, whichever is earlier. The Builders' Risk insurance shall include the interests of *[Name of School]*, General Contractor, subcontractors and sub-tier contractors in the project.

The Builders' Risk Coverage shall be written on a Special Covered Cause of Loss form and shall include theft, vandalism, malicious mischief, collapse, false-work, temporary buildings, transit, debris removal including demolition, increased cost of construction, architect's fees and expenses, *soft costs* <sup>(1)</sup>, flood (including water damage), earthquake, and if applicable, all below and above ground structures, piping, foundations including underground water and sewer mains, pilings including the ground on which the structure rests and excavation, backfilling, filling, and grading.

Insured property shall include portions of the work located away from the site but intended for use at the site, and shall also cover portions of the work in transit. The policy shall cover the cost of removing debris, including demolition as may be made legally necessary by the operation of any law, ordinance or regulation.

Equipment Breakdown Coverage (a.k.a. Boiler & Machinery) shall be included as required by the Contract Documents or by law, which shall specifically cover insured equipment during installation and testing (including cold and hot testing).

The deductible shall not exceed \$TBD (may be higher for Flood and Earthquake) and shall be the responsibility of the Contractor.

If Owner is damaged by failure of Contractor to maintain insurance as required in this section, then Contractor shall bear all reasonable costs properly attributable to that failure. Coverages shall be written for 100% of the completed value (replacement cost basis) of the work being performed. Waiver of Subrogation is to apply against all parties named as insureds, but only to the extent the loss is covered. Other coverages may be required as described in the Contract documents.

If the Contractor does not intend to purchase such Builders' Risk Insurance required by the Contract and with all of the coverages in the amount described above, the Contractor shall so inform *[Name of School]* in writing prior to commencement of the work. *[Name of School]* may then effect insurance which will protect the interests of *[Name of School]*, General Contractor, Subcontractors and sub-tier contractors in the project. Coverages applying shall be the same as stated above. The cost of such insurance shall be charged to the Contractor.

Losses in excess of the deductible insured under the Builders' Risk shall be adjusted in conjunction with *[Name of School]*. Any insurance payments/proceeds shall be made payable to *[Name of School]* subject to requirements of any applicable mortgage clause. The contractor shall pay subcontractors their just shares of insurance proceeds received by the contractor, and by appropriate agreements, written where legally required for validity, shall require subcontractors to make payments to their sub-tier contractors in similar manner.

If *[Name of School]* is damaged by the failure or neglect of the Contractor to purchase or maintain insurance as described above, without so notifying *[Name of School]*, then the Contractor shall bear all reasonable costs properly attributable thereto.

Contractors engaged in modifications of existing structures are required to secure a Beneficial Occupancy Endorsement which enables *[Name of School]* to occupy the facility during construction.

**Option II: Builders' Risk Provided by [Name of School]**

**Note:** Many schools choose to purchase the Builders' Risk coverage since – the premiums would otherwise be a pass-through from the contractor to the school without any incentive for the contractor to seek out the best deal; the school can control the terms and conditions of coverage; and they can be certain premiums have been paid so coverage will remain in force for as long as it is needed.

Unless otherwise provided, *[Name of School]* shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, Builders' Risk Insurance in the amount of the initial Contract Amount plus values of subsequent modifications, change orders and loss of materials supplied or installed by others comprising the value of the entire project at the site on a replacement cost basis.

Such Builders' Risk Insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made or until no person or entity other than *[Name of School]* has insurable interest in the property to be covered, whichever is earlier. The Builders' Risk insurance shall include interests of *[Name of School]*, General Contractor, subcontractors and sub-tier contractors in the project.

The Builders' Risk Coverage shall be written on a Special Covered Cause of Loss form and shall include theft, vandalism, malicious mischief, collapse, false-work, temporary buildings, transit, debris removal including demolition, increased cost of construction, architect's fees and expenses, *soft costs*<sup>(1)</sup>, flood (including water damage), earthquake, and if applicable, all below and above ground structures, piping, foundations including underground water and sewer mains, pilings including the ground on which the structure rests and excavation, backfilling, filling, and grading.

Equipment Breakdown Coverage (a.k.a. Boiler & Machinery) shall be included as required by the Contract Documents or by law, which shall specifically cover insured equipment during installation and testing (including cold and hot testing).

The deductible shall not exceed \$TBD (may be higher for Flood and Earthquake) and shall be the responsibility of the Contractor.

*[Name of School]*'s insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

If *[Name of School]* does not intend to purchase such Builders' Risk Insurance required by the Contract and with all of the coverages in the amount described above, *[Name of School]* shall so inform the Contractor in writing prior to commencement of the work. The Contractor may then effect insurance which will protect the interests of *[Name of School]*, Contractor, subcontractors and sub-tier contractors in the project. Coverages applying shall be the same as stated above including other coverages that may be required by *[Name of School]*. The cost shall be charged to *[Name of School]*.

Losses in excess of the deductible insured under the Builders' Risk shall be adjusted by *[Name of School]*. Any insurance payments/proceeds shall be made payable to *[Name of School]* subject to requirements of any applicable mortgage clause. The Contractor shall pay subcontractors their just shares of insurance proceeds received by the contractor, and by appropriate agreements, written where legally required for validity, shall require subcontractors to make payments to their sub-tier contractors in similar manner.

