



Risk Management

Minimum Insurance Requirements for Contracts

MINIMUM INSURANCE REQUIREMENTS FOR CONTRACTS

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I. SCOPE

The following insurance requirements facilitate the execution of contracts by duly authorized officers of Florida SouthWestern State College (herein referred to as College). These requirements apply to all contracts entered into by Florida SouthWestern State College with contracting parties that supply goods and/or services such as, but not limited to, for profit, nonprofit, not for profit businesses and organizations, independent consultants, students, student organizations, other academic institutions, including research awards and sub-awards. The dollar amounts shown in the insurance Matrix Table are guidelines. The College reserves the right to modify or change, in part or in full, any information contained herein if determined

to be in the best interest of the College. Should a contracting party wish to make changes or modifications to the requirements or limits contained in this document, the contracting party must submit a written request to the Office of Risk Management indicating the change(s) or modification(s) and explain the reason(s). The College does not guarantee that a request for change or modification will be granted.

II. INSURANCE COVERAGE

Insurance coverage serves as part of the financial backing for the liability assumed by a contracting party through the indemnification language in a contract. Instead of intentionally utilizing its own assets to support the liability, the contracting party is transferring the risk to the insurance company in return for payment of the insurance premium.

The College requires that the insurance policies of all contracting parties be written on a primary basis and be non-contributory with any other insurance coverages. Contracting parties must use insurance companies authorized to do business in the State of Florida and values of coverage are to be in US currency, as shown in the insurance Matrix.

The insurance shall cover the contracting party's entire operation while under contract with the College and shall be valid throughout the effective period of the contract. The coverages and minimum limits required are the perceived risks associated with the activities of the contracting party, but in no way limits the liability of the contracting party. If the contracting party does not have insurance coverage or inadequate limits to cover the cost of a contract related claim(s), the College will seek a court order to attach the contracting party's assets to satisfy indemnity against incurred damages.

Contracting parties that are self-insured or carry a deductible/retention greater than \$250,000 on any required coverage must show in writing or attest that they possess the necessary amount of unencumbered financial assets to support their retained risk financing exposure(s).

COMMERCIAL GENERAL LIABILITY

Commercial General Liability (GL) is a broad-based insurance that covers the liability assumed in the performance of the general, non-professional activities of many businesses. General liability insurance will be the primary policy responding to negligent acts or conditions of the contracting party. **A \$2,000,000 limit of liability for Products/Completed Operations coverage as part of the Commercial General Liability policy is required when applicable.**

A contracting party doing or conducting business with the College will be required to provide evidence of appropriate insurance and name the College as an additional insured to the organization's insurance policy. (Please see Section IV, "Certificates of Insurance" for required wording.)

BUSINESS AUTOMOBILE LIABILITY

In situations where the contracting party will be utilizing motor vehicles to perform operations or provide services on College-owned property, the contracting party will be required to carry Business Automobile Liability (AL) Insurance. If the contracting party will be transporting hazardous substances or passengers for hire, they must meet all State and Federal licensing requirements. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles.

WORKERS' COMPENSATION / EMPLOYERS LIABILITY

Workers' Compensation (WC) covers an employer's statutory financial obligation to pay the costs associated with an employee's medical treatment and lost wages due to a work-related injury or illness. With very limited exceptions, state laws require all businesses to either purchase workers' compensation coverage or become an authorized self-insurer by statute. Refer to Florida Statutes Chapter 440 regarding Workers Compensation coverage requirements and exemptions.

Employers Liability is protection for the employer against lawsuits from an employee injured while in the scope of their employment. Coverage generally applies when employees allege negligence against the employer for not providing a safe working environment. Employer's Liability coverage is notated on the certificate as part of the Workers' Compensation policy.

Contracting parties providing services to Florida SouthWestern State College are required to carry Workers' Compensation and Employers Liability Insurance. It is the responsibility of the contracting party to provide documentation that they are exempt from statutory requirements if they qualify for such. The insurer shall agree to waive all rights of subrogation against Florida SouthWestern State College, its officers, trustees, agents, employees and volunteers for losses arising from work performed by the Contracting Party for the College.

UMBRELLA LIABILITY

Umbrella Liability (UL) Insurance is an insurance policy that provides coverage in excess of the coverage specified in a main policy or policies. This policy may also be a primary policy that covers losses other policies do not.

A contracting party that is required to have GL, AL and WC is also required to have an Umbrella policy with a minimum limit of \$1,000,000. Some exemptions may apply; see Matrix. In general, UL limits are determined based on the scope and/or risks associated with the services provided by the contracting party.

