



**Chief
Executive
Office.**

**COUNTY OF LOS ANGELES
INSURANCE AND INDEMNIFICATION
MANUAL
STANDARDS FOR COUNTY AGREEMENTS**

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Risk Management Branch – Risk Transfer
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Section 1: Introduction

County of Los Angeles: Indemnification and Insurance Requirements for Service Agreements

The County Board of Supervisors has established policy requiring that departments address responsibility for liability costs between the County department and the Contractor¹ in service agreements (Section 12, Appendix B). To implement the Board's mandate, the Chief Executive Office (CEO), with assistance from County Counsel, develops and maintains uniform indemnification and insurance terms for incorporation in County service agreements (Section 2). These requirements are periodically reviewed and revised to accommodate changes in the commercial insurance industry, and to meet County risk management needs.

The County's indemnification provision requires that the Contractor assume any and all financial liability related to or arising from its actions (the County retains financial liability for any injury or damage due to the County's sole negligence). Requiring appropriate types of insurance with adequate policy limits helps to ensure the Contractor will have the financial resources required to pay claims which are its responsibility. The County's insurance coverage limits are not based upon the value of the services provided under the contract. A small contract for shuttle bus services may involve only a few thousand dollars but pose significant risk of bodily injury and property damage due to the transport of multiple persons in heavy traffic. Conversely, some consulting services may be more expensive but pose less exposure to financial loss.

As a general rule, the indemnification and insurance requirements included in this manual (Section 10) may be incorporated as is within agreements without separate review by the

¹ For convenience, when the word Contractor is used in this manual, it will refer to all County service providers, contractors, vendors, and consultants. Persons formally enrolled as department Volunteers are not considered Contractors. Volunteers are defended and indemnified by the County for third party liability which may arise from their volunteer activities, unless those actions are fraudulent, malicious, criminal or outside the scope of their volunteer work assignment. Volunteers are not indemnified for punitive damages.

CEO. In the case of unusual or unique risk exposures, departments may request that CEO and County Counsel review and suggest appropriate alternatives to the standard requirements (see Section 5).

Objectives of Controlling County Contractual Risk Exposures

The objectives of contractual risk management are to:

Place as much responsibility as possible with the other party for liability that arises out of the situations covered by the contract. The Contractor is in control of the work process and is the party most knowledgeable concerning the work to be performed. Therefore, the Contractor is in the best position to manage the risks of its operations and should accept that responsibility and cost.

Assure the Contractor has the appropriate types and amounts of insurance or is otherwise financially capable of paying for the injuries and damages for which it is responsible. Since even competent firms with a past record of good performance may become involved in a third-party claim or lawsuit, maintenance of insurance (or use of other appropriate risk financing) is critical to ensure that the Contractor has the funds necessary to indemnify the County for losses resulting from its activities.

Protect the County from indemnity and legal costs associated with claims which may arise from the activities of Contractors. If a Contractor fails to maintain the required coverage, and the County is named in a claim or lawsuit arising from the Contractor's activities, the County may be forced to take legal action against the Contractor to recover its legal expenses and any damages (indemnity) paid to claimants. For this reason, executing contracts with uninsured Contractors may put the County at greater financial risk, since legal defense costs, judgments or settlements which cannot be paid by the Contractor or its insurer must then be paid from the respective department budget (see Section 12, Appendix B).

This risk transfer method is an accepted business (and County) practice. If a Contractor is reluctant to indemnify the County, or to obtain insurance coverage to satisfy the County's

insurance requirements, it is recommended that departments follow the procedures outlined in this manual and contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov and County Counsel as needed.

Functions of Contractual Risk Management

There are two distinct functions of contractual risk management: (1) contract review and (2) compliance monitoring.

- Contract review assures that appropriate indemnification and insurance requirements are incorporated within solicitations (e.g., Request for Proposals, Invitation for Bids, Invitation for Quotes) and agreements. These requirements, when based upon the risk exposures generated by the contract, should not place an unacceptable financial burden on the Contractor.
- Compliance monitoring is the process of obtaining adequate evidence that the Contractor satisfies the County's insurance requirements throughout the life of the contract. Without an enforcement procedure, the County cannot be confident that the requirements have been met.

Purpose of the Insurance Manual for Service Agreements

The purpose of this manual is to:

- Provide guidelines concerning indemnification and insurance requirements appropriate for incorporation in County service agreements.
- Describe the most commonly required types of insurance coverage.
- Recommend methods which may be used to review agreements and monitor Contractor compliance with the County's insurance requirements.

The types and amounts of insurance, as well as the evidence of coverage required, may vary depending upon the nature of the contracted work activity and the risk exposures associated with the contract. Contracts which present unusual or severe loss exposures may require more detailed review, since they may require specialized indemnification

language or additional insurance requirements. Departments are asked to consult with CEO Risk Management and County Counsel if a contractor requests modification of indemnification and/or insurance requirements.

Other Agreements – Construction Contracts

Construction contracts require specialized treatment. Section 10 provides guidelines for the establishment of appropriate insurance requirements. Insurance coverage and risk management practices are constantly evolving in order to address advances in technology and respond to changing business and regulatory climates. Countless books, seminars and classes are offered each year concerning the topics briefly covered in this manual, and the amount of information available via the Internet is increasing as well. If you wish to obtain more detailed information concerning insurance and risk management practices, please call CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov and we will refer you to additional resources.

Section 2: Indemnification Requirements

Indemnification is the contractual obligation of one party to compensate another for specified losses or liabilities. Within County service agreements, indemnification is a primary risk transfer mechanism used to allocate responsibility to the party whose acts or omissions give rise to liability.

All contracts include Indemnification and Insurance Requirements, which incorporate one or more of the following indemnification clauses.

General Indemnification

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

Any legal defense pursuant to Contractor's indemnification obligations under this Agreement shall be conducted by Contractor and performed by counsel selected by Contractor. County shall provide Contractor with immediate written notification of any such third-party claim, as well as information, reasonable assistance, and authority to defend or settle the claim. Notwithstanding the foregoing, County shall have the right to participate in any such defense at its sole cost and expense.

Contractor will pay the amount of any resulting adverse final judgment issued by a court of competent jurisdiction, or of any settlement made by Contractor in writing. Nothing herein shall be construed as a waiver of County's sovereign immunity.

In the case of the County, the intent of the indemnification clause is to transfer most common contractual risk exposures to the Contractor. The indemnification clause:

- Delineates the financial responsibility of each party.
- Requires that the Contractor accept responsibility for liability arising from its operations or services.
- Includes no coverage exclusions or dollar limitation.
- Includes a duty to defend the County against claims, even if no liability is eventually found. Just the fact that the County hired the Contractor to provide services on its behalf may result in the County being named a defendant in a lawsuit, even though the County and its employees had absolutely no involvement in the actions that led to the lawsuit. The indemnity clause enables the County to shift this risk to the responsible party, the Contractor.

When drafting indemnification provisions, it's important to ensure they are clear, reasonable, and equitable. Courts often resolve ambiguities in favor of the indemnifying party. There are certain limitations to the effectiveness of indemnification provisions as a risk transfer technique.

Improperly written indemnification provisions may not be legally enforceable.

- The Contractor may not be willing to fulfill its indemnification commitment.
- The Contractor or its insurance carrier may not be able to pay indemnity costs.

Mutual Indemnification

Mutual indemnification is a legally binding agreement between two parties that requires each party to compensate the other for losses or damages that arise from their own actions or breaches of the contract.

Mutual indemnification clauses help to mitigate risk by ensuring that both parties are responsible for their own negligence. They are less common than one-sided indemnity agreements, where only one party receives indemnification.

Mutual Indemnification is primarily used with agreements with other California Public Entities and Real Estate Leases.

In California, the use of mutual indemnification clauses in contracts between two public entities is subject to specific legal constraints and considerations. Generally, public entities in California are governed by laws and regulations that may limit their ability to enter into certain types of indemnification agreements:

There are instances where contracts between public entities might include indemnification, but these are often tailored to ensure compliance with legal restrictions. For example, they might limit indemnification to cases where the indemnifying entity's negligence, but not the indemnitee's, was the cause of the claim.

Contracts between California public entities are governed by California Government Code Sections 895 through 895.8 (Section 12, Appendix E, unless otherwise specified in the agreement).

These statutes provide that:

- Public entities may allocate liability by agreement.
- In the absence of such agreement, liability is determined based on comparative fault principles, not equal or pro rata division.

Accordingly, agreements between public entities should include proportionate indemnification language to reflect each party's responsibility for its own negligence or wrongful acts.

1. (Public Agency) shall indemnify, defend and hold harmless COUNTY, its trustees, officers, agents, and employees from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of (Public Agency), its trustees, officers, agents or employees.
2. COUNTY shall indemnify, defend and hold harmless (Public Entity), its trustees,

officers, agents, and employees from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of COUNTY, its trustees, officers, agents or employees

County leases have unique obligations for the landlord and tenant. The indemnification must protect each party from losses caused by the other party complying with their individual obligations. For this reason, mutual indemnity is a standard provision.

Indemnification for Leases

Landlord's Indemnity

The Landlord shall indemnify, defend and hold harmless the Tenant from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Landlord's repair, maintenance and other acts and omissions arising from and/or relating to the Landlord's lease obligations and ownership of the Premises. Landlord shall not be responsible for loss, damage, liability or expense resulting from injuries or damages incurred by third parties caused by the sole negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

Tenant's Indemnity

The Tenant shall indemnify, defend and hold harmless the Landlord, from and against any and all liability, loss, injury or damage, including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees) arising from or connected with the Tenant's Lease Obligations, repair, maintenance and other acts and omissions arising from and/or relating to the Tenant's lease obligations and use of the Premises. Tenant shall not be responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees,

agents, employees or invitees.

The provision has been modified to reflect the risks associated with ownership of space and the risks associated with the use of the leased space.

The County expects to be protected from Intellectual Property infringement by contractors providing services using intellectual property of others.

Indemnification – Intellectual Property

Contractor shall indemnify, defend, and hold harmless the County its Special Districts, elected and appointed officers, employees and agents from and against any and all third-party liability, including but not limited to demands, claims, actions, fees, damages, costs, and expenses (including attorneys and expert witness fees) arising from any alleged or actual infringement of any third party's patent or copyright, or any alleged or actual unauthorized trade secret disclosure, arising from or related to this Agreement and/or the operation and use of the Application Software (collectively referred to as "Infringement Claim(s)").

Any legal defense pursuant to Contractor's indemnification obligations under this agreement shall be conducted by Contractor and performed by counsel selected by Contractor. County shall provide Contractor with immediate written notification of any such third-party claim, as well as information, reasonable assistance, and authority to defend or settle the claim. Notwithstanding the foregoing, County shall have the right to participate in any such defense at its sole cost and expense.

Contractor will pay the amount of any resulting adverse final judgment issued by a court of competent jurisdiction, or of any settlement made by Contractor in writing.