## Builders' Risk Soft Costs

The term "soft costs" describes a type of coverage found in a Builders' Risk policy. Soft cost coverage is generally referred to as "delay in opening coverage". Delay in opening coverage reimburses *[Name of School]* for a loss resulting from a delay in the project's completion, **when the delay is a direct consequence of damage to the project by an insured peril.**

There are two basic types of delay in opening coverage: 1) loss of earnings-type coverage (income that would have been received had there been no delay in completion); and 2) specific delay cost-type coverage. The following list provides a brief description of some delay in completion coverage examples.

Most school projects do not require soft cost coverage, however, the school should be aware of the possible exposures and discuss them with the contractor to determine if any of the following examples apply to the project.

- **Loss of Earnings.** Total revenue and other earnings derived from operations of the project less: (1) cost of materials and supplies consumed directly in manufacturing the product or supplying the services sold by the Insured; (2) services purchased from outsiders for resale which do not continue under contract; and (3) charges and expenses which do not necessarily continue during the delay.
- **Loss of Rents.** The actual loss of net rental income sustained as a direct result of delay but not exceeding the reduction in rentals less charges and expenses which do not necessarily continue or arise because of the delay.
- **General Overhead-Developer.** General overhead and administration expenses incurred, including but not limited to additional clerical personnel, consultants' fees, temporary office space, additional security, and similar expenses.
- **Miscellaneous Operating Expenses.** Miscellaneous operating expenses may include such items as general overhead and administrative expenses, advertising, taxes, and other similar expenses incurred as a result of the delay in completion.
- **Fixed Operational and Maintenance Expenses.** Those costs incurred by the project owner whether or not the project is operating, less any income derived from the project operations. Such items include salaries, wages, taxes, maintenance, and other ongoing expenses which cannot be reasonably avoided during such delay.
- **Wheeling Charges.** Those fixed cost payments due to another electric utility for availability to wheelpower through that utility's transmission system which are due whether or not power is being generated by the project.
- **Additional Interest Expense.** The additional interest that may be charged by lenders for the extension or renewal of interim financing necessary for the completion of the project.
- **Debt Service Payments.** Interest payments and/or principal payments which become due and must be paid whether the project is operational or not.
- **Bond Interest.** Bond interest payments which become due and must be paid whether the project is habitable or not.
- **Construction Loan Fees.** Additional commissions or loan fees incurred in rearranging financing necessary for completion of the project.
- **Refinancing Charges.** The additional costs expended by the school solely to obtain new financing for the project, should the financing expire or fail to be renewed.

- **Fees for Letters of Credit, Trustee, Remarketing of Bonds.** Additional costs incurred in the event it becomes necessary to refinance the project as a result of the delay in completion.
- **Real Estate Taxes.** Additional realty taxes and other assessments actually incurred for the period of time that construction has been extended beyond the scheduled completion date.
- **Marketing Expenses.** Additional advertising, promotion, and such additional expenses as are incurred as a result of delay in scheduled completion of the project.
- **Legal/Professional Fees.** Additional accounting work incurred in renewing or restructuring the financing, other professional fees as a result of additional costs and expenses of the project and additional legal work incurred in renegotiating and preparing revised contracts and other documents.
- **Leasing Expenses.** Additional costs of renegotiating and preleasing of the project as a result of a delay in the scheduled opening date.

**Note:** Generally speaking, soft cost coverage is necessary only on very large projects. Staff may determine that soft cost coverage is not necessary on a specific project and can delete the requirement when developing the contract.

#### **Installation Floater Insurance Coverage (No Actual Building Alterations—Walls, Etc.)**

This coverage differs from Builders' Risk as it is designed to cover materials and/or equipment to be installed in existing structures and/or infrastructure (i.e., roads, bridges, culverts, underground tunnels, machinery, equipment, etc.). Coverage is to be written on a Special Covered Cause of Loss Form and is to include theft, faulty workmanship, mechanical or electrical damage during testing, labor costs to repair damaged work, soft costs (expediting expenses); deletion of any coinsurance provision is also required; any exclusions for underground exposures should be deleted. Flood and Earthquake coverages are also to be provided. As with Builders' Risk insurance coverage, either the Contractor or *[Name of School]* shall be responsible for this coverage. Coverage shall end when the work is accepted by *[Name of School]*.

**Appendix 2**  
**Vendor Agreements**

## Insurance and Related Requirements

### Minimum Insurance Coverages and Requirements

The (VENDOR) shall obtain and maintain the minimum insurance coverages set forth below. By requiring such minimum insurance [Name of School] shall not be deemed or construed to have assessed the risk that may be applicable to the (VENDOR) under Permit Number \_\_\_\_\_. The (VENDOR) shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The (VENDOR) is not relieved of any liability or other obligations assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types.

