NY GovBuy

Insurance Requirements: Understanding the Terminology

May 4 & 5, 2022
Insurance Requirements: Understanding the Terminology
Speakers

• Robert Hall, Casualty Insurance Analyst 2
  Bureau of Risk and Insurance Management

• Walter Peretti, Assoc WC Examiner
  NYS Workers Compensation Board

• Paul Hennessey, Area Senior VP
  Arthur J Gallagher
What is the Bureau of Risk & Insurance Management (BRIM)

- **Insurance Procurement** - BRIM contracts with brokers to place insurance coverage when required by legislation or contracts.
- **Insurance Expertise** - Shift risk away from the State (and a contract’s authorized user) and onto the contractor based upon the scope of work.
  - Write insurance requirements for contracts for agencies
  - Review insurance documents for agencies
What is the Workers’ Compensation Board

Mission: The New York State Workers' Compensation Board protects the rights of employees and employers by ensuring the proper delivery of benefits to those who are injured or ill, and by promoting compliance with the law.

• Before enactment of the Workers' Compensation Law, when a worker was injured, the only remedy was to sue in the courts. The employer could always raise an objection that the worker had assumed the risk of employment, or the injury was caused by the worker's negligence or that of another worker.

• Today, the workers' compensation system guarantees both medical care and weekly cash benefits to people who are injured on the job. Weekly cash benefits and medical care are paid by the employer's insurance carrier, as directed by the Workers' Compensation Board.
Who is Arthur J Gallagher

Founded by Arthur J. Gallagher in Chicago in 1927, Gallagher has grown to be one of the leading insurance brokerage, risk management, and HR & benefits consulting companies in the world. With significant reach internationally, our organization employs over 34,000 people and our global network provides services in more than 150 countries.

• Since 1927, we've been working together with our clients to find effective solutions to their challenges, and our expert advisors are an integral part of your local business community.

• Our values are core to our culture. Passionate service, strategic innovation, and ethical behavior form the basis of how we do business – The Gallagher Way. All with one purpose: To help you face your future with confidence.
Importance of Insurance Requirements in Contracts
Self-Retained

New York State is “self-retained” – we do not purchase insurance unless required by contract

Examples:

• State owns close to 19,000 buildings; those buildings are not insured

• If you work for a State agency, your computers in your office are not insured
Responsibility of Risk

Contract specifications make prime contractors responsible for the risks associated with the scope of work that they perform under the contract and the work of any subcontractor.

- Why? Because there is risk in the field in which your contractor chooses to do business.
- Vendors must be fully compliant with insurance requirements listed in a solicitation before receiving a contract.
Types of Insurance Policies
Common Coverages Required in Contracts

- Commercial General Liability
- Automobile Liability
- Professional Liability and Errors and Omissions (E&O)
- Data Breach/Cyber Liability
- Technology E&O
- Environmental Liability
- Crime Insurance
- Garage Liability
- Garage Keepers
- Umbrella/Excess
- Workers Compensation
- Disability

*Policies in bold are requirements in all OGS Contracts
Commercial General Liability (CGL)

“Protects against liability claims for bodily injury (BI) and property damage (PD) arising out of premises, operations, products, completed operations; and advertising and personal injury (PI) liability.”

www.irmi.com
Certificate of Insurance (COI) – An Acord form or equivalent, acts as proof of insurance

- COI provides limited information related to the policies, and can be viewed as a “snapshot” of all listed coverages as of the date the certificate was produced

What information can be found on the COI?

- Insurer names
- Policy numbers
- Policy terms
- Policy Limits
- Basis on which the policy is written
- Additional Insured status
- Waiver of Subrogation status
- Self Insured Retentions/ Deductibles
Certificate of Insurance

CERTIFICATE OF LIABILITY INSURANCE

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

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

PRODUCER
Fictional Insurance Agency
987 Main Street
Anytown, NY 10001

CONTACT NAME: Ms. I. Agent
PHONE (A/C, No. Ext): 655-555-0101
FAX (A/C, No.): 655-555-0102
E-MAIL ADDRESS: agent@producername.com