Contractor will have no liability hereunder if the claim of infringement or an adverse final judgment rendered by a court of competent jurisdiction results from (i) County's use of a previous version of the Application Software, and the claim would have been avoided had

County used the current version of the Software; (ii) County's combining the Application Software with devices or products not intended or approved by Contractor; (iii) use of the Application Software in applications, business environments or processes for which the Application Software was not designed or contemplated, and where use of the Application Software outside such application, environment or business process would not have given rise to the claim; (iv) corrections, modifications, alterations or enhancements that County made to the Application Software and such correction, modification, alteration or enhancement is determined by a court of competent jurisdiction to be a contributing cause of the infringement; (v) use of the Application Software by any person or entity other than Users; or (vi) County's willful infringement, including County's continued use of the infringing Application Software after County becomes aware that such infringing Application Software is or is likely to become the subject of a claim hereunder.

Contractor shall, at its option and at no cost to County, as remedial measures, either: (i) procure the right, by license or otherwise, for County to continue to use the Application Software or affected component(s) thereof, or part(s) thereof, to the same extent of County's License; or (ii) replace or modify the Application Software or component(s) thereof with another software or component(s) of at least equivalent quality and performance capabilities, as mutually determined by County and Contractor, until the Application Software and all components thereof become non-infringing, non-misappropriating and non-disclosing (hereinafter collectively "Remedial Act(s)"). The foregoing states Contractor's entire liability and County's sole and exclusive remedy with respect to the subject matter hereof.

In certain cases, a Contractor may request modification of the County's standard indemnification requirements. It is highly recommended that such requests be reviewed by CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov to evaluate any potential increase in County liability which may result from such revisions.

Section 3: Purpose of Insurance

Commercial insurance, also known as business insurance, protects businesses from unexpected events and losses that could otherwise be financially devastating. The purpose of commercial insurance is to help businesses recover from covered losses and continue operating. Insurance originated centuries ago to protect the shipping trade of Great Britain and to compensate businesses for the loss of shipments. Insurance policies evolve and become clearer over time through the needs of businesses and the judgments of Court systems.

Purchase of commercial insurance coverage is the method used by many Contractors to enable them to fulfill their promise of indemnification.

Insurance coverage:

- Provides legal defense for the Contractor, including defense against “frivolous” liability actions filed by third parties.
- Provides funds necessary to pay liability costs (indemnification) for which the Contractor is found responsible.

May also provide additional benefits (such as medical payments coverage or loss prevention inspection services).

Insurance policies also have certain limitations, since they:

- Contain specific coverage exclusions.
- Contain specific dollar limitations.

Insurance policies must be monitored to ensure they remain in effect for the duration of the agreement.

Contractors should be required to provide, at minimum, general liability and auto-liability coverage. Workers Compensation coverage should also be required to ensure Contractors

provide those benefits for which they are responsible.

Alternative or additional insurance coverage also may be required to address special risk exposures. This includes situations in which:

The service falls into one of the categories discussed in Section 5. of this manual.

The Contractor is the single source for a critical service, and provides evidence that coverage is unavailable or prohibitive in cost (see Section 7). These situations should be carefully evaluated before modifying insurance requirements, since the department faces greater financial exposure if the Contractor's insurance coverages or coverage limits prove inadequate.

Higher liability limits or specialized insurance should be required due to the unusually hazardous circumstance or the unique nature of the services to be provided (such as work involving aviation activities, marine exposures, or potential for pollution liability).

All Contractors should be required to indemnify the County and provide appropriate insurance coverage. This protects departments from inadvertently assuming indemnity and legal costs associated with claims and lawsuits arising from the Contractor's operations. Most Contractors recognize it is sound financial practice to protect their profitability (or survival) by maintaining adequate business insurance and are agreeable to the County's requirements.

Section 4: General Insurance Requirements

Service agreements should always include provisions requiring Contractors to maintain appropriate insurance and provide evidence of coverage which is acceptable to the County. Subcontractors should also carry appropriate insurance. Standard contract language for this purpose is included in Section 10 (Indemnification and Insurance Requirements). Key insurance requirements applicable to all service agreements include the following:

- A. **The Certificate of Insurance should document that the general liability coverage applies on a primary basis.** The Contractor's insurance is required to be primary to, and not contributing with, any other insurance or self-insurance programs maintained by the County. This means the Contractor's insurance will apply first to any loss, and only after the Contractor's insurance is exhausted will the County's commercial insurance or self-insurance programs apply to the loss. Requiring that the Contractor's policy be primary also prevents the Contractor's insurance company from seeking financial compensation from the County for the insurer's losses.
- B. **Certificate(s) of Insurance or other evidence of coverage must be delivered to the Department before the Contractor begins work.** Certificates should specifically refer to the contract agreement and number, and list all coverages required in the contract. Contractors should not be allowed to begin work until evidence of appropriate insurance coverage has been provided.
- C. **A copy of the additional insured endorsement of the general liability policy must be provided.** An endorsement is a written provision added to an insurance policy which modifies the policy provisions. An additional insured endorsement requires that the Contractor's insurer defend and indemnify the County in the event that liability claims arise out of the services performed by the Contractor. This entitles the County to be treated as if it had issued its own, separate insurance policy. The insurance carrier must provide defense even in cases where the claim appears

fraudulent or without merit.²

It is customary for Contractors to name entities such as the County as an insured (commonly referred to as an “additional insured”) on their general liability policies. This often can be done at nominal or no cost to the Contractor. An actual copy of the additional insured endorsement should be obtained to verify that the insurance company has in fact amended the policy to include this important provision. See Section 11, Exhibit B for an example of a completed additional insured endorsement form.³

- D. **If the Contractor fails to maintain the required insurance, the County may immediately terminate or suspend the agreement.** The County also retains the option of purchasing the required insurance coverage and deducting premium costs from sums due to the Contractor.

- E. **The Contractor is responsible for reporting any third-party claim or lawsuit filed against the Contractor, which has arisen from or relates to services performed by the Contractor under its agreement with the County.** The County requests notification of any accidents or incidents which could result in the later filing of a claim or lawsuit against the Contractor or County, and of any loss or destruction of County monies or property entrusted to the Contractor. Information concerning such accidents or incidents should be provided on County approved forms used by your department.

² An insurer is not obligated to provide defense for claims where there would be no coverage under the policy. For example, an insurer providing only general liability insurance coverage would not provide legal defense or indemnification for an auto liability claim.

³ widely used additional insured endorsement is ISO form CG 20 10. The broadest and most favorable version of the form is the 11/85 Edition (Section 11, Exhibit B).

- F. **The Contractor is responsible for reporting to the County any injury to, or accident involving, a contractor employee which occurs while the employee is on County premises.** This information also should be submitted on an approved County incident report form. These forms should be available through your department's risk management coordinator (also see Section 11, Exhibit C - "Report of Non-Employee Injury" form), and a completed copy of the form should be distributed per County and department policy. Notification is required only for injuries resulting from accidents occurring on County property.
- G. **The Contractor's Insurance shall be Primary.** When a loss occurs from the contracted activities all levels of Contractor's insurance is used before the County's insurance program is required to respond. This includes the appropriate base coverage and excess coverage.
- H. **Separation of Insureds:** The separate application of the policy's coverages to each insured and additional insured except the limits of insurance. Each insured does not have a separate amount of insurance equal to the policy limits; all insureds and additional insureds share those limits. There is still only one first named insured under the policy, but there may be multiple additional insureds.

The effect of this provision is to provide coverage for several kinds of named-insured versus additional-insured claims that would otherwise fall within one of the CGL policy's exclusions.

- I. **Waivers of Subrogation:** When losses occur from a contract the injured/damaged party will file claims against both the County and the contractor. Where appropriate the County requires that the contractor's insurance cover the contractor and County. The Waiver of Subrogation provision prevents the contractor's insurance company from seeking reimbursement of claim costs from the County.
- J. **Sub-Contractor Insurance Coverage Requirements:** The County expects its contractor to cover their subcontractors. If the contractor's insurance does not cover

the sub-contractor, then the contractor is responsible for verifying each subcontractor compliance with the required insurance provisions and has added the County as an additional insured on the sub-contractor general liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

- K. **Deductibles and Self-Insured Retentions (SIRs):** The Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

- L. **Application of Excess Liability Coverage:** Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

- M. **Alternative Risk Financing Programs:** The County reserves the right to review, and then approve, Contractor use of self- insurance, risk retention groups, risk purchasing groups, pooling arrangements, and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

- N. **County Review and Approval of Insurance Requirements:** The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

Section 5: Commercial Insurance Requirements –

Coverage Types and Limits

As previously noted, Contractors should be required to provide general liability and auto liability insurance, and Workers Compensation coverage. A brief explanation of this and other coverage which may be required is provided in this section. Questions concerning insurance requirements for contracts with risk exposures not addressed in this manual should be referred to CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov.

A. General Liability

Purpose: General liability insurance provides protection against liability claims made by third parties alleging bodily injury and/or property damage, or personal or advertising injury resulting from the Contractor’s activities.

Coverage Requirement: General liability coverage should be required in all contracts. The Contractor should also be required to add the County as an insured (additional insured Exhibit B) on the general liability policy.⁴ The standard policy form used by most insurance companies to write this coverage is the “commercial general liability” form, also referred to as the “CGL” or ISO policy form CG 00 01 (Exhibit E).⁵ The protection provided by the CGL form serves as the minimum coverage standard acceptable to the County.

Coverage Limits: Limits of not less than the following amounts should be required of all Contractors:

⁴ Being named as an additional insured under the policy does not prevent the County from filing a claim against the Contractor’s policy if the County suffers a loss. However, the County cannot file a claim to obtain compensation for damages incurred by the County due to the County’s own negligence.

⁵ The Insurance Services Office (ISO) is a nationally recognized service that produces policy forms and endorsements used by the insurance industry

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

The following paragraphs provide a brief description and explanation of the kinds of coverage limits included within the CGL policy.

“Per Occurrence” limit: An occurrence is the event or incident which is the basis of a claim or lawsuit. The occurrence limit is the maximum amount the insurer will pay for all injuries and damages arising from a single accident or event (occurrence), regardless of the number of claimants.

“Personal and Advertising Injury” limit: The maximum amount the insurer will pay during the coverage year for all claims arising from personal and advertising injury (specifically, claims for injuries due to false arrest, detention or imprisonment, malicious prosecution, slander, libel, certain violations of a person’s right to privacy, or infringing upon another’s advertising idea or copyright). However, liability for these kinds of offenses committed by a Contractor whose business is advertising, publishing, broadcasting or telecasting (ex. Contractor is an ad agency, TV station or newspaper) is not covered under this policy and must be provided through other specialized coverages.

“Aggregate” limit: An aggregate limit is the maximum amount the insurer will pay for all injuries and damages occurring during the coverage year (regardless of the number of occurrences). The CGL includes two types of aggregate limits:

“General Aggregate Limit”: The maximum amount the insurer will pay during the policy year for all bodily injury or property damage which results from the insured’s operations or premises, with the exception of amounts paid for bodily injury or property damage due to completed operations or products liability. Policies are usually written with a General Aggregate Limit equal to twice the Per Occurrence Limit.