### Coverages

1. **Commercial General Liability** – ISO form CG0001 or its equivalent. Coverage to include:
  - A. Premises and Operations
  - B. Personal Injury/Advertising Injury
  - C. Products/Completed Operations
  - D. Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract)
  - E. Independent Contractors
2. **Automobile Liability** including all
  - A. Owned Vehicles
  - B. Non-Owned Vehicles
  - C. Hired Vehicles
  - D. Personal Injury Protection (where applicable)

3. **Workers' Compensation and Employers' Liability**

Workers' Compensation (Coverage A) and Employers' Liability (Coverage B)

4. **Liquor Liability**

*If the vendor is operating a business that distributes, sells or serves alcoholic beverages or if their activities require a liquor license they must maintain Liquor Liability insurance that includes [Name of School] and its [Name of Governing Board], officers, employees, agents, and volunteers as additional insureds.*

## Limits Required

The (Vendor) shall carry the following minimum limits of liability and coverages:

<b>Commercial General Liability</b>	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal/Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000
Medical Payments (Any One Person)	\$5,000
<b>If applicable, Liquor Liability limits:</b>	
Each Occurrence	\$1,000,000
Aggregate	\$1,000,000
<b>Automobile Liability</b>	
Bodily Injury/Property Damage Each Accident)	\$1,000,000
Personal Injury Protection, if applicable	Statutory
<b>Workers' Compensation</b>	
Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers' Liability)	\$500,000 \$500,000 \$500,000

### Additional Requirements

#### Commercial General Liability (CGL)

CGL must include coverage for liability arising from products-completed operations and liability assumed under an insured contract.

If the CGL insurance has a general aggregate limit then ISO Endorsement CG2504 (03/97 Edition) or its equivalent must be added. The Designated Location(s) General Aggregate Limit must be maintained for the duration of the agreement and the limit must be twice the minimum required occurrence limit.

(Vendor) shall name *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents, and volunteers as Additional Insureds on ISO Endorsement CG 2026 or its equivalent.

The CGL policy shall contain no Endorsement or modification limiting the scope of coverage for liability assumed under a contract, or liability arising from pollution.

Must be written on a primary basis, non-contributory with any other insurance coverages and/or self-insurance available to *[Name of School]*.

Must include a Waiver of Subrogation Clause in favor of *[Name of School]*.

#### All Policies

May not be non-renewed, cancelled or materially changed or altered unless thirty (30) days advance written notice via certified mail is provided to *[Name of School]*.

## **Appendix 3**

### **School Bus Services**

## Insurance and Related Requirements

### Minimum Insurance Coverages and Requirements

The (CONTRACTOR) shall obtain and maintain the minimum insurance coverages set forth below. By requiring such minimum insurance *[Name of School]* shall not be deemed or construed to have assessed the risk that may be applicable to the (CONTRACTOR) under Contract Number \_\_\_\_\_. The (CONTRACTOR) shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The (CONTRACTOR) is not relieved of any liability or other obligations assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types.

### Coverages

1. **Commercial General Liability** – ISO form CG0001 or its equivalent. Coverage to include:
  - A. Premises and Operations
  - B. Personal Injury/Advertising Injury
  - C. Products/Completed Operations
  - D. Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract)
  - E. Independent Contractors
  
2. **Automobile Liability** including all
  - A. Owned Vehicles
  - B. Non-Owned Vehicles
  - C. Hired Vehicles
  - D. Personal Injury Protection (where applicable)
  
3. **Workers' Compensation and Employers' Liability**

Workers' Compensation (Coverage A) and Employers' Liability (Coverage B)

## Limits Required

The (Vendor) shall carry the following minimum limits of liability and coverages:

<b>Commercial General Liability</b>	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal/Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000
Medical Payments (Any One Person)	\$5,000
<b>Automobile Liability</b>	
Bodily Injury/Property Damage Each Accident)	\$5,000,000
Personal Injury Protection, if applicable	Statutory
<b>Workers' Compensation</b>	
Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers' Liability)	\$500,000 \$500,000 \$500,000

### Additional Requirements

#### **Commercial General Liability (CGL)**

(CONTRACTOR) shall name *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents, and volunteers as Additional Insureds on ISO Endorsement CG 2026 or its equivalent.

#### **All Policies**

May not be non-renewed, cancelled or materially changed or altered unless thirty (30) days advance written notice via certified mail is provided to *[Name of School]*.

## **Appendix 4**

**Consulting and Professional Services –  
Architects/Engineers and Information Technology Supplement**

## Insurance and Related Requirements

### Minimum Insurance Coverages and Requirements

Architect/Engineer (Consultant) and sub-consultants shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, employees or sub-consultants.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract.

*[Name of School]* in no way warrants that the minimum limits contained herein are sufficient to protect the Consultant from liabilities that might arise out of the performance of the work under this Contract by the Consultant, his agents, representatives, employees, or sub-consultants. The Consultant shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The Consultant is not relieved of any liability or other obligations assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types.

