

CTA SPECIMEN RISK MANAGEMENT AND INSURANCE CONTRACT REQUIREMENTS FOR SERVICE PROVIDERS

JULY 2017

PART 1: CONTRACT REQUIREMENTS

Obtain a copy of the Service Provider's contract. The contract must include the following provisions:

A. INDEMNIFICATION

"[insert name of Service Provider] ("Service Provider") and its subcontractors of every tier shall hold harmless and indemnify California Teachers Association (CTA) and its trustees, directors, officers, agents, employees and any other CTA affiliated teachers associations and affiliated chapters and councils (as described in CTA's Bylaws, Article IX—Affiliates) and its indemnitees against and for any and all claims, actions, losses, damages, costs and expenses ("Claims"), including without limitation reasonable attorneys' fees and/or costs incurred defending such Claims, arising out of or related to this Agreement. In defending such Claims, CTA shall have the right to select and retain attorneys of its own choice."

B. ADDITIONAL INSURED

"[insert name of Service Provider] ("Service Provider") and its subcontractors of every tier agree to add CTA and its indemnitees as an Additional Insured to its General Liability, Automobile Liability, and Umbrella/Excess liability insurance policies via this contract and by providing policy endorsements listing CTA and its indemnitees as such.

C. PRIMARY AND NON-CONTRIBUTORY BASIS

"[insert name of Service Provider] ("Service Provider") and its subcontractors of every tier agree that its General Liability, Automobile Liability, and Excess/Umbrella Insurance policies shall be primary with any such insurance carried by CTA or its indemnitees, and CTA's insurance shall be excess and noncontributory with Service Provider's insurance. Service Provider will provide CTA an endorsement stating such.

PART 2: INSURANCE REQUIREMENTS FOR SERVICE PROVIDER AND ITS SUBCONTRACTORS OF EVERY TIER:

A. Workers' Compensation / Employers' Liability Insurance

- a) Workers' Compensation – Statutory – State of California
- b) Employers' Liability Insurance shall be provided on Occurrence Basis in amounts not less than:
 - \$1,000,000 each employee for bodily injury by accident;
 - \$1,000,000 each employee for bodily injury by disease;
 - \$1,000,000 policy limit for bodily injury by disease.
- c) Waiver of Subrogation endorsement in favor of CTA on a form at least as broad as **WC 04 03 06** (Sample 2).

B. Commercial General Liability on a coverage form as broad as **ISO occurrence Form CG 0001.**

- a) General Liability Insurance shall be provided on Occurrence Basis in amounts not less than:
 - \$1,000,000 each occurrence Bodily Injury and Property Damaged combined;
 - \$1,000,000 for Personal Injury Liability;
 - \$2,000,000 Products & Completed Operations aggregate;
 - \$2,000,000 General Aggregate;
 - \$10,000 medical payments.