“Products/Completed Operations Aggregate Limit”: The maximum amount the insurer will pay during the policy year for bodily injury or property damage arising from all products liability or completed operations claims (i.e., claims arising from products sold by, or work completed by, the Contractor). This limit is also subject to the General Aggregate Limit. Most policies include a Products/Completed Operations Aggregate Limit equal to the general aggregate limit amount.

It is important that the amount of both aggregate limits appears reasonable to cover all losses related to the work done by the Contractor for the County, plus any losses generated by work done on other (non-County) projects which are active during the policy period.

Fire Damage: also referred to as fire legal liability coverage. This is the maximum amount the insurer will pay for fire damage to premises rented by the Contractor.

Medical Expense: covers medical expenses for an injured party, without regard as to whether the Contractor is legally liable to pay them. This coverage is intended to reduce the likelihood of the filing of a liability claim by a person who is injured due to the Contractor’s operations or while on their premises.

The CGL policy limits will be stated in the Certificate of Insurance provided by the Contractor. The most widely recognized certificate forms are the ACORD forms (Section 6.A and Section 11, Exhibit D)⁶, although County will accept other forms.

In today’s environment, it is possible for \$1 million per occurrence and \$2 million aggregate limits to be exceeded in settlements or judgments in serious liability cases. Higher limits of liability coverage should be considered for agreements involving potentially high-risk activities (for example, garbage or refuse collection, dredging or drilling).

The following paragraph provides an example of how various liability coverage limits might

⁶ ACORD: refers to the Agency-Company Organization for Research & Development, a non-profit insurance association (Exhibit D)

be applied in the event of loss.

Application of liability limits example: Assume a welding Contractor maintains a general liability insurance policy with the following limits:

General Aggregate:	\$1,000,000.
Products/Completed Operations Aggregate:	\$300,000.
Personal and Advertising Injury:	\$300,000.
Each Occurrence:	\$300,000.

A Contractor employee causes a fire (the occurrence) which results in serious burn injuries to 3 persons. Each injured person files a \$250,000 bodily injury claim against the Contractor. Assuming the Contractor is found responsible for these injuries, the combined \$750,000 in claims payments will exhaust the \$300,000 occurrence limit in the policy - the limit of coverage purchased would be inadequate to pay the total value of claims.

Assume the same Contractor employee repeatedly fails to properly maintain a work area, causing 6 people to be injured in 6 unrelated slip and fall incidents. Each injured person files a \$100,000 bodily injury claim against the Contractor. The policy requires that each of these events be considered a separate occurrence, which means the aggregate value of these claims would be \$600,000. The policy's aggregate coverage limit of \$1,000,000, minus any previous claims paid during the policy year, is the amount which would be available to pay the total \$600,000 in claims. Thus, if the insurer previously paid the fire victims a total of \$300,000 for their claims (the occurrence limit) under the policy, and assuming no other claim payments have been made during the policy period, the remaining \$700,000 in aggregate policy limits is available to pay the \$600,000 in slip and fall claims.

Policy forms: The Commercial General Liability or "CGL" (CG 00 01) form serves as the minimum requirement.

The CGL is the standard policy form used by most insurance companies to write this coverage and satisfies the County's minimum general liability coverage requirement.

One of the most important coverages in the commercial general liability form is Blanket Contractual Liability coverage. When a Contractor is sued by a third party, the County may also be named a defendant, even though the County had no involvement in the actions that led to the suit. Contractual liability provides the Contractor with coverage for the liability of others (e.g., the County) which the Contractor has agreed to assume under the indemnity clause in a contract. When the Contractor has executed a service agreement with the County which includes the County's indemnification provision, this coverage obligates the Contractor's insurer to defend and indemnify the County in the suit. "Blanket" means the coverage applies to all, and not just specified, contracts. Section 11, Exhibit E describes other key coverages automatically included in the CGL policy.

"Comprehensive" General Liability form:

On occasion, liability coverage may be written on another policy form used by insurance companies, known as the "comprehensive general liability form". The comprehensive form is acceptable to the County provided the insurance company endorses it to include the following coverages which are automatically included in the CGL policy form: Broad Form General Liability endorsement, Products and Completed Operations Hazard, Contractual Liability, Independent Contractors and Personal Injury Liability. The aggregate and occurrence limits of the policy should be not less than \$2 million and \$1 million, respectively.

How Coverage is "Triggered" under the CGL form: "Occurrence" versus "Claims-Made" triggers

There are two different versions of the CGL policy form in use: an "occurrence" form and a "claims-made" form. The version of the CGL form being used is indicated on the ACORD Certificate of Liability Insurance form (Section 11, Exhibit D). These versions specify the event (in one case, the occurrence causing the injury, in the other, the filing of a claim) that "triggers" or activates coverage under the policy, and should not be confused with "per occurrence" and "aggregate" policy limits, which apply to the amount of coverage available under the policy.

"Occurrence" basis: Coverage is "triggered" by an occurrence. In other words, coverage

applies for bodily injury or property damage which occurs during the policy period, regardless of when a claim is filed against the Contractor.

“Claims-Made” basis: This version provides coverage for claims for bodily injury or property damage which occur after the retroactive date specified in the policy, as long as the claim is filed against the Contractor during the policy period. In other words, if there is a retroactive date in the policy, insurance coverage is “triggered” only if the bodily injury or property damage did not occur before that date.

Coverage exclusions: Significant exclusions to the coverage provided in the Commercial General Liability policy include liability arising from the following: pollution; use of watercraft, aircraft and automobiles; damage to property entrusted to the Contractor’s care, custody or control; or “professional” liability incidents resulting in a purely economic loss (see Subsection D. Professional Liability).

These contracts therefore may require more detailed review and use of specialized indemnification and insurance provisions. When these types of liability exposures exist, the Contractor’s insurance advisor usually designs an insurance program consisting of various policies and endorsements to ensure appropriate coverage will apply in event of loss. Departments are encouraged to consult with CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov if questions arise in these situations.

B. Excess (Umbrella) Liability coverage:

Excess liability policies are used to increase the limits of liability coverage available to the Contractor. They typically “follow the form” of the underlying liability policy (usually referred to as the primary policy) and include an aggregate limit only when the underlying policy has an aggregate limit. When an underlying policy does not have an aggregate limit, the excess policy applies its limit strictly on a per occurrence basis. An umbrella policy may also cover liability risk exposures which would not be covered under the primary policy.

C. Homeowners Insurance - Liability provisions:

Contractors who operate their business from their residence may ask the County to accept their homeowner's insurance in lieu of purchasing commercial general liability coverage. In the majority of cases, Homeowner's coverage does not satisfy the County's requirements, since such policies typically exclude liability arising from business pursuits (including that arising from activities occurring away from the Contractor's residence). Please contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov if your Contractor asks you to accept his or her Homeowner's liability insurance in lieu of a commercial general liability policy.

D. Special Events Liability Insurance Program (SELIP)

When County facilities are rented or used by outside groups to hold special events (including, but not limited to classes, meetings, weddings, parades and sporting events), Event Sponsors must agree to indemnify the County and provide evidence of liability insurance coverage. Sponsors who need liability insurance may be eligible to purchase coverage through the County's Special Events Liability Insurance Program, SELIP (Section 11, Exhibit G). SELIP coverage provides protection for the Event Sponsor and the County against negligent acts or omissions resulting from the activities of the Event Sponsor.

E. Automobile Liability

Purpose: Automobile liability insurance covers claims for bodily injury and property damage arising out of the Contractor's use of automobiles. Automobile liability insurance must be maintained for those vehicles used in the performance of the contract.

Coverage requirements: It is recommended that auto insurance be required in all agreements, since nearly all services procured under contract require some use of automobiles. This insurance provides coverage for any liability the Contractor may incur for property damage or bodily injury (including damage to County property or injuries to County employees). The commonly used Business Automobile Policy, or BAP (ISO form CA 00 01), further described below, includes provisions that protect the County for liability the County

may incur as a result of the Contractor's use of automobiles.

However, departments may waive:

- The automobile insurance requirement for service agreements which do not require the use of automobiles.
- The requirement for "owned" automobile liability insurance for service Contractors that do not own any automobiles. However, Contractors should still be required to provide "hired" auto liability coverage for autos the Contractor leases or rents, and "non-owned" automobile liability coverage if their employees use their own automobiles to complete the contracted work.

Coverage limits: A limit of not less than \$1 million for each accident should be required of all Contractors. The BAP and similar ISO commercial auto policy forms do not contain an aggregate limit.

Coverage should apply to the Contractor's owned autos, any non-owned autos (usually autos belonging to employees) and hired autos (short-term rentals) used by the Contractor and its employees in the delivery of services under the contract.⁷ If the insurance certificate reflects coverage for "any auto", the policy will respond to loss caused by any automobile for which the Contractor could be liable.

If the automobile policy itself must be reviewed, the symbols for "Any Auto", "Owned Autos", "Hired Autos" and "Non-Owned Autos" (Symbols 1, 2, 8 and 9) will be found in the policy declarations page on the same line as the liability limit (see Section 11, Exhibit H), which describes the auto designation symbols found in the policy).

Policy forms: Most often the BAP (ISO form CA 00 01) will provide appropriate coverage.

⁷ Insurance brokers and consultants have advised that the cost to increase auto liability insurance limits from \$300,000 to \$1 million is often nominal

F. Garage Keepers

The specialized Garage form (ISO form CA 00 05), which includes Garagekeeper's Legal Liability coverage, should be required of all Contractors who provide auto sales, repair and maintenance, auto painting, parking or valet services.

The following insurance requirements should be included for these types of contractors:

Garage Insurance (written on ISO form CA 00 05 or its equivalent) including coverage with limits of not less than the following:

Garage Operations – Liability Other Than Covered Autos:

General Aggregate:	\$2 million
Products/Completed Operations:	\$2 million
Personal and Advertising Injury:	\$1 million
Per Accident:	\$1 million

Garage Operations – Liability for Covered Autos:

Automobile Liability for all Contractors "owned", "non-owned" and "hired" vehicles, or coverage for "any auto": \$1 million each accident.

Garage keepers Liability: Coverage shall apply on a Direct Primary basis, and include Comprehensive and Collision coverages, with limits not less than \$ ___ per vehicle (**we suggest the department insert the highest vehicle value for the fleet**).

The first section addresses the general liability risks which other types of businesses insure through a general liability policy. For an auto related business, this covers liability arising from a visitor slip and fall on premises, or vendor's faulty brake job on a customer's car which results in an accident due to brake failure.

The second section covers auto-related liability involving the Contractor's ownership, maintenance and use of its own vehicles (ex. tow truck operations).

The third section covers damage to the County's (customer's) vehicles while they are in the vendor's custody (including servicing, parking and storing); Garagekeepers coverage must be specified, otherwise physical losses to County vehicles would not be covered under the Garage Liability sections noted above. Under the Garagekeepers coverage, loss also includes loss of use (ex. cost of a rental vehicle).

