



SARATOGA SPRINGS

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INSURANCE REQUIREMENTS

It is imperative for the City of Saratoga Springs (“City”) to be adequately protected from loss due to the negligence of contractors, subcontractors, suppliers, providers, developers, vendors, etc. (“Insured Party”) who contract with the City, work on City property and premises, and utilize City property for their individual or business interests. To help achieve this goal, the City requires that the Insured Party carry certain levels of insurance that will protect, defend, and indemnify the City from losses arising out of their activities or from their products or services.

The following standards have been established to help provide direction and consistency for departments within the City when determining the insurance requirements of an Insured Party. Until the appropriate certificate of insurance verifying the required coverage is obtained and endorsements are provided, the City will not issue a license, permit, or approval, enter into a contract, or authorize work to be performed.

1. **MINIMUM LIMITS OF INSURANCE.** The Insured Party shall maintain limits no less than:
 - a. **PROFESSIONAL LIABILITY**, including **ERRORS** and **OMISSION**: \$2,000,000 combined single limit per occurrence. Limits apply to this service or product individually.
 - b. **GENERAL LIABILITY**: \$1,000,000 combined single limit per occurrence, personal injury and property damage. 2,000,000 aggregate. Broad Form Commercial General Liability is required (ISO 1993 or better).
 - c. **AUTOMOBILE LIABILITY**: \$1,000,000 combined single limit “per accident” for bodily injury and property damage. “Any Auto” coverage is required.
 - d. **WORKERS’ COMPENSATION** and **EMPLOYERS LIABILITY**: Workers’ compensation statutory limits, as required by the Workers Compensation Act of the State of Utah, and Employers Liability limits set at a minimum of \$300,000 for each accident, disease, and employee. No officer or owner of any business or organization subject to the Workers’ Compensation Act of the State of Utah may be excluded from this requirement.

- e. VALUABLE PAPERS: In an amount sufficient to insure the restoration of any plans, drawings, field notes, or other similar data related to the work.
 - f. PERFORMANCE, BID, PAYMENT, AND WARRANTY BONDS:
 - i. Performance Bonds: No less than 100% of the contract price or estimated cost of improvements or, in the case of a Request for Proposals/Bids, as specified in the Request for Proposals/Bids.
 - ii. Bid Bonds: As specified in the Request for Proposals/Bids.
 - iii. Payment Bonds: No less than 100% of the estimated contract price the Insured Party will have with any subcontractors or, in the case of a Request for Proposals/Bids, as specified in the Request for Proposals/Bids.
 - iv. Warranty Bonds: No less than 10% of the total cost of the improvements and work performed by the Insured Party.
 - g. EMPLOYMENT PRACTICES LIABILITY: \$1,000,000 per occurrence, \$1,000,000 aggregate. Required for employers subject to the provisions of Title VII of the Civil Rights Act and the Utah Antidiscrimination Act.
2. DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductibles or self-insured retention exceeding 5% of the limit of the policy must be declared to and approved by the City. At the option of the City, the insurer used by the Insured Party may be required to either: reduce or eliminate such deductibles or self-insured retention with respect to the City, its officers, officials, and employees; or the Insured Party may be required to procure a bond guaranteeing payment of losses and related investigations, claim distributions, and defense expenses.
3. VERIFICATION OF COVERAGE. The Insured Party shall furnish the City with certificates of insurance and with original endorsements effecting coverage required. The certificates and endorsements shall be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be furnished to and accepted by the City before work commences and during the performance of the work at any time as requested by the City. All certificates of insurance shall list the City as the Certificate Holder. The City reserves the right to require complete, certified copies of all required insurance policies, with all endorsements, at any time.
4. NOTICE OF INCIDENT OR ACCIDENT. The Insured Party shall disclose to the City all incidents or occurrences of accident, injury, and property damage within 24 hours of occurrence.
5. OTHER INSURANCE PROVISIONS. The policies are to contain, or to be endorsed to contain, the following provisions:

- a. **Additional Insured.** The City and its officers, officials, employees, and volunteers are to be covered as an additional insured with respect to liability arising out of activities performed by or on behalf of the Insured Party, products and completed or ongoing operations of the Insured Party, and premises owned, leased, hired, or borrowed by the Insured Party. The coverage shall contain no limitations on the scope of protection afforded to the City and its officers, officials, employees, or volunteers.
- b. **Primary Insurance.** The Insured Party's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be in excess of the Insured Party's insurance and shall not reduce the Insured Party's obligations in this policy.
- c. **Waiver of Subrogation.** If the Insured Party's insurer pays a claim, any rights their insured may have to recover all or part of the payment from someone else are transferred to the City's insurer. The insurer shall agree to waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for losses arising from work performed by the Insured Party for the City, and for any loss falling under general liability insurance coverage.
- d. **Notice of Cancellation.** Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
- e. **Care, Custody, or Control Exclusions.** If an Insured Party's business requires the exercise of care, custody, or control over City property or public property within the limits of the City, and the Insured Party's general liability coverage includes a care, custody, or control exclusion, the Insured Party must also possess supplementary insurance which covers the City or public property within the Insured Party's care, custody, or control.
- f. **Failure to Comply.** Any failure to comply with any reporting provision of the any policy shall not affect coverage provided to the City and its officers, officials, employees, or volunteers.
- g. **Insurance to apply separately.** The Insured Party's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- h. **Property damage.** All property damage liability insurance must include coverage for damages to premises rented. This provision may not be excluded by endorsement or omission from the commercial general liability coverage.
- i. **Subcontractors.** The Insured Party shall include all subcontractors as an insured under its policies or shall furnish separate certificates and endorsements for each

subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

6. **WAIVERS OF INSURANCE.** Waivers of insurance may be granted only under the following circumstances:
 - a. A waiver of automobile insurance may be granted by the City if the Insured Party seeking a waiver certifies to the City that it does not intend to use an automobile or any other motorized vehicle in the course of its business or within the City limits.
 - b. A waiver of workers' compensation insurance may be granted by the City if the Insured Party seeking a waiver certifies to the City that it is a sole proprietor or is an organization with no employees. All such waivers are conditioned on compliance with the requirements to obtain a workers' compensation waiver found in the Workers' Compensation Act.
 - c. A waiver of employer practices liability may be granted for an Insured Party if neither the Insured Party nor any of its employees, contractors, or subcontractors will interact or come into contact with City employees, officers, officials, or volunteers or members of the public.

7. **CONDITIONS THAT MAY NOT BE ACCEPTED.** The City may reject the contract based on the following conditions:
 - a. **Claims-Made Policies.** With the exception of policies for professional liability, including errors and omissions, environmental liability, and employment liability, claims-made policies will not be accepted by the City as adequate insurance coverage.
 - b. **Evaluation of Loss History.** The City reserves the right to adjust all liability limits based on a pre-contract evaluation of an Insured Party's loss history. The City shall give fair notice of any adjustment of liability limits. In order to properly and fairly evaluate the risk of loss, the City shall require that all contract and permit applicants submit detailed plans for the contract or permit applied for, as well as a loss history conducted by a credible third party.
 - c. **Acceptability of Insurers.** Insurance and bonds are to be placed with insurers admitted in the State of Utah with a Bests' rating of no less than A-, IX, and in the limits as listed in this document, unless approved by the City.

8. **SELF-INSURANCE.** Self-insurance may be utilized to meet the City's insurance requirements, under certain circumstances. Self-insurance by the State of Utah and its departments and by the Federal government and its branches is acceptable. Self-insurance by certain other public entities may be acceptable as approved by the City. Any self-insurance program or self-insured retention must be approved separately in writing by the City and shall protect the City and its officers, officials, employees, and volunteers in the same

manner and to the same extent as they would have been protected had the policy or policies not contained any self-insurance or self-insured retention provisions.

9. OTHER LAWS. All contracting parties shall obey all federal, state, county, and municipal laws, ordinances, regulations, and rules applicable to their operations and required insurance. Failure to do so shall result in the Insured Party holding the City harmless from any liability arising out of or in connection with said violations. This shall include any attorney's fees and costs incurred by the City in connection with a violation of any federal, state, county, or municipal law, ordinance, or regulation by an Insured Party.
10. SPECIAL COVERAGES. The City may require special coverages in addition to the coverages listed in this policy for certain types of contractors, providers of certain services, or the issuance of certain permits. The limits for special coverages shall be determined through consideration of the hazardousness of the work or project, the proximity of the project to the public, and the duration of the work or project. Special coverage(s), if required, may not be excluded from the Insured Party's policy by endorsement. Special coverages which the City may require include:
 - a. Abuse and molestation coverage;
 - b. Advertising injury coverage;
 - c. Aircraft liability coverage;
 - d. Asbestos abatement liability coverage;
 - e. Boiler and machinery liability coverage;
 - f. Builder's risk coverage;
 - g. Course of construction coverage;
 - h. Environmental coverage;
 - i. Excess liability coverage;
 - j. Explosion, collapse, underground (XCU) coverage;
 - k. Garagekeeper's coverage;
 - l. Liquor liability coverage;
 - m. Medical malpractice coverage;
 - n. On-hook liability coverage;
 - o. Participant coverage;
 - p. Pollution liability coverage;
 - q. Railroad protective liability coverage; and/or
 - r. Watercraft liability coverage.