



# COUNTY INSURANCE REQUIREMENTS GUIDE

UPDATED OCTOBER 14, 2023

## INTRODUCTION

*This Guide can assist you with decision making, understanding, expectations, and communicating about insurance for contracts. This brief internal document can also help you apply and implement the multi-page insurance requirements specification documents. Contact Risk Management with questions.*

## GENERAL BASIC POINTS

- Insurance requirements are always subject to risk assessment, which requires consideration of the indemnification agreement, scope of work, risk control factors, and other details.
- Contract value by itself is a poor indicator of risk exposure in a contract.
- All contracts must contain approved indemnification language in addition to an attachment with insurance requirement details, and this guide does not take the place of either.
- The following abbreviations are used: GL (general liability), AL (automobile liability), WC (workers' compensation), EL (employer liability), PL (professional liability or "Errors and Omissions" or E&O), and AI (additional insured).
- An AI endorsement form, or copies of the relevant policy pages specifying blanket AI, must be submitted along with the GL certificate of insurance.
- AI required language: "Inyo County, its officials, officers, employees and volunteers are covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the contractor including materials, parts, or equipment furnished in connection with such work or operations."
- Wherever WC is required, we also require a waiver of subrogation endorsement or copies of pages specifying such from the policy.
- Risk Management may waive WC (and therefore EL also) requirements upon receipt of a signed and dated letter from the contractor declaring the following: (a) contractor has no employees and agrees to obtain workers' compensation insurance and notify Inyo County if any employee is hired, (b) contractor agrees to verify proof of coverage for any subcontractors, and (c) contractor agrees to hold Inyo County harmless and defend Inyo County in the case of claims arising for failure to provide benefits.
- Risk Management may waive the AL requirement upon receipt of a signed and dated letter from the contractor declaring that (1) no vehicle will be used in execution of the agreement with the County; and (2) that contractor will obtain automobile liability insurance in compliance with the insurance requirements attached to the contract in the event that vehicle use for the contract changes.
- For any claims related to contracts with Inyo County, the contractor's insurance shall be primary as respects Inyo County. Any insurance maintained by Inyo County, its officials, officers, employees, or volunteers shall be excess of the contractor's insurance and shall not contribute to it.
- Risk has the sole responsibility and authority for producing and/or changing the insurance requirement documents. Direct inquiries about special needs for particular contracts to Risk.
- Certificates and endorsements should be sent to: [risk@inyocounty.us](mailto:risk@inyocounty.us). To access the repository, contact the Risk Manager.
- Risk updates multi-page insurance requirements specification documents annually in March upon review of the annual Alliant IRIC publication update.
- Please make sure there is an indemnification provision in the contract and that the insurance requirements document is referenced in the contract and attached to the contract as referenced.



# COUNTY INSURANCE REQUIREMENTS GUIDE

UPDATED OCTOBER 14, 2023

## INDEMNIFICATION

The indemnification language in the contract makes the insurance documents we collect from the contractor useful. Therefore, please make sure the following is clear in the contract:

- Contract date and parties involved.
- What parties are accepting the risk?
- Type/s of risk accepted (negligence, other)?
- Breadth of risk accepted (own, joint, sole)?
- Nature of damage/injury accepted (direct, consequential)?
  - Property (our property, other party's property, property of 3<sup>rd</sup> party/person)
  - Bodily injury/personal injury (our employees, other party's employees, 3<sup>rd</sup> party employees)

## SPECIAL INSURANCE REQUIRED or POTENTIAL HIGHER RISK SITUATIONS

If any of these situations apply, please contact Risk Management to discuss.

- |  |  |
|--|--|
| ○ Crowd exposures                              | ○ Special Professional Services              |
| ○ Plumbing or Electrical                       | ○ Computer software                          |
| ○ Work involving vehicles                      | ○ Work near water or docks                   |
| ○ Work involving watercraft                    | ○ Work involving aircraft                    |
| ○ Medical services                             | ○ Marine work of any kind                    |
| ○ Legal services                               | ○ Construction management                    |
| ○ Zoning or planning activities                | ○ Handling of funds or assets                |
| ○ Use of serving of alcohol                    | ○ Inspection services                        |
| ○ Work with natural gas                        | ○ Drones                                     |
| ○ Work near railroads                          | ○ Work near roads                            |
| ○ Work near waterways                          | ○ Work near airports                         |
| ○ Any pollution or environmental exposure      | ○ Underground work or excavation             |
| ○ Maintenance or inspection services           | ○ Use of caustics, flammables, explosives    |
| ○ Design engineering or architectural services | ○ Armed guards, use of armored cars          |
| ○ Work involving utilities                     | ○ Survey work                                |
| ○ Provision of utility services                | ○ Soil engineering & topographical surveys   |
| ○ Heavy equipment                              | ○ Work involving boilers or pressure vessels |

On the following page, general categories are explained, and basic coverage minimum limits are listed. Coverage minimums are always subject to risk assessment. Contact Risk Management to discuss. The Guide does not take the place of the multi-page insurance requirements specification documents.



# COUNTY INSURANCE REQUIREMENTS GUIDE

UPDATED OCTOBER 14, 2023

## CATEGORIES – See Spec Sheets for Details

### Building / General Contractors

- GL \$5M/+ (depends on scope), AI endorsement required
- AL \$1M - \$5M (depends on scope)
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M
- PL (If Design/Build) \$2M
- Contractor's Pollution Legal Liability and/or Asbestos Pollution Liability and/or E&O \$1M/\$2M
- BUILDER's RISK (Course of Construction) "All Risk", no coinsurance penalty provision
- BONDS Bid (will enter if win), Performance (will follow plans and specs), Payment/Labor and Materials (free of liens), Maintenance (free of defects for period after completion)

This category applies to agreements under Civil Code 2783 or 2782.5. The risk is typically complex.