Other Provisions: Additional insured - the BAP and several other standard ISO policy forms (CA 00 05, CA 0012, CA 00 20) automatically provide coverage for liability that the Contractor has assumed via the indemnification requirement in its agreement with the County. This protects the County as an insured under the policy and therefore an additional insured endorsement is not required (insurance companies usually will not add an additional insured endorsement to a personal auto policy).

A specialized pollution liability endorsement form is needed to ensure that Contractors hired to transport hazardous materials have coverage for this exposure.

G. Workers Compensation and Employers' Liability

Purpose: This coverage protects the Contractor against claims for lost wages and medical expenses arising from on-the-job injuries to its employees. It is important to make sure the Contractor has this coverage, since an injured Contractor employee who receives workers compensation benefits is less likely to file a liability claim against the County, or to attempt to obtain benefits through the County's workers compensation program, than one who has been inadequately compensated.

Coverage requirements: Coverage should be required of all Contractors. The requirement for workers compensation may be waived when the Contractor is unwilling to purchase the coverage because state law does not require it (e.g. the Contractor is a sole proprietor or partner). Insurers generally will not add the County as an additional insured on the Contractor's workers compensation policy.

Coverage limits: With the exception of Employers' Liability coverage as described below,

workers compensation does not have a coverage limit. Workers' compensation coverage pays specific, scheduled benefits in accordance with state law ("statutory limit"). Certain classes of employees who work in navigable waters or adjoining areas (ex. docks) receive benefits based, not upon state law, but upon provisions of federal law, such as the Longshore and Harbor Workers' Compensation Act or the Jones Act.

Employers' Liability coverage requirements and limits: This coverage protects the Contractor when a suit is filed against it for an employment-related incident which is not compensable under the workers compensation law. Employers' Liability does not provide coverage for claims arising from employment-related practices (e.g. wrongful termination). Coverage should be required in limits of not less than:

- \$1 million each accident. The insurer will pay no more than \$1 million for claims arising from a single accident, regardless of the number of employees injured.
- \$1 million each employee for disease. No single employee can recover more than this limit for an employment-related disease claim.
- \$1 million aggregate policy limit for disease. The insurer will pay no more than this amount for all employees injured by disease.

H. Professional Liability

Purpose: Protection against liability arising out of the delivery of professional services requires a special kind of insurance, generically called professional liability insurance. This insurance may also be referred to as errors and omissions (E&O) or malpractice coverage.

Coverage requirements: Professional liability coverage is not provided under the CGL policy. By definition, the CGL (1) covers only bodily injury and/or property damage, or personal injury, as noted earlier, and (2) provides that coverage applies only to losses which meet the policy definition of occurrence, and professional mistakes or failures may not meet this definition. For these reasons, contracts involving the work of professionals such as architects, engineers, surveyors, attorneys, accountants, software developers and systems integrators, and medical and mental health practitioners should include this coverage requirement.

Examples of other “non-traditional” professionals who should carry professional liability insurance to cover their liability for “economic” injury include, but are not necessarily limited to, answering services, appraisers, auctioneers, management consultants, collection agents, computer programmers and software designers, process servers, delivery services, staffing services, expert witnesses, benefit (plan) administrators, translators and inspection services. Please contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov if you need help in determining whether professional liability coverage is needed.

Coverage limits: Limits of not less than \$1 million per occurrence and \$3 million aggregate should be required. Hospitals or large medical practices may maintain higher aggregate limits. In some cases, limits of less than \$1 million per occurrence and \$3 million aggregate may be acceptable. Please contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov to discuss appropriate coverage limits if you believe your Contractor is exposed to professional liability risk.

Professional liability policies may be written with a per claim or per occurrence limit equal to the annual aggregate limit. The County requires the aggregate limits above as reasonable assurance that adequate monies will be available to pay for claims filed against the Contractor relating to work performed for both the County and for other (non-County) clients. The Contractor should also be required to provide an extended two-year reporting period commencing upon termination or cancellation of the Agreement.

Special Situations:

- **Additional insured status:** Insurers generally will not add the County as an additional insured on a professional liability policy, since the County does not serve in a professional capacity in relation to the Contractor’s services. In fact, the County maintains its right to file claims against the Contractor if the County itself is injured or damaged by the Contractor’s professional acts, errors or omissions.
- **Evidence of Coverage and Variations in Policy Forms:** Insurance underwriters do not use a uniform professional liability policy form. If a department determines that a

review of the policy is necessary to ensure coverage satisfies the contract requirements, a Certificate of Insurance is still required to ensure the County receives written notice of any cancellation of coverage (see also Section 6: Evidence of Insurance Coverage).

- **Federal Tort Claims Act:**

The Federal Tort Claims Act (FTCA) established a system for filing claims against the United States to recover monetary damages for negligent or wrongful acts or omissions by the Federal Government, Federal employees, or agents of the Federal Government. Certain Contractors may advise that they are entitled to indemnification by the Federal Government if liability arises from their performance of a function which supports a federal requirement. Contractors who indicate they wish to use this FTCA liability protection to satisfy all or a portion of the County's professional liability insurance requirement should be asked to provide a copy of the Federal documentation of their coverage for the County's evaluation.

The best method of ensuring professional liability insurance will be available is to contract with reputable professionals who presently carry professional liability insurance and are, therefore, more likely to carry it in the future. Extra caution is recommended when dealing with a Contractor who does not customarily maintain this coverage. If a professional Contractor indicates they will have to make a special purchase of professional liability coverage to comply with the County's requirements, the Contractor may cancel the coverage following completion of their County contract. However, professional liability claims are often not made until months, or even years, after completion of the work. Because this type of insurance requires a policy to be in force at the time a claim is made (referred to as a "claims-made" policy), the absence of a policy at that time would mean there is no insurance coverage in effect.

I. Property Coverage

Purpose: When the County hires a Contractor who will occupy or use County-owned or leased property, the Contractor should be required to obtain insurance to protect against loss or damage of the property.

Coverage requirements: "All Risk" coverage should be required for any Contractor who

takes possession of County real property (i.e., leases a building) or who utilizes the County's equipment or vehicles off the County's premises to provide ongoing service (ex. County provides Contractor with County-owned computers which Contractor keeps at Contractor's business premises).

Coverage limits: As a general rule, property should be insured for its full replacement value. The only exception to this rule would be autos and mobile equipment (including watercraft and aircraft) which customarily are insured for their actual cash value. Deductibles should be no greater than 5% of the full replacement or actual cash value, and the insurance policy must name the County as loss payee.

The Contractor's certificate of insurance should be requested to verify coverage requirements and deductible amounts. An ACORD "Evidence of Property" insurance form (see Section 11 Exhibit D) is acceptable.

Coverage exclusions: Property insurance policies usually do not provide coverage for loss of money or securities, or for theft of covered property by the Contractor's own employees. Instead, Crime coverage is used for this purpose. Computers, fine arts and collectibles, historical documents, artifacts, gems, precious metals and other unusual property also may require special forms of insurance coverage. Please contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov when a Contractor handles County property of this nature or the County is to be responsible for such property owned by others.

J. Crime

Purpose: Crime coverages protect exclusively against the loss of County money and/or securities which are under the care, custody and/or control of the Contractor.

Coverage requirements: Coverage should be required in agreements or contracts which require Contractors to pick up, carry, guard, and/or handle large amounts of cash or other highly valued items on behalf of the County. Such items may include bearer bonds, County warrants, food stamps, vouchers or other negotiables. Coverage should also be required

when a Contractor has use of or access to County computer systems which transfer funds or record payables. The County should be named in all crime policies as loss payee.

The following table indicates the types of crime coverage required based upon the nature of risk exposure:

Crime Coverage Types Recommended:

Types of Crime Insurance	Situations Requiring Each Coverage Type
Employee Dishonesty	Contractor collects or handles a substantial amount of money, securities or other property on the County’s behalf. Coverage should be required for firms transporting County receipts, administering claim payments and handling food stamps.
Forgery or Alteration	Contractor handles or issues checks or other financial instruments (ex. vouchers, certificates of deposit, food stamps, bearer bonds) which deposit or transfer funds.
Theft, Disappearance and Destruction	Contractor handles property owned by the County, or property belonging to others for which the County is held financially responsible.
Computer Fraud	Contractor has access to County computer systems (from inside or outside the County’s premises) or Contractor installs, makes modifications to, or prepares software used by the County. Coverage is needed when the computer system and/or software can be used to transfer funds or record payables.
Burglary and Robbery	Contractor transports or stores County property at the Contractor’s site.

Coverage limits (by coverage type): Crime losses are not frequent, and this makes them more difficult to predict. However, it is known that employee dishonesty losses tend to most commonly arise from the long-term actions of an employee. As such, losses tend to be severe when they are discovered.

The limits required should reflect the amount the department feels will comfortably protect its financial interests and should bear a reasonable relationship to the amount of County funds entrusted to the Contractor. The following table provides general guidelines for determination of coverage limits; however, it also is suggested that departments obtain the assistance of their finance and accounting staff by developing an estimation of the potential loss exposure.

Crime Coverage Limit Requirements

Types of Crime Insurance	Limits by Coverage Type
Employee Dishonesty	<p>Example: A department is confident that control measures would result in quick discovery of the theft of \$100,000 or more in funds. That amount, multiplied by the number of years the Contractor is expected to serve the County (including all past contract years) represents the amount of theft that could potentially go unnoticed and should be insured:</p> <p>Coverage Limit = \$100,000 potential theft amount x 3-year contract = \$300,000</p>
Forgery or Alteration	<p>Limits equal to the employee dishonesty limit should be required. Brokers advise that most Contractors typically purchase these limits, since the cost of forgery coverage is modest.</p>
Theft, Disappearance and Destruction	<p>Limits should reflect the maximum value of the County’s property in the Contractor’s possession at any one time.</p>

Computer Fraud	Limits should reflect the maximum value of the County’s property in the Contractor’s possession at any one time.
Burglary and Robbery	Limits should reflect the maximum value of County property which may be accessed by the Contractor at any one time.

K. Aircraft or Watercraft Liability

Special insurance is needed for contracts involving the charter of aircraft, UAV or watercraft, the use of such vehicles to transport County - owned property or County personnel, or similar purposes. Please contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov if questions arise concerning insurance requirements for these kinds of activities.

The recent use of UAV by various contractors has caused departments to seek advice from CEO Risk Management. In those agreements the following insurance language is recommended:

L. Aviation Liability Insurance for Unmanned Aerial Vehicles (UAVs).

Contractor shall procure and maintain coverage for Bodily injury (including death) and property damage liability arising out of the ownership, maintenance, use, operation, loading, or unloading of UAVs, including in-flight operations, products/completed operations, and contractual liability with limits at least \$2,000,000 per occurrence (Combined Single Limit for bodily injury and property damage).

Coverage shall include (but not be limited to) third-party claims for personal injury, property damage to the dam, adjacent structures, or other property, and may be provided either under a dedicated UAS policy or as an endorsement to a Commercial General Liability (CGL) policy that deletes or provides an exception to any aircraft exclusion.