III. OTHER LINES OF INSURANCE COVERAGE

PROPERTY INSURANCE

Requirements to carry property insurance will generally be limited to lease agreements with commercial tenants. The tenant will be required to carry “Broad Form” property insurance (including breakage of glass from any source whatsoever) to all property of the tenant, including all improvements and betterments made to the building by the tenant, in an amount equal to the replacement cost value of the property. Property insurance is also required of the contracting party if they will have care, custody or control of College-owned personal property.

POLLUTION LIABILITY INSURANCE

Pollution Liability Insurance is applicable when a contracting party engages in a business that works with or transports a product or waste considered “hazardous materials” under local, state or federal laws/regulations. The policy must cover the contracting party’s completed operations. This insurance must include immediate and long-term coverage for third-party liability including defense costs and completed operations. Coverage will be required during the term of the contract/lease and at least three years following its completion/termination.

PROFESSIONAL LIABILITY / E&O (ERRORS AND OMISSIONS)

A Professional Liability policy is applicable when a contracting party performs activities that are specialized professional services and not covered under the GL. Professional/Errors & Omissions Liability insurance may include, but is not limited to, Law Firms, Architects, Consultants, Engineers, Information Technology, Accountants, Financial/Asset management.

CRIME INSURANCE

When the contracting services include handling or having access to Florida SouthWestern State College's money, securities and other negotiable instruments, the contracting party will be required to have a Commercial Crime Insurance policy.

IV. CERTIFICATES OF INSURANCE

A Certificate of Insurance (COI) is a generally accepted, standardized way of documenting insurance coverages. Although a COI is not legally binding and does not impose any obligation onto the insurance company/companies listed, it does serve to identify the key information about the contracting party's insurance. Florida SouthWestern State College will accept a properly completed ACORD Certificate of Insurance form as sufficient proof of insurance.

To ensure the College has additional insured status on the Contractor or Vendor's policy, the following statement must be on the COI or an endorsement. "District Board of Trustees, Florida SouthWestern State College, Florida, its trustees, employees, officers, and volunteers are included as additional insured with respect to the required coverages." The wording and address for the certificate holder should be as follows:

District Board of Trustees, Florida SouthWestern State College, Florida, its trustees, employees, officers, and volunteers
Attn: Risk Manager
8099 College Parkway
Fort Myers, FL 33919
Electronic certificate: COI@fsw.edu

Prior to contract execution, the contracting party must submit a COI at the required levels as indicated in this document to the department with which it is contracting at the above address. Each policy shall include a provision of a thirty-day written notice of cancellation.

The College must be exempt from, and in no way be liable for any sums of money, which may represent a deductible in any insurance policy. The payment of such deductible shall be the sole responsibility of the contracting party that obtained the insurance.

V. OTHER KEY CONSIDERATIONS

MINORS ON CAMPUS

Supervision of Minors

Contracting parties acknowledge that Florida SouthWestern State College bears no responsibility whatsoever for the supervision of minors on Florida SouthWestern State College's property. If supervision is required or appropriate for minors under the age of eighteen, the contracting party shall bear sole responsibility for such supervision.

Sexual Molestation/Abuse Coverage

Groups or individuals having events/camps/programs on the College's campuses which involve minors are required to carry sexual molestation/abuse coverage for \$1,000,000 each occurrence with a \$2,000,000 aggregate.

USE AND / OR SALE OF ALCOHOL

The contracting party of an event involving the use and or sale of alcohol must request, fill out, and submit a "Facilities Use Agreement" to the College department with which it is contracting. The COI must have a liquor liability endorsement. Liquor Liability coverage must be at least \$1,000,000 each occurrence. In addition, the Contracting Party agrees to adhere to all Federal, State, and local ordinances.

TENANT USER LIABILITY INSURANCE PROGRAM

The Tenant User Liability Insurance Program (TULIP) is available for purchase online for short duration events if the service provider does not have the required liability insurance. Contact the Risk Management Office for more information regarding this program.

GOVERNMENTAL TORT IMMUNITY

Governmental entities are generally immune from liability for lawsuits in accordance with the principle of sovereign immunity. However, many states, including Florida, have enacted statutes that provide a limited waiver of such immunity types of tort actions. These entities should provide an Accord certificate of insurance or other documentation of the coverages they carry. Additionally, applicable state statutes may prohibit the College from enforcing an indemnification clause in the contract.

SELF INSURED CONTRACTING PARTIES

Contracting parties that have implemented a formal, structured self-insurance program (e.g. captive insurance company, risk retention group) or carry a deductible/retention greater than \$250,000 per claim on any required coverage, must attest in writing that they have excess insurance or reinsurance *and* that they possess the necessary amount of unencumbered financial assets to support their retained risk financing exposure(s).

LOSS DOCUMENTATION AND INVESTIGATION

In the event of an insurance claim or lawsuit arising from the improper performance or failure to perform the requirements of a contract, the College department that initiated the contract must cooperate with Risk Management and the Office of General Counsel in securing all needed information and documentation concerning the contract.