### Coverages

1. **Commercial General Liability** – ISO form CG0001 or its equivalent. Coverage to include:
  - A. Premises and Operations
  - B. Personal Injury/Advertising Injury
  - C. Products/Completed Operations
  - D. Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract)
  - E. Independent Contractors
2. **Automobile Liability** including all
  - A. Owned Vehicles
  - B. Non-Owned Vehicles
  - C. Hired Vehicles
  - D. Personal Injury Protection (where applicable)

### 3. **Workers' Compensation and Employers' Liability**

Workers' Compensation (Coverage A) and Employers Liability (Coverage B)

4. **Professional Liability – (Errors and Omissions) for Prime Consultants and Design/Build Liability.** The (CONSULTANT) shall maintain Errors and Omissions Liability covering wrongful acts, errors and/or omissions, including design errors of (ARCHITECT) for damage sustained by reason of or in the course of operations under this Contract. The policy/coverages shall be amended to include the following:
  - A. Description of operations on the declaration describing the scope of your professional services shall include all aspects of the services performed under this contract, including events arising out of your operations or any qualified subcontractors and sub-tier contractors.

- B. Include coverage for claims alleging improper supervision of subcontractors and sub-tier contractors.
- C. Representative Insured Wording amended to include past principals/employees.
- D. Deletion of any exclusions pertaining to design/build liability.
- E. Coverage shall apply for three (3) years after project is complete if written on a claims-made basis.

Professional Liability may be required on any registered sub-consultant participating in a *[Name of School]* design project. A registered sub-consultant (as appropriate for the specific project) may include structural, civil, mechanical, plumbing, electrical engineering, landscape, architecture, survey, geo-technical, and materials testing.

## Limits Required

The (Architect) shall carry the following minimum limits of liability and coverages:

<b>Commercial General Liability</b>	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal/Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000
Medical Payments (Any One Person)	\$5,000
<b>Automobile Liability</b>	
Bodily Injury/Property Damage (Each Accident)	\$1,000,000
Personal Injury Protection	Statutory
<b>Workers' Compensation</b>	
Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers' Liability)	\$500,000 \$500,000 \$500,000
<b>Umbrella Liability</b>	
Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$1,000,000
Products/Completed Operations Aggregate	\$1,000,000
<b>Professional Liability (Errors and Omissions Liability) for Primary Consultants and Design/Build Liability</b>	
Estimated Projection Construction Cost up to \$9,999,999	
Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000
Estimated Projection Construction Cost from \$10,000,000 to \$19,999,999	
Each Claim	\$3,000,000
Annual Aggregate	\$3,000,000
Estimated Projection Construction Cost from \$20,000,000 to \$40,000,000	
Each Claim	\$4,000,000
Annual Aggregate	\$4,000,000
Estimated Projection Construction Cost Over \$40,000,000	
Each Claim	\$10,000,000
Annual Aggregate	\$10,000,000

In the event that any professional liability insurance required by this Contract is written on a claims-made basis, Consultant warrants that any retroactive date under the policy shall precede the effective date of this Contract, and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this Contract is completed.	
<b>Professional Liability (Errors and Omissions Liability) for Sub-Consultants (Projects with an estimated construction cost of \$5 million or greater).</b>	
In addition to the insurance requirements for the Consultant, the consultant's registered sub-consultants (including structural, civil, mechanical, plumbing, electrical engineering, landscape architecture, survey, geo-technical, and materials testing) are required to carry Professional Liability insurance as follows:	
<b>Major Sub-consultants</b> (Structural, civil, mechanical, plumbing, electrical engineers)	
Estimated Project Construction Cost from \$5,000,000 to \$19,999,999	
Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000
Estimated Project Construction Cost from \$20,000,000 to \$40,000,000	
Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000
Estimated Project Construction Cost over \$40,000,000	
Each Claim	\$3,000,000
Annual Aggregate	\$3,000,000
All other registered consultants not listed above will carry:	
Each Claim	\$1,000,000
Annual Aggregate	\$1,000,000
In the event that any professional liability insurance required by this Contract is written on a claims-made basis, Consultant warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this Contract is completed.	

**Additional Requirements**

All Policies

May not be non-renewed, cancelled or materially changed or altered unless thirty (30) days advance written notice via certified mail is provided to *[Name of School]*.

Contracts for IT products and services like system integration, programming and data management create specialized exposures from loss or loss of use of the school's tangible property and intangible property (software, data or other electronically stored information).

The fast pace of technology advances coupled with a highly competitive marketplace can lead to situations where IT vendors over-promise or misrepresent what their service/products solutions are able to deliver. Additionally, the nature of the agreements give vendors unique access to the school's IT resources and data which could result in security issues if systems or data were misused, damaged or compromised.

The types of losses that can occur under such circumstances are often excluded under general liability policies. However, they can be covered through separate professional liability insurance policies, also known as "errors and omissions" (E&O) liability insurance.

Insurers have developed specialized E&O Policies that provide IT professionals coverage for the two common forms of IT liability risks: "malpractice" claims in which the company/individual is negligent in maintaining acceptable professional standards; and breach of contract for failing to provide contracted services within the timeframe or agreed specifications.

Examples of services that would require professional liability coverage include but are not limited to:

- Software development
- Computer consulting
- Web site design/programming
- Multi-media designers
- Integrated computer system design
- Data management
- Other computer service providers

Additionally, agreements which allow vendors privileged access to network systems, valuable property, or sensitive data can also expose the school to significant security, theft, or fraud risks and should include additional provisions for Crime/Fidelity coverage including Computer Crime/Fraud. If the Contractor is physically working on the school's premises, the Contractor's Crime coverage should include Third-Party Fidelity coverage.