M. Environmental Liability (Pollution)

Projects that involve the testing, removal, handling, transportation or disposal of hazardous material (such as petroleum products, radioactive materials, asbestos or lead paint) or

hazardous waste require special consideration. Please contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov if questions arise concerning potential environmental liability.

Evolution of Cyber Liability Insurance (New Policy Formation)

The Cyber Insurance policy is a new type of policy and is constantly evolving. The first cyber insurance policy in the United States was written in the spring of 1997. The policy was called Internet Security Liability (ISL) and was designed for information technology companies that manage networks and systems for other businesses and consumers. Recent policies have incorporated both IT E&O and Privacy/Network Security (Cyber) liability. If a policy that incorporates all the exposures is presented by the contractor, it should be evaluated based on the required coverages and accepted.

N. Information Technology Errors & Omissions (IT E&O) Insurance

Purpose: Products built by (or services provided by) computers, telecommunications or similar firms and manufacturers may be more likely to cause an economic, rather than physical loss, to the end user. Such economic losses might result from failure of software to perform as represented or liability arising from copyright/trademark infringement⁸. Errors & Omissions insurance for the electronics industry may cover damage which arises from the Contractor's negligent acts or omissions, and from the design, implementation or use of the Contractor's products or services. These exposures are generally excluded by the Commercial General Liability and Professional Liability policies.

Coverage requirements: This type of insurance is designed to cover providers of

⁸ A patent usually refers to a document granting some right, such as the right to an invention. By patenting the invention, the creator of the invention can prevent others from making commercial use of the invention without the creator's permission. Copyright usually refers to the right to publication, production or sale of an expressive art form. Trademark usually applies to the names or logos (even color and sound) which is used to identify the maker of a particular product or service and distinguishes them from their competitors. A trade secret can be a device, process or formula known to the maker who uses it but not known to its competitors.

technology services or products. Data storage companies and website designers provide technology services, and computer software and computer manufacturers offer technology products. IT E&O policies cover both liability and property loss exposures, including losses resulting from technology services and products, media content, and network security breaches. It provides comprehensive and specialized Insurance for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software patents and/or copyright should be included. Technology services should at a minimum include (1) systems analysis; (2) systems programming; (3) data processing; (4) systems integration; (5) outsourcing including outsourcing development and design; (6) systems design, consulting, development and modification; (7) training services relating to computer software or hardware; (8) management, repair and maintenance of computer products, networks and systems; (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software; (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by the vendor. Some of these exposures may be covered by a professional liability or Commercial General Liability policy, but generally there are limitations or exclusions in those policies for data services.

Coverage limits: The limits should be based on the overall impact on County systems. For those contracts/agreements that could directly impact major County systems (Payroll) the limit is not less than \$10 million. If there is minimal impact to County systems the limits should not be less than \$2 million.

O. Privacy Liability

Purpose: This policy was designed to protect the consumer from breaches that exposed their personal financial or medical data to the public for exploitation.

Coverage requirements: Insurance coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs] (2) system breach (3) denial or loss of service (4) introduction,

implantation, or spread of malicious software code (5) unauthorized access to or use of computer systems. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

Coverage limits: The limits will be based on several factors. The main factor is the type of information that is exposed by the activities of the contract/agreement. The exposure of Personally Identifiable Information (PII) that can be used to fraudulently steal an individual's identity has a limit of \$5 per unique record. If the contract/agreement exposes an individual's Personal Health Information (PHI) has a limit of \$10 per unique record. Other factors that should be considered are size of contractor and the mitigation measures used to prevent information disclosure. The minimum limit should not be less than \$3 million. Limit Calculation Example: Assume 100,000 unique records will be exposed to perform the work of the contract.

PII	100,000 X \$5 per record = \$500,000 (\$3,000,000 minimum)
PHI	100,000 X \$10 per record = \$1,000,000 (\$3,000,000 minimum)

The vendor may elect to use a Cyber Liability policy to meet Technology E&O and Cyber Privacy requirements.

P. Cyber Liability Insurance (Combines Tech. E&O and Privacy)

Purpose: Cyber Liability Insurance is intended to protect consumers of technology products and services. Cyber policies cover business' liability for a data breach as well as those exposures that may result from design, development and implementation of new hardware and software. This type of policy will incorporate elements of the Technology Errors and Omissions as well as Privacy and Network Security from above.

Coverage requirements: The policy should provide coverage for network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and

data/information loss and business interruption; any other liability or risk that arises out of the Contract. The Contractor shall add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, shall not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

Coverage Limits: The limits will be based on several factors (see Exhibit F Guidelines for Cyber Insurance Limit). The first factor to consider is the size of the Contractor. Then the next factor is the type and amount of information that is exposed by the activities of the contract/agreement. The exposure of Personally Identifiable Information (PII) that can be used to fraudulently steal an individual's identity has a limit of \$5 per unique record. If the contract/agreement exposes an individual's Personal Health Information (PHI) has a value of \$10 per unique record. Other factors that should be considered are size of contractor and the mitigation measures used to prevent information disclosure. The minimum limit should not be less than \$2 million.

Limit Calculation Example (Exhibit F): Assume a small company with earnings not more than \$100 million annual revenue and will have access to 100,000 unique records will be exposed to perform the work of the contract.

PII	$\$3 \text{ million} + (100,000 \text{ records} \times \$5 \text{ per record}) = \3.5 Million
PHI	$\$3 \text{ million} + (100,000 \text{ records} \times \$10 \text{ per record}) = \$4,000,000$

Contract Provision:

Cyber Liability Insurance

The Contractor shall secure and maintain cyber liability insurance coverage with limits of \$ **TBD** per occurrence and **\$TBD** in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and fines; technology

professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and data/information loss and business interruption; any other liability or risk that arises out of the Contract. The Contractor shall add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, shall not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

Other types of Insurance Coverages:

Insurance policies and related products evolve over time in response to various factors, including changing risk exposures, market conditions and regulatory requirements. Traditional lines of insurance coverage may be modified to exclude certain risks from coverage, while new or specialized policy forms may be developed by underwriters to address unique risks. Please contact Risk Management at insurancecompliance@ceo.lacounty.gov if you have questions concerning special insurance needs.

Alternatives to Commercial Insurance

Most Contractors meet their risk protection needs through purchase of commercial insurance coverage. However, other Contractors may use a variety of alternative risk financing mechanisms. As an example, some organizations (including the County itself) may self-insure certain of their risk exposures, or participate in risk sharing pools, as described below.

- **Self-insurance programs:**

Section 11, Exhibit I provide suggested contract language for Contractors who propose use of self-insurance to satisfy a portion or all of the County's insurance requirements.

Contractor use of self-insurance, or commercial insurance coverage which is subject to a large deductible should only be permitted if the Contractor can provide adequate evidence that it is financially capable of maintaining an effective program. To assist in making this determination, departments should request the following:

1. A formal statement from the Contractor that they are self-insured for the type and amount of coverage required in the agreement. Contractors who are self-insured for workers compensation benefits can provide a copy of their "Certificate of Consent to Self-Insure" issued by the State. The Contractor must notify the County immediately of discontinuation or substantial change in the program. Alternatively, departments may access the California Department of Industrial Relations, Self-Insurance Plans (SIP) program website at <http://www.dir.ca.gov/SIP/sip.html>, to verify that the Contractor is permitted to self-insure its Workers Compensation obligations.
2. A formal statement that the County is a protected party under the Contractor's self-insurance program. This requirement will act to "insure" the County within the Contractor's self-insurance program.
3. An agreement to notify the County immediately of any action or situation (such as a change in the Contractor's financial condition) which would have a significant negative effect on the protection that the self-insurance program provides to the County.
4. An agreement to notify the County immediately of any claim or other action related to or involving the agreement with the County.

5. Contact information for the Contractor's self-insurance claim administrator and legal counsel.
6. A current audited financial statement to be forwarded to your department fiscal staff or to the Auditor-Controller for evaluation of the financial condition of the Contractor. The Auditor-Controller will not "approve" or "disapprove" the Contractor's proposed self-insurance program; rather, the department should review their evaluation in concert with other relevant information developed during the solicitation and negotiation process in order to assess the Contractor's ability to absorb financial losses not covered by commercial insurance. The Auditor-Controller advises that review of a Contractor's unaudited statements, income tax returns, or Dun and Bradstreet or credit reports is not adequate to evaluate the Contractor's financial condition.

The proposed self-insurance program must be reviewed and approved by the department prior to the effective date of the agreement.

- **Risk Sharing Pools:**

Some entities (often public agencies) may participate in a risk sharing group or "pool" to fund their losses. Such pools may consist of small to medium sized entities that may not individually be capable of self-insuring but collectively have sufficient financial capacity to pay the losses and expenses of pool members.

Entities who wish to satisfy the County's insurance requirements through participation in such a pool should:

- Submit a certificate of insurance describing the pool coverage and provide a copy of the pool's audited financial statements.
- Include supporting documentation from an agency such as the California Association of Joint Powers Authority or providing other available financial ratings (such as an A.M. Best rating, as discussed in Section 6) for County's review.

Section 6: Evidence of Insurance Coverage - Requirements

Evidence must be obtained to verify that the Contractor has satisfied the County's contractual insurance requirements. It is also recommended that departments implement a diary or similar tracking system in contract files so that evidence of coverage is re-evaluated, as needed, to ensure the required insurance remains in effect. In all cases, evidence of coverage must be provided to the County before the Contractor commences services under the contract.

Certificate of Insurance (ACORD Certificate) and the Additional Insured

Endorsement (CGL policy)

The most practical method of verifying Contractor compliance is to require submission of a Certificate of Insurance - certificates are issued for this very purpose. A copy of the Additional Insured endorsement to the general liability policy should also be required (an endorsement is a written provision added to an insurance policy which modifies the policy terms).

A certificate of insurance itself cannot be used to modify a policy and thus gives no contractual rights to the certificate holder, the County. This is why a copy of the Additional Insured endorsement to the general liability policy also must be attached to the certificate - to verify that this insurance requirement has been met. Many government agencies and private companies commonly require certificates of insurance and copies of this key endorsement.

A certificate generally can be reviewed more quickly and easily than a policy of insurance but still requires careful review. Only completed certificates which document adequate coverage should be accepted, and certificates must be updated as coverage expires, or are renewed or replaced.

Insurance Policies

Use of Certificates of Insurance is the most practical and expedient method of verifying the Contractor's insurance coverage. However, on rare occasions the County may find it necessary to obtain and review a certified copy of the Contractor's insurance policy. A review of policy language may be necessary when:

A proper certificate of insurance cannot be obtained, or there are questions about policy coverage and/or exclusions which are not addressed by the certificate.

The policies offered are unusual or highly specialized.

An accident involving the County occurs.

A complete review of the policy provides good verification that a contractor's insurance meets the terms required by the County. However, use of this method requires more knowledge of insurance policy forms and terminology and involves greater administrative time and expense than the use of certificates.

