

RISK MATRIX & INSURANCE LANGUAGE

YORK RISK SERVICES

Edition 1
April 2019

Table of Contents

Exhibit 1: Risk Matrix Definitions.....	1
Exhibit 2: Risk Matrix	2
Category 1 “Low Risk”	3
Category 2 “Intermediate Risk”	4
Category 3 “High Risk”	6
Exhibit 3: Ancillary Coverage Requirements.....	9

Exhibit 1

Risk Matrix Definitions

(Determine Risk Category by evaluating all factors that could increase the agency's liability for that particular project. Once Risk Category is determined, utilize Exhibit 2 to select insurance terms.)

Risk Category	Risk Level	Examples
1	Low	<ul style="list-style-type: none">• Vending machine providers• Facilities use• Special events• Some professional service providers• General contracts
2	Intermediate	<ul style="list-style-type: none">• Construction contracts• Some professional service providers• Technology consultants• Facilities use• Special events
3	High	<ul style="list-style-type: none">• Major construction contracts• Garbage haulers• Some professional service providers
Other	Undefined	<ul style="list-style-type: none">• The risk is unique• Custom insurance requirements needed

**Exhibit 2
Risk Matrix**

("+ " = Limits may need to increase for Risk Categories 2 & 3, depending on the project.)

Risk Category	Workers' Compensation	General Liability	Auto Liability
1	Statutory Employer's Liability \$1,000,000	\$2,000,000 per occurrence (may accept \$1,000,000 per occurrence for lower risks) \$4,000,000 general aggregate \$1,000,000 products/completed operations aggregate	\$2,000,000 Combined Single Limit (may accept \$1,000,000 for lower risks)
2	Statutory Employer's Liability \$1,000,000	\$2,000,000+ per occurrence \$4,000,000+ general aggregate \$2,000,000+ products/completed operations aggregate	\$2,000,000+ Combined Single Limit
3	Statutory Employer's Liability \$1,000,000	\$5,000,000+ per occurrence \$10,000,000+ general aggregate \$5,000,000+ products/completed operations aggregate	\$5,000,000+ Combined Single Limit
Other	Consult with Risk Management Professionals	Consult with Risk Management Professionals	Consult with Risk Management Professionals

Language Templates for Risk Categories 1-3

1. Category 1 “Low Risk”

Insurance Requirements

i. Commercial General Liability

- a. Vendor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Vendor’s general liability policies shall be primary and shall not seek contribution from the City’s coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent), is also required.
- b. Any failure to comply with reporting provisions of the policies by Vendor shall not affect coverage provided the City.
- c. Coverage shall state that Vendor insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.
- d. Coverage shall contain a waiver of subrogation in favor of the City.

ii. Business Automobile Liability

- a. Vendor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of no less than two million dollars (\$2,000,000) per accident.

iii. Workers’ Compensation and Employers’ Liability

- a. Vendor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000). Vendor shall submit to City, along with the certificate of insurance, a waiver of subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

iv. All Coverages

- a. Each insurance policy required by the agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.
- b. All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.
- c. Evidence of Insurance - Prior to commencement of work, the Vendor shall furnish the City with certificates, additional insured endorsements, and waivers of subrogation evidencing compliance with the insurance requirements above. The Vendor must agree to provide complete, certified copies of all required insurance policies if requested by the City.
- d. Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an AM Best rating of A- VII or higher.

2. Category 2 "Intermediate Risk"

Insurance Requirements

i. Commercial General Liability

- a. Vendor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit

shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Vendor's general liability policies shall be primary and shall not seek contribution from the City's coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent), is also required.

- b. Any failure to comply with reporting provisions of the policies by Vendor shall not affect coverage provided the City.
 - c. Coverage shall state that Vendor insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - d. Coverage shall contain a waiver of subrogation in favor of the City.
- ii. Business Automobile Liability
- a. Vendor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of no less than two million dollars (\$2,000,000) per accident.
- iii. Workers' Compensation and Employers' Liability
- a. Vendor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000). Vendor shall submit to City, along with the certificate of insurance, a waiver of subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.
- iv. All Coverages
- a. Each insurance policy required by the agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.