- b) CTA and its indemnitees shall be added as an Additional Insured on the policy using **ISO form CG 20 10 11 85** (Sample 3) or an endorsement providing equivalent coverage to CTA for both ongoing and completed operations;
 - c) CTA shall receive at least 30 days prior written notice by the carrier of any cancellation or non-renewal of the policy, except cancellation due to non-payment of premium in which ten (10) days prior notice shall be provided.
 - d) Service Provider's insurance coverage shall be primary and non-contributing with any other insurance maintained by CTA, by endorsement with wording from Sample 4 or equivalent wording.
 - e) Waiver of Subrogation Endorsement in favor of CTA and its indemnitees by endorsement using **ISO form CG 24 04 10 93** (Sample 5) or policy wording.
 - f) Carrier is to be admitted in the State of California and have at least an AM Best rating of no less than A- IX; or if non-admitted, an A.M. Best rating of A or better and a financial capacity of X or better.
 - g) Service Provider shall provide endorsements for Additional Insured (Sample 3), Primary and Non-Contributing coverage (Sample 4), and Waiver of Subrogation (Sample 5) for the General Liability policy and attach to the contract.
- C. Automobile Liability Insurance on coverage form as broad as **ISO occurrence form CA 0001**:
 - a) \$1,000,000 policy coverage on Occurrence Basis
 - b) Coverage on all owned, non-owned, leased and hired automobiles, as applicable; and
 - c) CTA and its indemnitees shall be added as an Additional Insured on the policy via endorsement (Sample 6).
- D. Excess or Umbrella Liability following form to the underlying Employer's Liability, General Liability and Automobile Liability insurance with respect to additional limits of insurance as required by contract;
- E. Service Provider shall provide CTA with full copies of its insurance policies upon request.
- F. Service Provider shall also provide CTA with Evidence of Insurance submitted on an **ACORD 25 form** reflecting the above insurance requirements (Workers' Compensation, Commercial General Liability, Automobile Liability and Excess/Umbrella Liability along with copies of all required endorsements (Samples 2,3,4,5 and 6).
- G. At least ten (10) days prior to the expiration of any policy required to be maintained by the Service Provider pursuant to the parties' Agreement, Service Provider shall provide CTA with insurance certificates evidencing renewal of the required coverages.
- H. Service Provider shall ensure that its Service Providers of any tier shall maintain insurance in like form and amounts set forth in Sections A, B, C and D of this Part 2, and upon request provide CTA evidence of insurance for its Service Providers. Failure of Service Provider or its Service Providers of all tiers to maintain the specified insurance herein shall constitute a material breach of the Agreement and may result in termination of the Agreement at CTA's option.
- I. If Service Provider uses its own tools, Service Provider shall be responsible for procuring and maintaining at its own expense property and equipment insurance for Service Provider's tools, equipment, temporary structures, work in progress, and work in transit and/or in temporary storage.
- J. Upon written request by CTA, copies of policies shall be furnished by Service Provider and its Service Providers within 10 days.

- K. All coverages required herein shall be kept in full force and effect for the term of this Agreement and maintained for an additional, uninterrupted period of 1 year after completion of this Agreement.
- L. Allowance of any additional exclusion or coverage limiting endorsements is at the discretion of CTA.
- M. Service Provider shall be responsible for any deductible amount or any loss arising out of coverage denials by its insurance carrier(s).
- N. Any acceptance of insurance certificates by CTA shall in no way limit or relieve the Service Provider of the duties and responsibilities assumed by the Service Provider in the Agreement, including the duty to indemnify and hold harmless CTA under other provisions thereof. Failure of CTA to demand such certificate or other evidence of full compliance with these insurance requirements or failure of CTA to identify deficiencies from evidence that is provided shall not be construed as a waiver of Service Provider's obligations to maintain such insurance.
- O. Should any insurance policy lapse or be canceled during the contract period, Service Provider shall, prior to the effective expiration or cancellation date, furnish CTA with evidence of renewal or replacement of the policy. Failure to continuously satisfy insurance requirements as herein provided is a material breach of contract. In the event Service Provider fails to maintain any insurance coverage required, CTA may, but is not required to, maintain such coverage and charge the expense to Service Provider or terminate this contract.
- P. Service Provider's obligations for loss or damage arising out of Service Provider's work are in no way limited to the types or amounts of insurance set forth above. To the extent Service Provider maintains insurance greater than these minimum requirements; Service Provider agrees that such insurance shall be applicable to any of Service Provider's liability obligations hereunder. In specifying minimum insurance requirements herein, CTA does not assert or recommend this insurance as adequate to Service Provider's requirements. Service Provider is solely responsible to inform itself of types or amounts of insurance it may need beyond these requirements to protect itself from loss, damage, or liability.

Summary

Obtain copies of the following documents:

- ☐ **Contract – ensure the contract includes indemnification, additional insured, and primary and noncontributory language in favor of CTA**
- ☐ **Certificate(s) of Insurance (Sample 1)**
- ☐ **Endorsements for General Liability, Automobile Liability, and Employer's Liability/Workers' Compensation (Samples 2-6)**
- ☐ **Service Provider's General Liability and Automobile Liability full insurance policies**

SAMPLE 1 – CERTIFICATE OF INSURANCE

Agency Name and Address:	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 THE POLICIES LISTED BELOW.
Insured's Name and Address:	<div style="text-align: right; margin-bottom: 10px;">Companies Affording Coverage</div> <div> Company A: Company B: Company C: Company D: Company E: Company F: </div>

COVERAGES: THIS IS TO CERTIFY THAT 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.