## **Sample Insurance Specifications and Indemnification Clause for Professional Contracts – Information Technology**

### **Indemnification Clause**

Contractor shall indemnify, hold harmless and, not excluding *[Name of School]*'s right to participate, defend *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents, and volunteers (hereinafter referred to as "Indemnatee") from and against all liabilities, claims, actions, damages, losses, and expenses including without limitation reasonable attorneys' fees and costs, (hereinafter referred to collectively as "claims") for bodily injury or personal injury including death, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees, or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the school, its officers, trustees, officials, agents, and employees for losses arising from the work performed by the Contractor for the school.

### **Insurance Requirements:**

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. *[Name of School]* in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, his agents, representatives, employees, or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary.

In addition to the Commercial General Liability, Automobile Liability, and Workers' Compensation requirements described under the Consulting and Professional Services – Architects/Engineers section, an IT professional should also be required to maintain the following coverages:

**Professional Liability (Errors and Omissions Liability) including Cyber Liability**

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this Contract is completed.

If such insurance is maintained on an occurrence form basis, Contractor shall maintain such insurance for an additional period of one (1) year following termination of Contract.

If Contractor contends that any of the insurance it maintains pursuant to other sections of this clause satisfies this requirement (or otherwise insures the risks described in this section), then Contractor shall provide proof of same.

The insurance shall provide coverage for the following risks:

- a. Liability arising from theft, dissemination and/or use of confidential information (a defined term including but not limited to bank account, credit card account, personal information such as name, address, social security numbers, etc., information) stored or transmitted in electronic form.
- b. Network Security Liability arising from the unauthorized access to, use of or tampering with computer systems including hacker attacks, inability of an authorized third party to gain access to services including denial of service, unless caused by a mechanical or electrical failure.
- c. Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, computer system, network or similar computer related property and the data, software, and programs thereon.

**For Service Contracts under \$500,000**

**Minimum Limits:**

Per Loss	\$1,000,000
Aggregate	\$1,000,000

**For Service Contracts over \$500,001**

**Minimum Limits:**

Per Loss	\$3,000,000
Aggregate	\$3,000,000

**Crime Coverage**

Coverage shall include employee dishonesty, forgery, or alteration and computer fraud. If Contractor is physically located on the school premises a Third-Party Fidelity coverage extension shall apply.

The policy shall include coverage for all directors, officers, agents, and employees of the Contractor.

- a. The bond or policy shall include coverage for extended theft and mysterious disappearance.
- b. The bond or policy shall not contain a condition requiring an arrest and conviction.

**Limits:**

Per Loss                    \$1,000,000

## **Appendix 5**

- **Short-Term Lease Agreements**
- **Special Events**
- **Commercial Lease of Premises**

The following is an example of the general considerations and minimum insurance requirements for short term lease agreements, special events and commercial lease of premises of *[Name of School]*'s owned premises and for services rendered to *[Name of School]* by specific service providers (such as cafeteria services).

These insurance requirements need to be inserted into the insurance section of the contract.

## Insurance and Related Requirements

### Minimum Insurance Coverages and Requirements

The (LESSEE/SERVICE PROVIDER) shall obtain and maintain the minimum insurance coverages set forth below. By requiring such minimum insurance *[Name of School]* shall not be deemed or construed to have assessed the risk that may be applicable to the (LESSEE/SERVICE PROVIDER) under Contract Number \_\_\_\_\_. The (LESSEE/SERVICE PROVIDER) shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The (LESSEE/SERVICE PROVIDER) is not relieved of any liability or other obligations assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types.

### Coverages

1. **Commercial General Liability** – ISO form CG0001 or its equivalent. Coverage to include:
  - A. Premises and Operations
  - B. Personal Injury/Advertising Injury
  - C. Products/Completed Operations
  - D. Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract)
  - E. Independent Contractors
2. **Automobile Liability** including all (if applicable)
  - A. Owned Vehicles
  - B. Non-Owned Vehicles
  - C. Hired Vehicles
  - D. Personal Injury Protection (where applicable)
3. **Workers' Compensation and Employers' Liability**  
Workers' Compensation (Coverage A) and Employers Liability (Coverage B)
4. **Property - Commercial Lease Tenants and Service Providers** (if applicable)  
Must contain Waiver of Subrogation language that clearly states the insurer paying any claim will not seek reimbursement from *[Name of School]*.
5. **Pollution Liability** (if applicable)  
If tenant's/service provider's occupancy creates a pollution exposure this coverage is required, which can be accomplished by adding ISO Endorsement CG2415 Limited Pollution Liability Extension or its equivalent to the CGL policy. If they transport hazardous materials, ISO Endorsements CA9948 and MCS-90 must be added to the business automobile policy. A separate Pollution Legal Liability policy is also acceptable.
6. **Sexual Abuse and Molestation** (if applicable)  
If tenant/service provider is in the business of providing services to minors, you may want to consider adding this as a coverage requirement.

