



Delaware State University

University Area(s) Responsible: Office of Enterprise Risk Management

Policy Number & Name: 7-33: Insurance Requirements for Vendors, Contractors and Service Providers

Approval Date: 1/31/13

Revisions: _____

Reviewed: _____

Related Policies & Procedures: _____

I. Purpose

To ensure that Vendors doing business with the University maintain insurance as necessary to reasonably protect the financial interests of the University.

II. Scope

All Vendors, Contractors and Service Providers (Collectively, “Vendors”) conducting business on campus with Delaware State University.

III. Policy

- A. All Vendors conducting business with Delaware State University (DSU) must be licensed or approved to do business within the State of Delaware.
- B. DSU must enter into formal contracts with all Vendors unless an emergency requires expedited acquisition of services. In the latter case, the appropriate administrator must provide a written statement, to be included in the Vendor’s file, as to the basis for determining that an emergency required action.
- C. All Vendors conducting business with the University must provide evidence of insurance (at the Vendor’s expense) prior to commencement of work and until completion and final payment for the work. In all circumstances, the goods, work, or service needed may not be acquired without a current copy of the Vendor’s completed Certificate of Insurance

naming Delaware State University as “Additional Insureds”, a current business license and a copy of the Vendor’s Safety Program if applicable.

- D. All Vendors coming on to University premises to do work or provide services are required to have General Liability insurance and other policies as specified by the contract and name Delaware State University as “Additional Insureds”. “Additional Insureds naming includes claims regarding the partial negligence on a primary non-contributory basis. Contracts and certificates of insurance must be submitted to Enterprise Risk Management and the General Counsel for review. Insurance is necessary to cover any claims or losses for which the Vendor may be responsible. Departments should request a Certificate of Insurance from the Vendor prior to the beginning of work and/or the start of a contract. The Certificate of Insurance must provide evidence of general liability or professional liability, automobile liability, and worker's compensation insurance. The insurance coverage must meet minimum standards as outlined below.
- E. All insurers of the Vendors conducting business with the University must be licensed or approved to do business within the state of Delaware.
- F. All insurers of the Vendors conducting business with the University must write required insurance on an “occurrence” basis.
- G. All insurers of the Vendors conducting business with the University possess a minimum A.M. Best’s Insurance Guide rating of B+ Class-VII or better.
- H. All insurers of the Vendors conducting business with the University must provide a minimum of 30 days advance written notice of cancellation, material change or nonrenewal of policies required under the contract to DSU. In the event of material change, cancellation, or non-renewal of coverage(s), it is the Vendor’s responsibility to replace coverage to comply with the Contract requirements so there is no lapse of coverage for any time period.
- I. General Aggregate Limit must apply on a per project basis,
- J. At least ten days prior to the start of the work, all Vendors must show evidence of satisfactory insurance coverage by providing DSU with a Certification of Insurance evidencing compliance with all requirements of the contract as well as the following:
 - a. Name and address of agent, phone number, and fax number
 - b. Name of insurance company(ies) and policy number(s)
 - c. Policy period
 - d. Name and Address of insured
 - e. Description of coverage(s)
 - f. Policy limits
 - g. Special instructions or terms of coverage i.e. Delaware State University named as an “Additional Insureds”, identification of the project or operations with respect to the certificate being issued, agreement to maintain such insurance for the duration of the project or the term for which services will be rendered.
 - h. DSU listed as the certificate holder
 - i. Signature of the insurer’s agent or representative and date
- K. DSU requires that all policies of insurance be on a primary basis, non-contributory with any other insurance coverage and or self-insurance carried by DSU.
- L. DSU requires the vendor provide a renewal certificate at least 15 days prior to expiration.
- M. DSU may also require that proof of professional liability and pollution liability converges be provided for up to three (3) years after the completion of a project.

- N. The Vendor agrees that the insurance requirements specified in the contract do not reduce the liability the Vendor has assumed in the indemnification or hold harmless section of the contract.
- O. The Vendor agrees to waive the insurer's subrogation rights as to any University insurance.
 - a. This means that the Vendor waives all rights of recovery against DSU and all the additional insureds for loss or damage covered by any of the insurance maintained by the vendor.
 - b. Further if any of the policies of insurance require an endorsement to provide for the waiver of subrogation, then the named insureds of such policies will cause them to be so endorsed.
- P. The amount of insurance provided in the insurance coverages, shall not be construed to be a limitation of the liability on the part of the Vendor.
- Q. Any type of insurance or any increase in limits of liability not described herein which the Vendor requires for its own protection or on account of statute shall be the responsible of the Vendor at its own expense. For example: Vendors involved in the transportation of hazardous material the policy shall include MCS-90 and ISO-9948 endorsements. Crime Insurance should include the Client's Property Endorsement (ISO Form CR 04 01 or equivalent.)
- R. The carrying of insurance described shall in no way be interpreted as relieving the Vendor of any responsibility of liability under the contract.
- S. Renewal Certificates of Insurance shall be provided annually to the University until all work/service is completed.
- T. DSU reserves the right to approve the security of the insurance coverages provided by the insurance company terms, conditions, and the Certification of Insurance. Failure of the Contractor to fully comply with these requirements during the term of the contract will be considered a material breach of the contract and will cause for immediate termination of the contract and withholding of payment at the option of DSU.
- U. There may be certain situations where an exposure is deemed either insignificant or more significant and Enterprise Risk Management will review the situations, as needed, and make adjustments to the basic insurance requirements to fit a particular situation. Examples of this exception may include, but are not limited to, large and complex construction projects and goods/services where exposure to a financial loss is negligible. Enterprise Risk Management reserves the right to consider each situation and to consider exceptions or to require additional coverage or the limits of liability as necessary.