CO. LTR.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFEC. DATE	POLICY EXPIR. DATE	LIMITS	
	GENERAL LIABILITY <input checked="" type="checkbox"/> Comml. Gen. Liability <input type="checkbox"/> Claims Made <input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Owner's & Contractors Protective <input type="checkbox"/> Contractual				General Aggregate Products-Com/Ops Agg. Personal & Adv. Injury Each Occurrence Fire Damage (any one fire) Medical Payments	\$2,000,000 \$2,000,000 \$1,000,000 \$1,000,000 \$500,000 \$10,000
	AUTO LIABILITY <input checked="" type="checkbox"/> Any Automobile <input type="checkbox"/> All owned autos <input type="checkbox"/> Scheduled autos <input checked="" type="checkbox"/> Hired autos <input checked="" type="checkbox"/> Non-owned autos <input type="checkbox"/> Garage liability <input type="checkbox"/>				Combined Single Limit Bodily Injury (per person) Bodily Injury (per accident) Property Damage	\$1,000,000
	EXCESS LIABILITY <input checked="" type="checkbox"/> Umbrella Form <input type="checkbox"/> Other than Umbrella Form				Each Occurrence Aggregate:	 \$5,000,000 \$5,000,000
	WORKERS' COMPENSATION AND EMPLOYERS LIABILITY				Statutory Limits Each Accident: Disease/Policy Limit: Disease/Employee:	State of Calif. Or Project Location. \$1,000,000 \$1,000,000 \$1,000,000
					Per Claim: Aggregate:	

Description of Operations/Locations/Vehicles/Restrictions/Special Items:

The Following Endorsements Issued in Favor of CTA Must Be Attached:

Commercial General Liability: 1) Additional Insured, 2) Waiver of Subrogation, 3) Primary/Non-Contributory

Automobile Liability: 1) Additional Insured Endorsement

Workers' Compensation / Employers' Liability: 1) Waiver of Subrogation

Certificate Holder: <div style="text-align: center;"> California Teachers Association 1705 Murchison Drive Burlingame, CA 94010 </div> Attn: Property Management	<div style="text-align: center;"> THE AGGREGATE LIMIT IS THE TOTAL INSURANCE AVAILABLE FOR CLAIMS PRESENTED WITHIN THE POLICY FOR ALL OPERATIONS OF THE INSURED. CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL 30 *DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, EXCEPT IN THE EVENT OF CANCELLATION FOR NON-PAYMENT OF PREMIUM IN WHICH CASE 10 DAYS NOTICE WILL BE GIVEN. </div> <div style="border-top: 1px solid black; margin-top: 5px;"> Authorized Representative: </div>
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SAMPLE

SAMPLE 2 – WORKERS’ COMPENSATION WAIVER OF SUBROGATION ENDORSEMENT

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 04 03 06

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be _____% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Job Description

SAMPLE 3 – GENERAL LIABILITY ADDITIONAL INSURED ENDORSEMENT

POLICY NUMBER: _____

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED -- OWNERS, LESSEES OR
CONTRACTORS (FORM B)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

(If no entry appears above, 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 "your work" for that insured by or for you.

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SAMPLE 4 – GENERAL LIABILITY
PRIMARY AND NONCONTRIBUTORY ENDORSEMENT

“*[insert name of Service Provider]* (“Service Provider”) will consider this insurance to be primary to and non-contributory with the insurance issued directly to CTA if:

- CTA’s contract specifically requires that we consider this insurance to be primary or primary and non-contributory; or
- CTA requests before a loss that we consider this insurance to be primary or primary and non-contributory insurance.

SAMPLE 5 – GENERAL LIABILITY WAIVER OF SUBROGATION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

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

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section **IV** – COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

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

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SAMPLE 6 – AUTOMOBILE LIABILITY ADDITIONAL INSURED ENDORSEMENT

POLICY NUMBER:

COMMERCIAL AUTO
CA 20 48 02 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS 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" 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.

Endorsement Effective:	Countersigned By:
Named Insured:	(Authorized Representative)

SCHEDULE

Name of Person(s) or Organization(s):
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(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in **Section II** of the Coverage Form.