## Limits Required

The (Lessee/Service Provider) shall carry the following minimum limits of liability and coverages:

<b>Commercial General Liability</b>	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal/Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000
Medical Payments (Any One Person)	\$5,000
<b>Automobile Liability</b> (if applicable)	
Bodily Injury/Property Damage (Each Accident)	\$1,000,000
Personal Injury Protection, if applicable	Statutory
<b>Workers' Compensation</b>	
Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers' Liability)	\$500,000 \$500,000 \$500,000
<b>Umbrella Liability</b> (if higher limits are required)	
Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$1,000,000
Products/Completed Operations Aggregate	\$1,000,000
Pollution Liability (if applicable)	
Each Event Limit	\$1,000,000
<b>Sexual Abuse and Molestation</b> (if applicable)	
Each Wrongful Act Limit	\$1,000,000
<b>Property Insurance – Commercial Lease Tenants and Service Providers</b> (if applicable)	
<p>a. Property insurance shall be written covering the 100% replacement cost value of tenant's/service provider's business personal property and equipment (and other property if required in the agreement) on a Covered Cause of Loss-Special Form, including coverage for flood and earth movement if the property is located in an area with those hazards.</p> <p>b. [Name of School] is an Additional Insured-Owner/Loss Payee with respect to fixtures and improvements if the lease agreement requires the tenant/service provider to insure that type of property.</p> <p>c. [Name of School] is an Additional Insured-Owner/Loss Payee with respect to the building if the lease agreement requires the tenant/service provider to insure the building (this sometimes occurs when the tenant/lessee is the sole occupant).</p> <p>d. Coverage for Loss of Rents in an amount sufficient to satisfy the tenant/service provider's obligations under the lease agreement using ISO Endorsement CP 15 03 06 07 or its equivalent.</p>	

## **Additional Requirements**

### **Commercial General Liability – Short-Term Lease Agreements/Special Events**

(Tenant) shall name *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents, and volunteers as Additional Insureds on ISO Endorsement CG 2011 or its equivalent.

### **Commercial General Liability – Commercial Lease of Premises**

(Tenant) shall name *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents, and volunteers as Additional Insureds on ISO Endorsement CG2010 or its equivalent.

(Tenant) shall include ISO Endorsement CG2988 or its equivalent.

### **Workers' Compensation and Employers' Liability – Commercial Lease of Premises**

(Tenant) shall include NCCI Endorsement WC000313 or its equivalent.

### **Pollution Liability – if applicable**

Tenant/service provider shall include ISO Endorsement CG2415 Limited Pollution Liability Extension or its equivalent to the CGL policy, or a separate Pollution Legal Liability policy providing equivalent protection.

*[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents and volunteers shall be included as additional insureds.

*[Name of School]* shall require that the tenant/service provider provide proof of coverage for up to three (3) years after the termination of the lease agreement if written on a claims-made basis.

### **Sexual Abuse and Molestation – if applicable**

Tenant/service provider shall include *[Name of School]* and its *[Name of Governing Board]*, officers, employees, agents and volunteers as additional insureds. *[Name of School]* shall require that the tenant/service provider provide proof of coverage for up to three (3) years after the termination of the lease agreement if written on a claims-made basis.

### **All Policies**

May not be non-renewed, cancelled or materially changed or altered unless thirty (30) days advance written notice via certified mail is provided to *[Name of School]*.

## **Appendix 6**

### **Additional Insured Endorsements**

## Schedule of Additional Insured Endorsements

- [CG 20 10](#) Additional Insured –Owner, Lessees, or Contractors
- [CG 20 11](#) Additional Insured –Managers or Lessors of Premises
- [CG 20 26](#) Additional Insured – Designated Person or Organization
- [CG 20 28](#) Additional Insured – Lessor of Leased Equipment
- [CG 20 31](#) Additional Insured – Engineers, Architects, or Surveyors
- [CG 20 32](#) Additional Insured – Engineers, Architects, or Surveyors Not Engaged By the Named Insured
- [CG 20 33](#) Additional Insured – Owners, Lessees, or Contractors – Automatic Status When Required In Construction Agreement with You
- [CG 20 34](#) Additional Insured – Lessor of Leased Equipment – Automatic Status When Required In Lease Agreement with You
- [CG 20 37](#) Additional Insured – Owner, Lessees, or Contractors – Completed Operations

**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
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.

**ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES**

This Endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

1. Designation of Premises (Part Leased to You):
2. Name of Person or Organization (Additional Insured):
3. Additional Premium:

(If no entry appears above, the information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance, or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any “occurrence” which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.





This Endorsement modifies insurance provided under the following:

**OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART**

A. Section II – Who Is An Insured is amended to include as an additional insured any architect, engineer or surveyor engaged by you, but only with respect to liability for “bodily injury” or “property damage” caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In connection with your premises; or
2. In the performance of your ongoing operations.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to “bodily injury” or “property damage” arising out of the rendering of or the failure to render any professional services by or for you, including:

1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; or
2. Supervisory, inspection, architectural, or engineering activities.