INSURED
A Fictional Company
123 Unreal Drive
Anytown, NY 10001

INSURER(S) AFFORDING COVERAGE

| INSURER A | Carrier A | 12345 |
| INSURER B | Carrier B | 12345 |

NY GovBuy
# Certificate of Insurance

## Coverages

<table>
<thead>
<tr>
<th>INSR LTR</th>
<th>TYPE OF INSURANCE</th>
<th>ADDL INSR</th>
<th>SUBR WVD</th>
<th>POLICY NUMBER</th>
<th>POLICY EFF (MM/DD/YYYY)</th>
<th>POLICY EXP (MM/DD/YYYY)</th>
<th>LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>Y</td>
<td>Y</td>
<td>CG123456789</td>
<td>01/01/2022</td>
<td>01/01/2023</td>
<td>EACH OCCURRENCE $1,000,000</td>
</tr>
<tr>
<td></td>
<td>SIR/DEDUCTIBLE</td>
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</tr>
</tbody>
</table>

## General Aggregate Limit Applies Per:

- Policy
- Project
- Location

## Automobile Liability

<table>
<thead>
<tr>
<th>B</th>
<th>ANY AUTO</th>
<th>ALL OWNED AUTOS</th>
<th>HIRED AUTOS</th>
<th>SCHEDULED AUTOS</th>
<th>NON-OWNED AUTOS</th>
<th>Y</th>
<th>Y</th>
<th>CA123456789</th>
<th>01/01/2022</th>
<th>01/01/2023</th>
<th>COMBINED SINGLE LIMIT $2,000,000</th>
</tr>
</thead>
<tbody>
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<td>BODILY INJURY (Per person) $</td>
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<td></td>
<td></td>
<td>BODILY INJURY (Per accident) $</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>PROPERTY DAMAGE (Per accident) $</td>
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</table>

## Umbrella Liability

<table>
<thead>
<tr>
<th>A</th>
<th>EXCESS LIABILITY</th>
<th>OCCUR CLAIMS-MADE</th>
<th>Y</th>
<th>Y</th>
<th>UM123456789</th>
<th>01/01/2022</th>
<th>01/01/2023</th>
<th>EACH OCCURRENCE $2,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AGGREGATE $2,000,000</td>
</tr>
</tbody>
</table>
Occurrence vs. Claims-made Coverage

- Occurrence policies covers damages that “occur” during the policy period, regardless of when the claim is filed. In effect, an Occurrence policy offers permanent coverage for incidents that occur during the policy period.

- Claims-Made Policy — a policy providing coverage that is triggered when a claim is made against the insured during the policy period, regardless of when the wrongful act that gave rise to the claim took place. (The one exception is when a retroactive date is applicable to a claims-made policy. In such instances, the wrongful act that gave rise to the claim must have taken place on or after the retroactive date.) Most professional, errors and omissions (E&O), directors and officers (D&O), and employment practices liability insurance (EPLI) is written as claims-made policies.
Self-Insured Retention (SIR) / Deductible

• SIR - the dollar amount that must be paid by the insured before the insurance policy will pay on a loss above the SIR

• Deductible - the insurer would pay the defense and indemnity costs on the insured’s behalf and then seek reimbursement of the deductible payment from the insured

• With SIR, you must make sure a Contractor has the day one dollars necessary for any defense and indemnity that falls within the SIR limit

BRIM completes a financial review when vendor evidences a SIR/deductible over $100,000
Additional Insured (AI)

- As an AI, an organization (OGS/Authorized Users) enjoys the benefits of being insured under an insurance policy, in addition to the Insured (vendor submitting proposal)

- On OGS centralized contracts you will see, the AI endorsements must name “The People of the State of New York, The New York State Office of General Services, any entity authorized by law or regulation to use any contract resulting from this solicitation and their officers, agents and employees”
### AI Endorsement – CGL – On-going Work

**Policy Number:** CG123456789  
**Commercial General Liability**

**This Endorsement Changes the Policy. Please Read It Carefully.**

**Additional Insured – Owners, Lessees or Contractors – Scheduled Person or Organization**

This endorsement modifies insurance provided under the following:

**Commercial General Liability Coverage Part**

**Schedule**

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s)</th>
<th>Location(s) Of Covered Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>The People of the State of New York, the New York State Office of General Services, any entity authorized by law or regulation to use the Contract and their officers, agents, and employees</td>
<td>As per the Authorized User Agreement between the Authorized User and the Insured</td>
</tr>
</tbody>
</table>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;
   in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