Even if policies are obtained, a Certificate of Insurance also should be required. This is important because being named as a Certificate Holder means that the County (the certificate holder) will receive notification from the Contractor's insurer if the existing policy is cancelled before the renewal date. Upon this notification, the County also can obtain and review a copy of the new replacement policy.

Some private companies may put their Contractors on the "honor system" and not require them to submit evidence of coverage. While this "option" may appear to offer the lowest administrative cost, it leaves the organization exposed to potential liability costs which are not paid by the Contractor or the Contractor's insurer. In contrast, some government entities require Contractors to use customized endorsement forms designed by the entity which include all of the entity's insurance requirements and require that the form actually be endorsed onto the Contractor's insurance policy. In the case of routine contracts, use of such an endorsement would provide the exact coverage the entity requires. However, insurers are often resistant to accepting such an endorsement or may consider it only if they are permitted to include their own proposed alterations. The standardized form may also require revisions to address differences in contractual risk exposures.

Additional Insured Endorsement: General Liability Policy

A copy of the endorsement which adds the County as an insured on the Contractor's general liability policy should be obtained along with the certificate of insurance (see Section 4 and Section 11, Exhibit B). Being named as an additional insured on the Contractor's policy means that if the County is named in a claim or lawsuit due to the Contractor's operations under their contract with the County, the County can seek coverage from the Contractor's insurance. This helps keep liability costs (claims) out of the County's self-insurance and commercial insurance programs and provides for the County to receive legal defense from the Contractor's insurer. It also may provide protection for the County in the event that the indemnification provision in the agreement cannot be enforced (such as when the circumstances of a particular loss do not fall within the scope of the County's indemnification clause). Endorsements changing the policy after the policy issue date should be signed by the insurance company to ensure the endorsement will take effect.

Record Retention

Certificates of insurance and copies of endorsements (or policies) should be retained at least as long as the agreement is kept on file (the Auditor-Controller generally recommends that agreements be retained 5 years after the end of the contract term or the date of any final County audit). Some consultants recommend these documents be kept indefinitely, since some claims may not be filed until months or years after the incident occurred.

Acceptability of Insurers

The County's insurance requirements specify that Contractors should obtain coverage from insurance companies acceptable to the County that have a current A.M. Best rating of not less than A:VII.⁹ An A.M. Best rating of A:VII indicates that the company evidences strong financial strength and ability to meet their ongoing financial obligations to policyholders. In certain situations (due to the nature of the Contractor's operations and/or the type of

⁹ The A.M. Best company reports on the financial strength of insurance companies. Information concerning A.M. Best ratings and publications may be obtained from www.ambest.com.

insurance required) insurance may not be available from carriers with an A:VII or better rating. If questions arise about carrier acceptability, please contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions which apply to the Contractor's insurance must be declared to the County. If there are concerns regarding the Contractor's ability to fund losses within its deductible or retention levels, the County retains the right to require the Contractor to (1) reduce or eliminate such deductibles or self-insured retentions as they apply to the County, or, (2) require the Contractor to provide a bond (or other acceptable financial instrument) guaranteeing payment of all such losses and related costs.

Deductibles are commonly used in the insurance industry to reduce premium costs and increase market availability for both the insurers and insurance buyers (Contractors, in the case of this manual). An insurance company is usually more willing to write coverage (and offer better prices) if a Contractor is willing to assume some financial risk via a deductible.

Nominal deductible amounts of several thousand dollars may be reasonable for many Contractors. However, substantial deductibles require more review. Does the amount appear reasonable in light of the Contractor's size and experience? Has the Contractor evidenced a history of successful financial performance, or had problems in satisfying other financial obligations? While some Contractors may obtain significant financial benefits from maintaining a large deductible, a small or new company usually cannot set aside the monies necessary to fund a large deductible and generally is more vulnerable to sudden economic events. Unless such a Contractor can provide financial evidence satisfactory to the department which would support their ability to maintain a large deductible, the Contractor should be required to reduce or eliminate the deductible as previously noted. Despite the County's best efforts, there may be instances in which an accident occurs, and the Contractor will not accept responsibility for the County's tender of a claim which falls within the Contractor's self-insurance retention. At minimum, if the department finds it necessary to retain the Contractor's services, it is recommended that current and future agreements

be amended to require coverage without the deductible, or which includes a financial guarantee. Depending upon the severity of the situation, it may be necessary to take further action, including contract termination and Contractor debarment.

Related information concerning the evaluation of deductibles and self-insured retentions is included in Section 5 (Q. Alternatives to Commercial Insurance). It is recommended that departments contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov if there are questions concerning the appropriateness of a self-insured retention or deductible.

Section 7: Contractor Failure to Maintain Insurance

This office recommends that appropriate insurance coverage be required to protect the County's financial interests. Absence of Contractor insurance coverage should be considered a warning flag and require additional department investigation.

Financial Impact of Working with Uninsured Contractors

If a Contractor fails to maintain the required coverage, and the County is named in a claim or lawsuit arising from the Contractor's activities, the County may be forced to take legal action against the Contractor to recover its legal expenses and any damages (indemnity) paid to the third-party claimants. County budget policy provides that legal and indemnity costs which can't be recovered from the Contractor are paid from the respective department's operating budget (Section 12, Appendix B).

An uninsured Contractor may be at greater risk of insolvency due to its financial exposure to uninsured loss. This may result in additional County costs if the Contractor must be replaced.

Reducing Contractual Risk

Alternative insurance - Self-Insurance Program or approved Risk Sharing Pool arrangements.

Please see Section 5, Subsection Q, Alternatives to Commercial Insurance, Self - Insurance Programs. In addition, refer to Section 4 for suggested contract language for Contractors who propose use of self-insurance or other arrangements to satisfy a portion or all of the [County's insurance](#) requirements.

Contractor Evaluation and Selection Criteria. It is recommended that departments utilize the services of Contractors who are willing and able to comply with the County's indemnification and insurance requirements. However, in the event that the pool of qualified Contractors is limited and the need for services is so critical that the department believes it must consider proposals from Contractors who cannot fully meet the County's requirements,

at a minimum the following measures are recommended:

Written evidence: Contractors should be required to provide evidence demonstrating a “good faith effort” was made to obtain the necessary coverage. This should be provided in the form of a letter from the Contractor’s insurance agent or broker and include copies of actual insurance company quotes or declinations. This information, along with other relevant criteria, can then be considered by the department in the Contractor selection and contract negotiation processes.

Contracting Process - Contractor Selection and Evaluation Criteria: Development of appropriate proposal (bid) specifications, including reference checks and specific, detailed statements concerning the obligations and responsibilities of each party, assist in loss prevention by discouraging those Contractors who are not qualified for the job or who cannot meet other contractual obligations from bidding on the work. Input also should be obtained from the department’s risk management coordinator and safety officer as appropriate. These measures may help reduce the risk of contracting with questionable or undesirable firms.

Contractors should be required to comply with department loss prevention guidelines and related policies.

Uninsured Contractors should be replaced with insured providers at the earliest possible opportunity.

Contract Termination

Every contract should include a provision that gives the County the right to terminate the contract if a Contractor fails to maintain the required insurance (Section 4). Termination may be necessary if a Contractor fails to submit updated Certificates or if notice of cancellation is received from the Contractor’s insurance company. In an ideal world, common law should result in liability arising out of the Contractor’s operations being assigned to the Contractor. In reality, government agencies may become the target of

litigation (the “deep pockets”) if liability arises due to the Contractor’s acts or omissions.

The greater the risks associated with the services to be provided, the more important it is to establish appropriate indemnification and insurance requirements, select experienced and responsible Contractors, obtain acceptable evidence of insurance coverage and implement appropriate department loss prevention procedures.

Section 8: Performance Security

County Policy

In accordance with policy established by the Board of Supervisors (Section 12, Appendix C), performance security is not required for service contracts with an award amount of less than \$50,000. Contracts for services with award amounts equal to or greater than \$50,000 should include a performance security requirement only if the department determines it could suffer significant financial loss if the Contractor failed to perform as required under the contract. The County's interests are best protected by awarding contracts to those Contractors deemed to be competent and financially capable as a result of the department's evaluation process.

Forms of Performance Security

If performance security is found to be necessary, several options are acceptable: a Performance Bond, Letter of Credit (LOC) or a Certificate of Deposit (CD).

Performance Bond (Bond)

Purpose: Although a Bond may be used on other types of contracts, its primary use is to ensure that a construction or similar project is completed in accordance with contract terms, and that all payments are made to the Contractor's material suppliers and sub-contractors. To obtain payment under the Bond, the County must file a claim (declaration of default) with the surety and also demonstrate that it has met its contractual obligations. Theoretically, losses are expected to be infrequent on bonds since bond underwriters carefully analyze the Contractor's performance capabilities and financial stability before executing a bond.

Various types of bonds, including bid, performance and payment bonds, may be required by law or by the project owner. Contact CEO Risk Management at insurancecompliance@ceo.lacounty.gov if you have questions about such bonds.

Bond requirements and bond forms: The bond issuer should be a corporate surety licensed to transact business in the State of California. Most large property and casualty insurers have surety departments. For some firms, surety bonds comprise most if not all of the business they write.

A variety of standardized bond forms may be acceptable for service agreements. Several sample bond forms, such as the American Institute of Architects (AIA) Performance Bond and Labor and Material Payment Bond forms (form A311), or performance bond, payment bond and bid bond forms developed by the federal government (Standard Forms 1418, 1416, 24 and 25B) are included in Section 11, Exhibit J, for illustration purposes. It is recommended that departments consult with CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov and County Counsel if there are concerns about the acceptability of a bond form or the authenticity of the bond document itself.¹⁰

Bond amount: The required Bond amount should equal 100% of the total contract amount/award or be set in an amount equal to the estimated financial loss which may be incurred by the County due to the Contractor's failure to perform. The Contractor's cost to obtain such a Bond is usually at least 0.5% to 1% of the total contract price.

Letter of Credit (LOC)

Purpose: This form of performance security allows the County to draw money from a financial institution (bank) if the Contractor does not meet the specific obligation(s) stipulated in the agreement.

LOC requirements: The LOC must specify precisely what triggers the County's right to access the funds. If the contract or the LOC contain an inadequate description of services to be performed, the County may be prevented from drawing on the LOC. The LOC must also be irrevocable, so that the Contractor cannot withdraw the LOC without a written release from the County. The LOC must be maintained throughout the term of the contract and comply with the minimum criteria and standards established by the County Treasurer and Tax Collector (Section 11, Exhibit L).

¹⁰ Further information concerning surety bonds and companies may be obtained from sources such as the Surety Association of America (www.surety.org), the Surety Information Office (www.sio.org), state insurance departments, the U.S. Small Business Administration (SBA) and U.S. Department of the Treasury

LOC amount: The LOC face amount should equal the estimated maximum cost to replace the Contractor's services. The Contractor's cost to obtain the LOC is generally 1% to 2% of the face amount of the LOC.