**ADDITIONAL INSURED – ENGINEERS, ARCHITECTS, OR SURVEYORS NOT ENGAGED BY THE NAMED INSURED**

This Endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

SCHEDULE

Name of Additional Insured Engineers, Architects, or Surveyors Not Engaged by the Named Insured:
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 architects, engineers or surveyors 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 performed by you or on your behalf.

Such architects, engineers or surveyors, while not engaged by you, are contractually required to be added as an additional insured to your policy.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to “bodily injury,” “property damage,” or “personal and advertising injury” arising out of the rendering of or the failure to render any professional services, including:

1. The preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs, or specifications; or
2. Supervisory, inspection, or engineering services.

**ADDITIONAL INSURED – OWNERS, LESSEES, OR CONTRACTORS –  
AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION  
AGREEMENT WITH YOU**

This Endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured 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.

A person’s or organization’s status as an additional insured under this Endorsement ends when your operations for that additional insured are completed.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply: This insurance does not apply to:

1. “Bodily injury,” “property damage,” or “personal and advertising injury” arising out of the rendering of, or the failure to render, any professional architectural, engineering, or surveying services, including:
  - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; or
  - b. Supervisory, inspection, architectural, or engineering activities.
2. “Bodily injury” or “property damage” occurring after:
  - a. 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
  - b. 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.

**ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT – AUTOMATIC STATUS  
WHEN REQUIRED IN LEASE AGREEMENT WITH YOU**

This Endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. Who Is An Insured (Section II) is amended to include as an additional insured any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability for “bodily injury,” “property damage,” or “personal and advertising injury” caused, in whole or in part, by your maintenance, operation, or use of equipment leased to you by such person or organization.

A person’s or organization’s status as an additional insured under this Endorsement ends when their contract or agreement with you for such leased equipment ends.

- B. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any “occurrence” which takes place after the equipment lease expires.



**ADDITIONAL INSURED – OWNERS, LESSEES, OR CONTRACTORS – COMPLETED OPERATIONS**

This Endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

Name of Additional Insured Person(s) or Organization(s):	Location and Description of Completed Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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” or “property damage” caused, in whole or in part, by “your work” at the location designated and described in the schedule of this Endorsement performed for that additional insured and included in the “products-completed operations hazard”.

## **Appendix 7**

### **Definitions of Common Terms<sup>(1)</sup>**

<sup>(1)</sup> Reference International Risk Management Institute, Glossary of Insurance and Risk Management Terms.

ISO	Insurance Services Office, Inc. – An organization that collects statistical data, promulgates rating information, develops standard policy forms, and files information with state regulators on behalf of insurance companies that purchase its services.
ISO Forms	The standard policy forms that are developed by ISO.
Occurrence Policy	A policy covering claims that arise out of damage or injury that took place during the policy period, regardless of when claims are made. Most commercial general liability insurance is written on an occurrence form.
Claims Made Policy	A term describing an insurance policy that covers claims that are first made (reported or filed) during the year the policy is in force for any incidents that occur that year or during any previous period during which the insured was covered under a “claims-made” contract. Note – a claims-made policy usually has a retroactive date, which means the occurrence must also have taken place on or after the retroactive date in order for coverage to apply.
General Aggregate	Under the standard commercial general liability (CGL) policy, the maximum limit of insurance payable during any given annual policy period for all losses other than those arising from the products and completed operations hazards.
Products/Completed Operations	One of the hazards ordinarily insured by a general liability policy. It encompasses liability arising out of the insured’s products or business operations conducted away from the insured’s premises once those operations have been completed or abandoned.
Waiver of Subrogation	The relinquishment by an insurer of the right to collect from another party for damages paid on behalf of the insured. The waiver of subrogation condition in current standard policies is referred to as “transfer of rights of recovery.”
Primary and Non-Contributory	This term is commonly used in contract insurance requirements to stipulate the order in which multiple policies triggered by the same loss are to respond. For example – if a contractor is required to provide liability insurance that is primary and non-contributory the contractor’s policy must pay before other applicable policies (primary) and without seeking contribution from other policies that also claim to be primary (non-contributory).
Contractual Liability Coverage	Insurance that covers liability of the insured assumed in a contract. Under the standard commercial general liability (CGL) policy, such coverage is limited to liability assumed in any of a number of specifically defined insured contracts, or to liability that the insured would have even in the absence of the contract.
Employers’ Liability	This coverage is provided by Part 2 of the basic workers’ compensation policy and pays on behalf of the insured (employer) all sums that the insured shall become legally obligated to pay as damages because of bodily injury by accident or disease sustained by any employee of the insured arising out of and in the course of his employment by the insured.
Sudden and Accidental Pollution	An exception to the 1973 CGL pollution exclusion that preserved coverage with respect to pollution incidents that were “sudden and accidental.” Prolonged litigation tested whether the term sudden meant merely unexpected, as some dictionary definitions specify; or whether the term necessarily has a temporal element – referring to a brief period of time, or being synonymous with all at once. A majority of courts eventually adopted the latter view.
MCS-90	An Endorsement that must be attached to the auto liability policy of certain regulated motor carriers to assure that federally mandated coverage (e.g., required liability limits, environmental restitution coverage) is in place. The Endorsement does not actually provide insurance except on a reimbursement basis. For example, if the insured motor carrier is insured under a standard Insurance Services Office, Inc. (ISO) truckers or motor carrier policy without the broadened pollution liability coverage Endorsement (CA 99 48) attached, the motor carrier could have to reimburse the insurer in case of the insurer’s having to pay a pollution liability loss.
Retroactive Date	A provision found in many claims-made policies that eliminates coverage for injuries or damage that occurred prior to a specified date even if the claim is first made during the policy period.
Captive Insurance Company	An insurance company that has as its primary purpose the financing of the risks of its owners or participants. Typically licensed under special purpose insurer laws and operated under a different regulatory system than commercial insurers. The intention of such special purpose licensing laws and regulations is that the captive provides insurance to sophisticated insureds that require less policyholder protection than the general public.