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

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

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

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

POLICY NUMBER: CG123456789

COMMERCIAL GENERAL LIABILITY

CG 20 37 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

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

SCHEDULE

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s)</th>
<th>Location And Description Of Completed Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>The People of the State of New York, the New York State Office of General Services, any entity authorized by law or regulation to use the Contract and their officers, agents and employees</td>
<td>As per the Authorized User Agreement between the Authorized User and the Insured</td>
</tr>
</tbody>
</table>
AI Endorsement – CGL – Completed Operations

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" 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".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

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

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

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

• Prevents the vendor’s insurer from attempting to seek reimbursement from a third party (the State/Authorized Users) who caused any kind of loss to the insured

• Why is this necessary? The State as sovereign can only be sued in the Court of Claims, so we cannot open the State up to prospective liability.
Certificate of Insurance

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

Additional insured protection afforded is on a primary and non-contributory basis. A waiver of subrogation is granted in favor of the additional insureds.

CERTIFICATE HOLDER

Certificate holder for the contract

CANCELATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Check for signature

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ACORD 25 (2016/03)

The ACORD name and logo are registered marks of ACORD
OGS accepts on COI in lieu of an Endorsement

• **Primary and non-contributory** – Establishes the order or priority of coverage

• **Loss Payee** (in first party policies such as Property and Crime Insurance) – In addition to the named insured a loss payee is also a party to whom claim proceeds are paid.
Automobile Insurance

Policy provides both liability and physical damage coverage. Liability coverage responds to third party claims arising out of the ownership, maintenance, or use of automobiles, personal injury protection, and uninsured/underinsured motorists,

Physical damage is first party coverage that insures against two primary types of loss:

- **Collision**: Covers loss to a covered auto and its equipment resulting from collision or overturn

- **Comprehensive**: Covers loss to a covered auto and its equipment resulting from any cause other than collision or overturn, except those losses that are specifically excluded
# Certificate of Insurance - Auto

<table>
<thead>
<tr>
<th>COVERAGES</th>
<th>CERTIFICATE NUMBER:</th>
<th>REVISION NUMBER:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GENERAL LIABILITY</td>
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</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLAIMS-MADE X OCCUR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>POLICY DATE</td>
<td>POLICY NUMBER</td>
<td>LIMITS</td>
</tr>
<tr>
<td>Y Y</td>
<td>CG123456789</td>
<td>01/01/2022</td>
</tr>
<tr>
<td>GENERAL AGGREGATE 3 2,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRODUCTS - COMPLIANT 3 2,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUTOMOBILE LIABILITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANY AUTO</td>
<td>SCHEDULED AUTOS</td>
<td>HIRED AUTOS</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>POLICY DATE</td>
<td>POLICY NUMBER</td>
<td>LIMITS</td>
</tr>
<tr>
<td>Y Y</td>
<td>CA123456789</td>
<td>01/01/2022</td>
</tr>
<tr>
<td>COMBINED SINGLE LIMIT (Per accident) 3 2,000,000</td>
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<tr>
<td>BODILY INJURY (Per person) 3 1,000,000</td>
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<tr>
<td>UMBRELLA LIABILITY</td>
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<tr>
<td>OCCUR CLAIMS-MADE</td>
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<tr>
<td>POLICY DATE</td>
<td>POLICY NUMBER</td>
<td>LIMITS</td>
</tr>
<tr>
<td>Y Y</td>
<td>UM123456789</td>
<td>01/01/2022</td>
</tr>
<tr>
<td>AGGREGATE 3 2,000,000</td>
<td></td>
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</tbody>
</table>
AI Endorsement - Auto

POLICY NUMBER: CA 123456789

COMMERCIAL AUTO
CA 20 48 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: Contractor Name
Endorsement Effective Date: 1/1/2022

SCHEDULE

Name Of Person(s) Or Organization(s):
The People of the State of New York, the New York State Office of General Services, their officers, agents, and employees.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
AI Endorsement - Auto

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph A.1. of Section II – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph D.2. of Section I – Covered Autos Coverages of the Auto Dealers Coverage Form.
Umbrella / Excess Liability

Required insurance coverage limits may be provided through a combination of primary and excess/umbrella liability policies.