Note: Departments should forward the University's Insurance Requirements to all Vendors who are providing services or using University facilities and premises. The Vendor in turn should forward the University's Minimum Insurance Requirements to their insurance agent or broker for compliance with the requirements set forth.

**Certificates of Insurance shall be provided to: Mr. Thomas Preston, Esquire
Office of the General Counsel
1200 N. DuPont Hwy
Dover, DE 19901**

Emergency Situation

- Whenever an emergency arises, the Department of Public Safety, the Risk Manager and Facilities shall be notified.
- An evaluation of the emergency will be conducted and a scope of the work needed will be created. The Department requesting the service/work will follow the emergency purchasing procedures. A current certificate of insurance from the Vendor, naming DSU as additionally insured will be requested if there is not one already on file. It will then be submitted to Enterprise Risk Management and the General Counsel for review.
- A copy of the Vendor's safety program will also be requested and submitted to Enterprise Risk Management and the General Counsel for review. Once ERM and the General Counsel approve the Certificate of Insurance the Vendor will be contacted by the requesting department to go over the Scope of Work as well as an evaluation of potential risks involved that need to be prepared for and taken into account.
- The original, approved Certificate of Insurance is to be filed with the Department or College utilizing the Vendor and a copy will be kept in the Office of Enterprise Risk Management.
- Any questions related to the University's insurance requirements should be directed to the Enterprise Risk Management Office at 302-857-7095.

All Policies listed herein may not contain any limiting "Insured versus Insured" Exclusion.

INSURANCE REQUIREMENTS

INSURANCE TYPE	DESCRIPTION AND RANGE
General Commercial Liability	<p>Commercial General Liability is broad based insurance that covers the liability assumed in the performance of the general, nonprofessional activities of many businesses.</p> <p>Includes: Premises and Operations, Personal Injury, Advertising Injury, Bodily Injury, Explosion, Collapse, Pollution, Underground Coverages, Broad Form Property Damage, Contractors Liability, Contractual Liability and Product Liability.</p> <p>Range from \$1- 6 Million combined single limit per occurrence Minimum limits \$1,000,000 Each Occurrence \$2,000,000 Completed Operations Aggregate (3 years min after project completion.) \$1,000,000 Personal Injury and Advertising Injury \$2,000,000-General Aggregate</p>
Professional Liability	<p>Certain types of contractors/vendors perform activities that are highly specialized professional services and are not fully covered under a Commercial General Liability Policy. These contracts/vendors might be required to carry Profession/Error and Omissions Liability Insurance.</p> <p>This liability may be required for consultants if they are licensed or certified and will be developing information that will be used in a decision making process within the institution that could create a liability. (Not required for construction contractors).</p> <p>Range from: \$1,000,000 per claim \$1,000,000 Aggregate</p>
Workers Compensation	<p>Workers Compensation covers an employer's statutory financial obligation to pay the costs associated with an employee's medical treatment and time away from work due to a work-related injury of illness. By state statute; 19 Delaware C. §2322, with very limited exceptions, all businesses with employees are required to either purchase workers compensation coverage or become an authorized self-insurer. This may include U.S. Longshoremen's and Harbor Workers' Coverage.</p> <p>Range: Statutory limits are required. Employer's Liability Minimum Limits: \$500,000 Each Accident \$500,000 Disease – Each Employee \$500,000 Disease –Policy Limit</p>

<p>Business Automobile Liability</p>	<p>Business Automobile Liability insurance covers the liabilities assumed by a business when the type of motor vehicles required to be licensed for operation on public roads are used in the course of their business activities. In situations where the contracting party will be using motor vehicles to perform operations or provide services on Delaware State University owned property, the contracting party should be required to carry Business Automobile Liability insurance. For Vendors involved in the transportation of hazardous material the policy shall include MCS-90 and ISO-9948 endorsements. Mobile Equipment should include CA 00 51 12 04 endorsement.</p> <p>Includes: Bodily Injury and Property Damage including owned, hired and non-owned vehicle coverage.</p> <p>Range: from \$1-2 Million per occurrence \$1,000,000 Per Accident for Bodily Injury and Property Damage Combined Single limit</p>
<p>Excess or Umbrella Insurance</p>	<p>Commercial General Liability and Business Automobile limits may be accomplished through a combination of primary and excess/umbrella policies. Depending on the potential for a more serious claim or frequency of claims, certain products, services or contracting exposures may be required to provide excess/umbrella coverage in addition to the primary insurance outlined above. The classification/categories subject to the excess/umbrella insurance requirements will be determined by Enterprise Risk Management on a case-by-case basis.</p> <p>Range: From \$2,000,000 million per occurrence From \$2,000,000 million Aggregate Limit</p>
<p>Other Insurance</p>	<p>Other types of coverage such as aviation, charter bus, builders risk and surety bonds may be required on certain goods, services or construction products.</p> <p>Range: Determined on a case by case basis. Generally from 1 -10 Million per occurrence and aggregate.</p> <p>Rigger's Liability Insurance – \$1,000,000 per project per Occurrence/Claims limit</p> <p>Pollution Liability- \$3,000,000 per project (Occurrence/Claims Limit,)</p> <p>Watercraft and Aircraft Liability- \$10,000,000 Per Occurrence \$10,000,000 Aggregate</p> <p>Crime Insurance – not less than \$1,000,000 Per occurrence.</p>