Pollution Legal Liability Policy	The contamination of the environment by substances regarded as pollutants. Liability from pollution is normally excluded to some degree by the general, auto, and umbrella liability policies. In recent years, insurers have attempted to introduce strict exclusionary language into these policies, making it necessary for insureds to seek coverage under separate “environmental impairment liability” (EIL) policies.
Environmental Impairment Liability	A specialized insurance policy that covers liability and sometimes cleanup costs associated with pollution.
Hired Auto	An automobile whose exclusive use and control has been temporarily given to another for a consideration. The business auto definition of “hired autos,” however, includes autos borrowed except those borrowed from employees or partners.
Non-Owned Auto	Described in commercial auto policies as an auto that is used in connection with the named insured’s business but that is neither owned, leased, hired, rented, or borrowed by the named insured. As used in the business auto policy, the term specifically applies to vehicles owned by employees and used for company business; as used in the truckers and motor carrier policies it applies only if such autos are private passenger type autos (autos other than private passenger type owned by employees are classified as hired autos in the truckers and motor carrier policies).
Indemnify	To make compensation to an entity, person, or insured for incurred injury, loss or damage.
Indemnitee	The person or organization who is held harmless in a contract (by the indemnitor).
Indemnitor	The person or organization who holds another (the indemnitee) harmless in a contract.
Hold Harmless	A provision in a contract that requires one contracting party to respond to certain legal liabilities of the other party. For example, construction contracts typically require the contractor to indemnify the owner with respect to the owner’s liability to members of the public who are injured or whose property is damaged during the course of the contractor’s operations. There are a number of types of hold harmless clauses, differentiated by the extent of the liabilities they transfer. The most commonly used types of hold harmless clauses are the “broad,” “intermediate,” and “limited.”
Design-Build Professional Liability Insurance	Affords professional liability coverage for firms that function as both the designer and general contractor on a construction project.
Design Liability	Liability arising out of errors and omissions in the provision of professional design services. Although design services encompass a broad range of activities, including product design, in insurance circles this term is most often used to describe liability arising out of the providing of architectural, engineering, and surveying services.
Special Causes of Loss	One of the three Insurance Services Office, Inc. (ISO) causes of loss forms; an ISO commercial property policy must include one or more causes of loss forms. This form (CP 10 30) provides what is commonly referred to as “all risks” coverage: coverage for loss from all causes not specifically excluded.
Auto Personal Injury Protection (PIP)	A type of auto insurance coverage mandated by statute in some jurisdictions. The statutes typically require insurers to provide or offer to provide first-party benefits for medical expenses, loss of income, funeral expenses, and similar expenses without regard to fault. Coverages, limits, and each party’s responsibilities vary from state to state.
General Liability Insurance	Insurance protecting commercial insured’s from most liability exposures other than automobile and professional liability.
Commercial General Liability Policy	A standard insurance policy issued to business organizations to protect them against liability claims for bodily injury and property damage arising out of premises, operations, products, and completed operations; and advertising and personal injury liability.
Business Auto Policy	A commercial auto policy that includes auto liability and auto physical damage coverages; other coverages are available by Endorsement. Except for auto-related businesses and motor carrier or trucking firms, the business auto policy addresses the needs of most commercial entities as respects auto insurance.
Workers’ Compensation	The system by which no-fault statutory benefits prescribed in state law are provided by an employer to an employee (or the employee’s family) due to a job-related injury (including death) resulting from an accident or occupational disease.

## **Appendix 8**

### **Example Request Letters**

**(Your Letterhead)**

Date: \_\_\_\_\_

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Whom It May Concern:

.....

We recently received a contract between \_\_\_\_\_ and *[Name of School]*. In order for this contract to be approved, we need a Certificate of Insurance that includes evidence of the coverages required by contract:

Please find attached a sample Certificate of Insurance.

.....

Our records indicate that your Certificate of Insurance on file with us will expire soon. Please have your insurance agent send us a new Certificate of Insurance that includes evidence of the coverages required by contract.

Please find attached a sample Certificate of Insurance

.....

Thank you for sending us a Certificate of Insurance. After review, the Certificate of Insurance does not reflect the required limits and/or coverages required by contract. Please amend the Certificate of Insurance to include the following:

- (List deficiencies here)**
- (List deficiencies here)**
- (List deficiencies here)**