Umbrella liability is “designed to provide protection against catastrophic losses. It is generally written over various primary liability policies, most commonly the business auto policy and commercial general liability policy. An Umbrella / Excess policy can also be written over other types of liability policies, including watercraft and aircraft liability polices…”

www.irmi.com
Umbrella/Excess Coverage

- BRIM requires the Umbrella Schedule or Excess Schedule or underlying coverage go confirm minimum limits are met
- Policies should “Follow Form” – can note on COI or send endorsement
- Must request the Umbrella/Excess policies have AI coverage on a primary and non-contributory basis
- Must waive subrogation
- If does not follow form, need AI endorsement
# Umbrella Schedule of Underlying Coverage

## SCHEDULE A

**SCHEDULE OF UNDERLYING POLICIES**

**ATTACHED TO POLICY NO. UM123456789**

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Policy Term and Number</th>
<th>Company</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile Liability</td>
<td>January 1, 2022-</td>
<td>Carrier A</td>
<td>$2,000,000 Combined</td>
</tr>
<tr>
<td></td>
<td>January 1, 2023</td>
<td></td>
<td>Single Limit</td>
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<td></td>
<td>CA 123456789</td>
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</tr>
<tr>
<td>General Liability</td>
<td>January 1, 2022-</td>
<td>Carrier B</td>
<td>$2,000,000 General</td>
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<td></td>
<td></td>
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<td>Aggregate</td>
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<td></td>
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<td>$2,000,000 Products</td>
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<td>Completed Operations Agg</td>
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<td></td>
<td></td>
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<td>$1,000,000 Personal and</td>
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<td>Advertising Limit</td>
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<td>$1,000,000 Each Occurrence</td>
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<td></td>
<td></td>
<td></td>
<td>Limit</td>
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</tbody>
</table>
WCB Requirements

@NYS_OGS  @NewYorkStateOGS  #2022NYGovBuy
1. Develop the Solicitation

**PROVIDE PROOF**

- NYS Disability Benefits Insurance (Section 220) and Paid Family Leave
- NYS Workers’ Compensation (Section 57)

**APPLICABLE LAW**

- NYS Disability Benefits Insurance and Paid Family Leave
- NYS Workers’ Compensation

**EXEMPTION PROOF**

- File Certificate of Attestation for Exemption; Form CE-200
2. Inform bidders of the Insurance Requirements

You are responsible for:

1.Providing language denoting the insurance requirements
2. Linking bidders to wcb.ny.gov
3. Bid Opening & Evaluation (WCB Requirements)

WCB Insurance Proof

- **Certificate of NYS Workers’ Compensation Insurance (Form C-105.2)**
  Issued by private insurance carriers

- **Certificate of Insurance (Form U26.3)**
  Issued by the NYS Insurance Fund (NYSIF)

- **Certificate of Self-Insurance (Form SI-12)**
  Issued by the NYS Workers’ Compensation Board, Self-Insurance Office

Note: A simple “ACORD” form is not sufficient!
4. Bid Opening & Evaluation (DB/PFL Requirements)

Disability Benefits and Paid Family Leave Proof

- Certificate of NYS DB and PFL Insurance (Form DB-120.1)
  Issued by private insurance carriers & NYS Insurance Fund

- Certificate of Self-Insurance (Form DB-155)
  Issued by NYS Workers’ Compensation Board, Self-Insurance Office

Note: A simple “ACORD” form is not sufficient!
5. Certificate of Attestation for Exemption
(Form CE-200)

Proof the business is exempt from needing Workers’ Compensation, Disability Benefits, and/or Paid Family Leave Insurances

Must be provided for each permit, license or contract

Available at BusinessExpress.ny.gov
Additional Risks
Professional Errors and Omissions (E&O)

Protects professional advice and service - providing individuals and companies against liability/claims for inadequate work or negligent actions.

- Coverage for loss or damage arising from poor or misleading advice, or an act of negligence that leads to a client’s financial loss
- Commonly held by attorneys, architects, real estate brokers, \textit{INSURANCE BROKERS}, engineers, accountants, Media/Tech/eBusiness companies...
Data Breach/Cyber Coverage

Protects a firm when personally identifiable information (PII) in its possession (such as social security number, credit card information, health insurance information, etc) is exposed or stolen in a breach.
Data Breach/Cyber Coverage

Coverage may apply to:

- Customer Expert Services/Forensic Investigator Costs
- Breach Notification Costs
- Credit or Identity Protection Costs
- Public Relations & Crisis Management Expenses
- Call Center Services
- Third Party Claims
- Lost Income – Resulting from the Breach
- Regulatory Fines & Penalties
Contractors Pollution Liability