Certificate of Deposit (CD)

Purpose: In lieu of a bond or LOC, the Contractor may opt to provide performance security in the form of a CD. The County will have the right to cash the CD if the Contractor fails to provide the agreed services. Since the County alone judges the Contractor's compliance with the terms of the contract, the County can access a CD more easily than it can a Bond or an LOC.

CD requirements: The maturity date of the CD must not be prior to the expiration date for performance or other provisions of the Agreement (i.e., the CD must be maintained throughout the term of the Agreement). The CD also must comply with the minimum criteria and standards established by the County Treasurer and Tax Collector (Section 11, Exhibit K).

CD amount: The amount of the CD should reflect the estimated cost for the department to replace the Contractor's services. The Contractor's cost to obtain the CD is represented by the opportunity cost of the funds retained in the CD.

Section 9: County Insurance Programs and Evidence of Coverage

The County uses a variety of methods to handle its risk exposures and control its cost of risk. Some risk exposures are retained; the costs of these risks are paid directly from County funds rather than transferred through the purchase of commercial insurance. As a general rule, the County retains (“self-insures”) a risk when its estimated costs are predicted to be less than the cost of insurance premiums. Other risk exposures which are less predictable or pose threat of catastrophic loss beyond the County’s risk retention capacity, are transferred through purchase of insurance policies. In some cases, the County purchases insurance to satisfy legal requirements.

For these reasons, agreements in which a Contractor or another third party requires the County to provide insurance coverage should be amended to state that the County retains the option to self-insure to satisfy its contractual insurance requirements.

Property: The County purchases commercial property insurance on certain of its buildings and equipment to satisfy financial or lease agreements, or to comply with the request of County departments who may desire to purchase insurance for a particular property. County buildings which are not commercially insured are said to be “self-insured”, since any loss to such property is borne solely by the County.

Liability: The County self-insures most of its general, auto and professional liability risk exposures. However, commercial liability coverage is maintained for certain special or high-risk exposures (such as aviation).

Excess Liability: The County has recognized that the legal environment creates increased and unexpected costs. The County has purchased excess coverages to meet these increased costs. The County continues to finance much of the risk through Self-Insured Retentions but then purchases insurance to finance the remainder of the potential risk.

Workers Compensation: The County self-insures workers compensation (WC) program

and purchases commercial Excess WC. A copy of the County's "Certificate of Consent to Self-Insure" is included in Section 11, Exhibit M.

Certificates of Insurance for County Commercial Insurance and Self-Insurance Programs

Evidence of Commercial Insurance Coverage: Certificates of Insurance for the County's commercially insured programs may be obtained from CEO Risk Management. As an example, lenders usually require Certificates of Insurance from the County's insurance brokers evidencing that commercial coverage is in effect for a particular County building or for certain County personal property (such as computers systems).

These Certificates describe the County's agreement and obligation to indemnify a third-party for liability arising from acts or omissions of the County and its Special Districts, its officers, employees, agents or volunteers.

When the department receives a request for evidence of the County's self-insurance, each department can produce a certificate to provide the requestor. For further information please go to <https://riskmanagement.lacounty.gov/insurance-programs-risk-transfer/> and you will find the link to the site that provides the certificates and a list of department personnel to contact to obtain the certificate.

Please contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov if your department has questions on the County's commercial or self- insurance

Section 10: Indemnification and Insurance Requirements (IIRs)

IIRs FOR CONSTRUCTION PROJECTS

(The following insurance requirements and indemnity provisions are designed for inclusion in County construction project contracts. You should use the Guidelines to determine what coverage and limits are to be required for each project.)

I. INDEMNIFICATION:

INDEMNIFICATION (For As Built Projects)

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

The Contractor shall assume all risks and bear all cost for loss of, damage to, or missing or stolen, equipment, tools, vehicles and materials owned, hired, leased or used by the Contractor for this Project.

Design-Build projects involve the risks of construction but also the risks of ongoing design during construction. In addition, design professionals have limitations to their liabilities to design defects in public construction. These limitations are provided in California Civil Code 2782 to 2782.6. The indemnification needs to be modified to meet the laws. The types and limits of the insurance are essentially the same for all construction.

INDEMNIFICATION (For Design Build Construction Projects)

To the fullest extent permitted by law, the Design-Builder shall indemnify, defend, and hold harmless the COUNTY, its Special Districts, elected and appointed officials, the Board of

Supervisors, officers, employees, agents, and trustees (the Indemnified Parties) from and against any and all liability, loss, injury, or damage, including, but not limited to, demands, claims, lawsuits, actions, proceedings, judgments, settlements, awards, fees, costs, and expenses (including any fees of accountants, attorneys, experts, or other professionals, and costs of investigation, mediation, arbitration, litigation, and appeal), which arise out of, pertain to, or relate to the Work, CONTRACT or Project performed by the Design-Builder or its Subcontractors and Subconsultants, or anyone directly or indirectly engaged by the Design-Builder relating to or in connection with the Work, CONTRACT or Project, including, but not limited to, any design-related services and/or non-design-related services (including, but not limited to, construction services). The Design-Builder's duty to defend, indemnify, and hold harmless the Indemnified Parties includes, but is not limited to, bodily injury, death, property damage, and other damage (including, but not limited to, economic loss, and liability arising from contract, tort, patent, copyright, trade secret, or trademark infringement).

In the event that California Civil Code Section 2782.8 is determined by a court of competent jurisdiction to apply to Design-Builder's indemnity and defense obligations under section 1.A., as applied to the design-related services provided by the Design-Builder or its Subcontractors and Subconsultants, then, with respect to such design-related services only, the Design-Builder agrees to indemnify, defend, and hold harmless the Indemnified Parties from and against any and all liability, loss, injury or damage, including, but not limited to, demands, claims, lawsuits, actions, proceedings, judgments, settlements, awards, fees, costs, and expenses (including any fees of accountants, attorneys, experts, or other professionals, and costs of investigation, mediation, arbitration, litigation, and appeal), which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Design-Builder or its Subcontractors and Subconsultants in connection with the Work, CONTRACT, or Project. In such event, however, with respect to any non-design-related services (including, but not limited to, construction services) provided by the Design-Builder, Design-Builder's indemnity and defense obligations under section 1.A., shall fully apply thereto as stated at section 1.A.

The indemnity and defense obligations provided for in this section 1. are separate and apart

from the insurance provisions set forth in [Articles 16.3 and 16.4]; and do not limit, in any way, the applicability, scope, or obligations of Design-Builder set forth in such insurance provisions.

The indemnity and defense obligations provided for in this section 1. shall survive the termination, rescission, breach, abandonment, or completion of the Work or the CONTRACT. If the Design Builder fails to perform any of these indemnity or defense obligations, COUNTY may, in its discretion charge the Design-Builder for COUNTY's costs and damages resulting therefrom and deduct such amounts from the CONTRACT Sum.

Notwithstanding the foregoing provisions in section 1., the Design-Builder is not required to indemnify the Indemnified Parties from or against liability arising out of, pertaining to, or relating to, the active negligence, recklessness, or willful misconduct, if any, of the Indemnified Parties.

The indemnity and defense obligations provided for in this section 1. shall not be limited by any assertion that the Indemnified Parties are liable by reason of non-delegable duty.

The Design Builder shall assume all risks and bear all costs for any uninsured loss of damage to, or missing or stolen equipment, tools, vehicles, and materials owned, hired, leased, or used by the Design-Builder for the Work or Project.

II. GENERAL INSURANCE PROVISIONS (All Construction Projects)

Without limiting the Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Section, "General Insurance Provisions", and the "Insurance Coverage Requirements – Types and Limits" Section of this Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to

protect the Contractor for liabilities which may arise from or relate to this Agreement.

A. Evidence of Coverage and Notice to County: Certificate(s) of insurance coverage (Certificate) or other evidence of satisfactory coverage to the County shall be delivered to County prior to commencing services under this Agreement. Such Certificates or other evidence shall:

- Specifically identify this Agreement by name or number.
- Clearly identify all insurance coverage types and limits required in this Agreement and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions, and list any County required endorsement forms.
- Include a copy of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) as additional insureds for all activities arising from this Agreement. County's additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full limits and scope of protection of the Contractor's policy shall apply to the County as an additional insured, even if they exceed the County's minimum insurance requirements herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies this and the other insurance requirement provisions herein.
- Show the Contractor's insurance policies, with respect to any claims related to this Agreement, are primary with respect to all other sources of coverage available

to Contractor. Any County insurance and self-insurance coverage shall be excess of and not contribute to any Contractor coverage. This may be evidenced by adding a statement to the additional insured endorsement required in item (4), stating "It is further agreed that the insurance afforded by this policy is primary to any insurance or self-insurance programs maintained by the County and the County's insurance and self-insurance coverage are in excess of and non-contributing to the Named Insureds coverage."

- Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

County of Los Angeles

Contracting Department, Division/Section Contracting Department Address

Attention: Name Department Contract Administrator

- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to the Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third-party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this

Contract and could result in the filing of a claim or lawsuit against Contractor and/or County.

- B. Insurer Financial Ratings:** Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the County, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the County.

- C. Waiver of Subrogation:** To the fullest extent permitted by law, the Contractor waives its and its insurer(s) rights of recovery against County under all required insurance policies for any loss arising from or related to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

- D. Cancellation of or Changes in Insurance:** Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

- E. Failure to Maintain Insurance:** Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

F. Sub-Contractor Insurance Coverage Requirements: Contractor shall include all Sub-Contractors as insureds under Contractor's own policies or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

G. Deductibles and Self-Insured Retentions (SIRs):

(Insert one of the following paragraphs provided below, see item 1 of Guidelines)

[The following paragraph is to be used for Non-Lump Sum Low Bid Construction Contracts (i.e. A/E or other consulting services or dredging or excavation work, remediation or installation services, etc.)]:

Identify any deductibles or self-insured retentions (deductible/retentions) exceeding \$25,000. The County retains the right to require the Contractor to reduce or eliminate deductibles/retentions as they apply to the County or require Contractor to provide a bond or other financial instrument guaranteeing payment of all such retained losses and costs attributable to the Contractor's retention, or, withhold payment to Contractor in the amount of all or any deductibles/retentions as the County deems appropriate. Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR.

[The following paragraph is to be used for Lump Sum Low Bid Construction Contracts]:

Confirm deductibles or self-insured retentions shall not exceed \$25,000. The County retains the right to require the Contractor to provide a bond guaranteeing payment of all such retained losses and costs attributable to the Contractor's retention or

withhold payment to Contractor in the amount of all or any deductibles/retentions as the County deems appropriate. Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR.

H. Claims Made Coverage: If any part of the Required Insurance is written on a claim made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than (See Item 3 of Guideline) following Contract expiration, termination or cancellation.

I. Application of Excess Liability Coverage: Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

J. Separation of Insureds: All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

K. Alternative Risk Financing Programs: The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

L. County Review and Approval of Insurance Requirements: The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

III. INSURANCE COVERAGE REQUIREMENTS — TYPES AND LIMITS

(Throughout Section III, County personnel should refer to the Guidelines and the

Coverage and Limit Matrix (Section 11, Exhibit A) to identify the types of insurance and limits to be required.)