### Contractors, Painters, Plumbers, Landscapers, etc.

- GL \$2M, AI endorsement required
- AL \$1M
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M
- BONDS and PL may apply.

This category is sometimes referred to as "light construction." PL usually does not apply. Plumbing and electrical require an extra discussion about risk control. These providers often have no employees.

### Professional Service Providers

- GL \$2M, AI endorsement required
- AL \$1M
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M
- PL (other than physicians) \$2M/\$4M
- Medical Malpractice (physicians, dentists, psychologists) \$1M
- Sexual Abuse or Molestation \$1M (Applicable if contract involves vulnerable populations)
- Cyber Liability \$1M (Applicable if contract involves access to PHI and/or PII)

This applies to most consultants. For technology services, see that category.

### Very small project work with known contractor with no subcontracting

- GL Goal is \$1M, AI endorsement required
- AL Goal is \$1M
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M

This category applies narrowly and is used sparingly with known contractors performing small projects under reviewed risk control and known conditions. This is the category where the contractor may not have the minimum limits we typically expect and the projects they might do for us does not generate enough funds for them to acquire high enough limits to satisfy our usual expectations. Discuss these projects and your needs with Risk. These providers typically have no employees (so WC and EL get waived) and typically do not use vehicles for the execution of the contract (so AL gets waived). Contact Risk Manager for the Insurance Waiver Form and to discuss special conditions.



# COUNTY INSURANCE REQUIREMENTS GUIDE

UPDATED OCTOBER 14, 2023

## Environmental Contractors or Consultants

- GL \$2M, AI endorsement required
- AL \$1M (if no transport of hazardous materials. Increase to \$5M if inclusive of transport.)
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M
- Pollution Liability and/or Asbestos Pollution Liability and/or PL \$1M/\$2M

## In-Patient Medical Services

- GL \$2M/\$10M, AI endorsement required
- AL \$1M (Increases to \$5M if provider will be transporting county patients off site)
- Healthcare Professional Liability \$2M / \$4M
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M
- Sexual Abuse or Molestation \$1M
- Cyber Liability \$1M

## Information Technology Services

- GL \$2M, AI endorsement required
- AL \$1M
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M
- Cyber Liability \$2M
- Technology Professional Liability Errors and Omissions \$2M

## Transportation Contractors (including Waste Haulers)

- GL \$2M, AI endorsement required
- AL \$5M, AI endorsement required
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M
- Sexual Abuse or Molestation \$1M (If transporting humans)
- Animal Liability \$1M (If transporting animals)

This applies to all contracts for waste hauling services. This does not apply to document shredding and subsequent disposal services. For contracts involving transportation of hazardous waste, see Environmental Contractors.

## Use of Facilities

GL \$1M, AI endorsement required

Special Event Facility Use Permit Form required. This applies to private citizens, organizations of all types, and non-business groups. County departments reserving space for official use should not use the form and are exempt from the additional indemnification and insurance language in the form. County departments using county facilities are held accountable in accordance with personnel rules. If required, liquor liability coverage may not be waived. There are additional requirements for sporting events (foot races, etc.), and those requirements are specified on the form.



# COUNTY INSURANCE REQUIREMENTS GUIDE

UPDATED OCTOBER 14, 2023

## Leases – Not for short term rentals or airport hangars

- GL \$1M, AI endorsement required
- AL \$1M/+ (subject to lease use type and location), AI endorsement required
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M
- Property Insurance against all risks of loss to any tenant improvements/betterments at full replacement cost with no coinsurance penalty provision.

This applies to tenants and concessionaires, including food and beverage concessions, gift shop operators, office space tenants, and similar. This does not apply to airport facilities or short-term special event facility rentals.

## Supplies and/or Vendors

- GL \$2M, AI endorsement required
- AL \$1M
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M
- Property Insurance Replacement Value (situational)

This applies to vendors who supply equipment and other products but do not perform installation, maintenance, or other functions. There are special requirements for electronic data related vendors. Contracts for vendors that will provide onsite physical services should be considered professional services and not just vendors.

## Community Service Grants to Organizations

- GL \$1M, AI endorsement required
- AL \$300,000 (if grant request includes reference to vehicle use)
- WC Statutory, waiver of subrogation required, with employer liability of at least \$1M

This applies to community service grants from businesses. Businesses generally already have insurance. Grant requests with reference to direct service to minors also require \$1M sexual abuse/molestation liability. In certain circumstances, the Insurance Waiver Form may be used for all coverage requirements. Risk suggests that Community Services Grant agreements include the following: "Limitation of Liability - Grantee and County of Inyo mutually agree that the County's liability related to the execution of this agreement shall not exceed the amount awarded to the Grantee, subject to special situations as required by law."

Higher Hazard Services: Limits are subject to assessment and can vary widely.

## Employee Driving Personal Vehicle for Approved Official County Use

- AL \$300,000 per occurrence for bodily injury; \$50,000 for property damage.  
\$500,000 per occurrence for bodily injury is recommended.  
The minimum was increased from \$100,000 in 2019.

An employee who sustains a collision while operating their personal vehicle for approved official county purposes may apply for collision deductible reimbursement up to \$500.00 by contacting Risk Management. A body shop receipt and a law enforcement traffic incident report may be required.