- b. All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.
- c. Evidence of Insurance - Prior to commencement of work, the Vendor shall furnish the City with certificates, additional insured endorsements, and waivers of subrogation evidencing compliance with the insurance requirements above. The Vendor must agree to provide complete, certified copies of all required insurance policies if requested by the City.
- d. Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an AM Best rating of A- VII or higher.
- e. Subcontractors and Consultants - A category of risk and the applicable insurance requirements will be determined on a “per subcontractor” or “per consultant” basis, considering the particular work to be done by the subcontractor or consultant and the interrelationship of that work to other work being conducted by the Vendor.

3. Category 3 “High Risk”

Insurance Requirements

- i. Commercial General Liability
 - a. Vendor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than five million dollars (\$5,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Vendor’s general liability policies shall be primary and shall not seek contribution from the City’s coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent), is also required.

- b. Any failure to comply with reporting provisions of the policies by Vendor shall not affect coverage provided the City.
 - c. Coverage shall state that Vendor insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - d. Coverage shall contain a waiver of subrogation in favor of the City.
- ii. Business Automobile Liability
- a. Vendor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of no less than five million dollars (\$5,000,000) per accident.
- iii. Workers' Compensation and Employers' Liability
- a. Vendor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000). Vendor shall submit to City, along with the certificate of insurance, a waiver of subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.
- iv. All Coverages
- f. Each insurance policy required by the agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.
 - g. All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.
 - h. Evidence of Insurance - Prior to commencement of work, the Vendor shall furnish the City with certificates, additional insured endorsements, and waivers of subrogation evidencing compliance with the insurance requirements above. The Vendor must agree to provide complete, certified copies of all required insurance policies if requested by the City.

- i. Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an A.M. Best rating of A- VII or higher.

- j. Subcontractors and Consultants - A category of risk and the applicable insurance requirements will be determined on a “per subcontractor” or “per consultant” basis, considering the particular work to be done by the subcontractor or consultant and the interrelationship of that work to other work being conducted by the Vendor.

Exhibit 3
Ancillary Coverage Requirements

Contract Activity Involved	Professional Liability	Pollution Liability	Builders Risk	Aircraft Liability	Cyber Liability	Installation Floater
Construction or Remodeling Projects - Construction or remodeling projects		X	X			X
Hazardous or Waste Materials - Removal of asbestos or lead-based paint; or the use, application, transport, removal, cleanup, or disposal of hazardous material in quantities of 100 gallons or more; or the disposal, treatment, transport, or storage of waste.		X				
Installation of Equipment						X
Professional Service Provider - Services from an accountant, architect, attorney, claims administration firm, consultant, insurance broker, engineer, financial advisor, medical professional, or other person who maintains a professional license.	X					
Technology Vendor	X				X	
Use of Aircraft or Helicopter				X		

1. The following are suggested insurance language if Ancillary Coverages are recommended. Please consult with the Risk Manager for customized limits and language for specific circumstances.

a. Aircraft Liability Insurance

- i. Aircraft liability insurance coverage shall provide limits of \$5,000,000 - \$10,000,000 per accident.
- ii. The policy shall be endorsed to include the City, its officers, employees, and agents as additional insureds.

b. Builders Risk Insurance

- i. Contractor shall obtain and maintain Builders Risk/Course of Construction insurance. Policy shall be provided for replacement value on an "all-risk" basis, including earthquake and flood. The City shall be named as Loss Payee on the policy and there shall be no coinsurance penalty provision in any such policy. Policy must include: (1) coverage for removal of debris, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures, and all other properties constituting a part of the project; (2) "Installation Floater" coverage with limits sufficient to insure the full replacement value of any property or equipment stored either on or off the project site. Such insurance shall be on a form acceptable to City to ensure adequacy of terms and limits. Contractor shall not be required to maintain property insurance for any portion of the Project following transfer of control thereof to City.

c. Cyber Liability Insurance

- i. Cyber Liability Insurance with limits not less than \$1,000,000 per claim.
- ii. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion, and network security.

- iii. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties, and credit monitoring expenses with limits sufficient to respond to these obligations.

d. Pollution Liability Insurance

- i. Pollution Coverage shall be provided for liability arising out of sudden, accidental and gradual pollution and remediation. The policy limit shall be no less than two million dollars (\$2,000,000) per claim. All activities contemplated in this agreement shall be specifically scheduled on the policy as “covered operations.” The policy shall provide coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites.
- ii. The policy shall be endorsed to include the City, its officers, employees, and agents as insureds.

e. Professional Liability Insurance

- i. Contractor shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of two million dollars (\$2,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement, and Contractor agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.