Protects your contractor against bodily injury, property damage, defense, and cleanup as a result of an occurrence (sudden/accidental and gradual) arising from contracting operations performed by or on behalf of the contractor

www.irmi.com

➢ Project Policies
➢ Blanket Programs
### Contractors Pollution Liability

**Example** of Guidelines for Purchases of CPL Coverage

<table>
<thead>
<tr>
<th>Annual Revenue</th>
<th>Limits Purchased</th>
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<tbody>
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<td>$0 - $10 million</td>
<td>$1,000,000 each loss/aggregate</td>
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<td>$10 million - $25 million</td>
<td>$2,000,000 each loss/aggregate</td>
</tr>
<tr>
<td>$25 million - $50 million</td>
<td>$2,000,000 to $5,000,000 each loss/aggregate</td>
</tr>
<tr>
<td>$50 million - $100 million</td>
<td>$5,000,000 each loss/aggregate</td>
</tr>
<tr>
<td>$100 million - $250 million</td>
<td>$5,000,000 to $10,000,000 each loss/aggregate</td>
</tr>
<tr>
<td>$250 million - $500 million</td>
<td>$10,000,000 to $25,000,000 each loss/aggregate</td>
</tr>
<tr>
<td>$500 million - $1 Billion</td>
<td>$25,000,000 each loss/aggregate</td>
</tr>
<tr>
<td>Above $1 Billion</td>
<td>$25,000,000 each loss/aggregate or higher</td>
</tr>
</tbody>
</table>
Crime Insurance

Protects a company when the following occur:

- Employee dishonesty – should include “third party” coverage to protect an organization other than the guilty party’s employer. An example is an employee of a janitorial firm who steals from a customer’s premises.
- Forging or alteration
- Computer fraud - sometimes in your data breach/cyber liability
- Funds transfer fraud
- Kidnap, ransom, or extortion
- Money and securities
- Money orders and counterfeit money
Garage Liability

- Covers legal liability of franchised & non-franchised automobile, truck, truck-tractor, motorcycle, recreational vehicle, and trailer dealers for claims of bodily injury (BI) and property damage (PD) arising out of business operations.

- Essentially combines the coverage that is provided by Automobile Liability and General Liability policies onto a single policy.
Garagekeepers

Coverage is for liability exposures with respect to damage to a customer's auto or auto equipment

- Left in the dealer's care for service or repair
- Applies to parking lot operators
- Two ways this coverage is provided:
  - **Legal Liability** - provides coverage when the insured is legally responsible for the loss
  - **Direct Primary** - provides coverage without regard to the insured’s legal fault
Builders Risk

Covers property in the course of construction

- Mostly written on an inland marine form
- Usually written on an all risk basis
- Typically applies to property on site, at off-site storage locations, and while in transit
- Can be written on a completed value or a reporting form basis
Builders Risk (continued)

- Often referred to as “Installation Floaters” coverage
- Insures all parties with an insurable interest in the property being built/installed
- There is NEVER a need for more than one builder’s risk policy for a given project.
Sexual Abuse and Molestation

• Sexual Abuse and Molestation coverage includes the actual, alleged, or threatened abuse, molestation or exploitation by anyone of any person while in the care, custody or control of any insured. The term "bodily injury" includes mental anguish or emotional distress. The carrier pays for damages because of abuse, molestation, or exploitation arising from negligent employment, training, investigation, reporting to proper authorities, or failure to so report, or retention and supervision of a person for whom the insured is or ever was legally responsible.
Common WC & DI Issue

• Contractor ABC Company has contract (FEIN 12-3456789), and is a subsidiary of USA Company (FEIN 85-2963741), who is the parent company
• XYZ Company (FEIN 98-7654321) is a subsidiary of USA Company and has the employees who are completing the contracted work.

This is a common issue with contractors. Who needs to be the Named Insured on the WC and DI certificates?
What FEIN should be on the certificates?
Questions?

@NYS_OGS  @NewYorkStateOGS  #2022NYGovBuy
Helpful Links & Resources

@NYS_OGS  @NewYorkStateOGS  #2022NYGovBuy
Guidelines for Insurance Requirements in Contracts

- Note – CCA Guidelines were updated in 2021

Workers’ Compensation Board website to check Employer Coverage
[http://www.wcb.ny.gov/content/ebiz/icempcovsearch/icempcovsearch_overview.jsp](http://www.wcb.ny.gov/content/ebiz/icempcovsearch/icempcovsearch_overview.jsp)

International Risk Management Institute – Risk management and insurance education and information
[https://www.irmi.com](https://www.irmi.com)
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