A. Builder’s Risk Course of Construction Such coverage shall:

Insure against damage from perils covered by the Causes-of-Loss Special Form (ISO policy form CP 10 30), and be endorsed to include earthquake, flood, ordinance or law coverage, coverage for temporary offsite storage, debris removal, pollutant cleanup and removal, preservation of property, excavation costs, landscaping, shrubs and plants and full collapse coverage during construction (without restricting collapse coverage to specified perils). Such insurance shall be extended to include boiler & machinery coverage for air conditioning, heating and other equipment during testing.

Be written on a completed-value basis and cover the entire value of the construction project, including \$(Insert the replacement value of County-furnished materials and equipment here) in County-furnished materials and equipment, against loss or damage until completion and acceptance by the County.

- OR -

Installation Floater. Such coverage shall:

Insure against damage from perils covered by the Causes-of-Loss Special Form (ISO policy form CP 10 30), and the perils of earthquake, flood, risk of transit loss, loss during storage (both onsite and offsite) and collapse during construction (without restricting collapse coverage to specified perils). Such insurance shall be extended to include boiler & machinery coverage for air conditioning, heating and other equipment during testing.

Cover all property to be installed (including labor) for the full contract value (without coinsurance) against loss or damage until completion and acceptance by the County.

B. General Liability Insurance. Such coverage shall be written on ISO policy form CG 00 01 or its equivalent, naming County and its Agents as an additional insured, with

limits of not less than:

General Aggregate:	\$(See item 2 of Guidelines)
Products/Completed Operations Aggregate:	\$(See item 2 of Guidelines)
Personal and Advertising Injury:	\$(See item 2 of Guidelines)
Each Occurrence:	\$(See item 2 of Guidelines)

The Products/Completed Operations coverage shall continue to be maintained in the amount indicated above for at least (see Table 3 of Guidelines) years from the date the Project is completed and accepted by the County.

C. Automobile Liability insurance. Such coverage shall be written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$ (see item 4 of Guidelines) for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Such insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

D. Professional Liability/Errors and Omissions insurance. Such insurance shall cover liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees arising from or related to this Agreement with limits of not less than \$ (see Table 5 of Guidelines) per occurrence and \$ (see Table 5 of Guidelines) aggregate. The coverage shall also provide an extended two-year reporting period commencing upon expiration, termination or cancellation of this Agreement.

E. Workers Compensation and Employers' Liability Insurance or qualified self-insurance satisfying statutory requirements. Such coverage shall provide Employers' Liability coverage with limits of not less than \$1 million per accident. Such policy shall be endorsed to waive subrogation against the County for injury to the Contractor's employees. If the Contractor's employees will be engaged in maritime employment, the coverage shall provide the benefits required by the U.S. Longshore and Harbor

Workers Compensation Act, Jones Act or any other federal law to which the Contractor is subject. If Contractor provides leased employees or is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change.

F. Specialty Liability Insurance (Insert Name of Special Liability Insurance listed below or if there is no need for special liability insurance insert "Left Blank Intentionally").

Contractor's Pollution Liability Insurance. Such insurance shall cover liability arising from the release, discharge, escape, dispersal or emission of pollutants, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring and treatment of pollutants in compliance with governmental mandate or requests. Motor vehicle pollution liability will be required under the Automobile Liability Insurance indicated above under section "C" for removal of pollutant from the work site. Contractor shall maintain limits of not less than \$ (see Table 5 of Guidelines) per occurrence and \$ (see Table 5 of Guidelines) aggregate.

Asbestos Liability Insurance. Such insurance shall cover liability for personal injury and property damage arising from the release, discharge, escape, dispersal or emission of asbestos, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring and treatment of asbestos in compliance with governmental mandate or requests. Motor vehicle asbestos liability will be required under the Automobile Liability Insurance indicated above under section "C" if asbestos will be removed from the work site. Contractor shall maintain limits of not less than \$ (see Table 5 of Guidelines) per occurrence and \$ (see Table 5 of Guidelines) aggregate.

Railroad Protective Liability. Such insurance shall be in the name of the (put railroad's name here) and cover liability arising out of the contractor's operations on railroad property or damage to railroad stock or cargo. Such insurance shall be written for the limits required by the railroad at any time the County is obligated to provide a railroad with such coverage, either by contract or when contractor must cross or work on railroad property in completion of work for the County.

G. Performance Security Requirements. Prior to execution of the Contract, the Contractor shall file surety bonds with the County in the amounts and for the purposes noted below. All bonds issued in compliance with the Contract shall be duly executed by a solvent surety company that is authorized by the State of California, is listed in the United States Department of the Treasury's Listing of Approved Sureties Treasury (Circular 570) (see <https://fiscal.treasury.gov/about-us/doing-business-with-fiscal-service/surety-bonds>) and is satisfactory to the County, and it shall pay all premiums and costs thereof and incidental thereto.

Each bond shall be signed by both the Contractor (as Principal) and the Surety.

The Contractor shall give two surety bonds with good and sufficient sureties: the first in the sum of not less than 100% of the Contract price to assure the payment of claims of material men supplying materials to the Contractor, subcontractors and mechanics and laborers employed by the Contractor on the Work and the second in the sum of not less than 100% of the Contract price to assure the faithful performance of the Contract.

1. The "Materials and Labor Bond" (or "Payment Bond") shall be so conditioned as to insure to the benefit of persons furnishing materials for or performing labor upon the Work. This bond shall be maintained by the Contractor in full force and effect until the Work is completed and accepted by the County, and until all claims for materials, labor and subcontracts are paid.

2. The "Bond for Faithful Performance" shall be so conditioned as to assure the faithful performance by the Contractor of all Work under said Agreement, within the time limits prescribed, including any maintenance and warranty provisions, in a manner that is satisfactory and acceptable to the County, that all materials and workmanship supplied by Contractor will be free from original or developed defects, and that should original or developed defects or failures appear within a period of one year from the date of Acceptance of the Work by the County, the Contractor shall, at Contractor's own expense, make good such defects and failures and make all replacements and adjustments required, within a reasonable time after being notified by the County to do so, and to the approval of the department. This bond shall be maintained by the Contractor in full force and effect during the performance of the Work of the Agreement and for a period of one year after acceptance of the Work by the County.

Should any surety or sureties upon said bonds or any of them become insufficient or be deemed unsatisfactory by the County, said Contractor shall replace said bond or bonds with good and sufficient sureties within 10 days after receiving notice from the County that the surety or sureties are insufficient or unsatisfactory.

No further payment shall be deemed due or will be made under this Agreement until the new sureties shall qualify and be accepted by the County.

GUIDELINES FOR IIR'S FOR CONSTRUCTION PROJECTS

These Guidelines and the Liability Coverage and Limit Matrix were developed to assist you in determining the types of insurance and limits required for different County construction projects. The Guidelines also include a glossary of insurance terms you may not be familiar with to assist you.

These Guidelines are to be used in conjunction with the Indemnification and Insurance Requirements (IIR) for Construction Projects. If a limit appears below a coverage heading next to a project description in the Liability Coverage and Limit Matrix, that coverage is required for that type of project. The limit shown beneath that heading is the minimum limit required for a small project. Except for workers compensation, the limit shown must be increased by the multipliers in Table 2, 4 and/or 5 below to arrive at the required minimum limit for that size project or for a "high hazard" project. If the type of project you are developing specifications for is not shown in the Liability Coverage and Limits Matrix, contact CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov for the appropriate coverages and limits.

Indemnification and insurance requirements must be shown in bid documents and in County contracts.

Steps to Determine Coverages and Limits

Required liability and workers compensation coverages are identified by using the Liability Coverage and Limits Matrix, the project categories in Table 1, and the multipliers for specific project categories in Table 2, 4 or 5. The process is as follows.

First, find the type of project description that best describes the work to be done in the Liability Coverage and Limits Matrix. The left-hand column of the Liability Coverage and Limit Matrix (the column entitled "Type of Project") lists various types of project work. The column headings to the right identify different types of insurance that may be required. A particular type of insurance is required when a limit appears below an insurance heading. If no limit is shown under a column heading, that type of insurance is not required for that type of project.

Next, determine the project category the project falls into from Table 1. A project category generally refers to the size of the project. Projects will be one of four sizes based on the total contract cost. A project’s total contract cost is determined based on the total cost of construction for the project, including all trades. However, if the work is considered “high hazard,” the “high hazard” category must be used in place of the size category.

There are separate multiplier tables for general liability limits (Table 2), automobile liability limits (Table 4), and special and professional liability limits (Table 5) (“special” liability refers to specialized types of liability insurance such as asbestos liability, marine liability, etc.). These multipliers are used to determine the final limit to be required for the project for each type of insurance. The workers’ compensation coverages and limits to be used are as shown in the Liability Coverage and Limits Matrix and are not increased by a multiplier.

Next, increase the limits shown in the Liability Coverage and Limits Matrix by the multiplier shown in Tables 2, 4 or 5 based on the project category and the type of liability insurance. The limits shown in the Liability Coverage and Limits Matrix are all for a “small” project. For larger and for “high hazard” projects, the limit shown should be increased by the multiplier in the appropriate table. For example, for a medium-sized asbestos remediation project with no high hazard exposure, a minimum \$2 million limit should be required. Arriving at this limit is based on the \$1 million limit shown for asbestos removal work in the Liability Coverage and Limits Matrix times the medium-sized project multiplier for special liability shown in Table 5.

Table 1 Construction Project Categories

Project Category	Qualifying Features
1. Small projects	Less than \$5 million in contract cost
2. Medium projects	\$5 million up to \$25 million in contract cost
3. Large projects	\$25 million up to \$100 million in contract cost
4. Major projects	\$100 million+ in contract cost

<p>5. High hazard projects - general liability, special liability or professional liability</p>	<p>“High hazard” means any project in categories 1 through 4 that includes blasting, structural steel work, tunneling, work on bridges, stadiums/concert halls/arenas, structural renovation/retrofit, new or untried construction concept/technique, construction over public walkways, or is in or closely adjoins occupied structures, involves extensive excavation, tunneling or mining, etc.</p>
<p>6. High hazard projects – automobile liability</p>	<p>For automobile liability, “high hazard” means any project in categories 1 through 4 in which there are many vehicles onsite, specialized or oversized vehicles, vehicles with volatile or hazardous loads, vehicles operating in high population or high vehicle/pedestrian traffic areas, or in which affected streets lack adequate traffic control or are not designed to accommodate larger vehicles or increased construction traffic, etc.</p>

Instructions For Deductibles/Retentions and Specific Coverages

1. **Deductibles or Retentions:** It is important that the County be assured that the Contractor can afford to pay any deductibles or retentions that apply to its policies and, thereby, continue the project to completion. By state statute, the maximum deductible or retention for each policy purchased by the General Contractor on a County project can be no more than 5% of the contract cost. However, some Contractors are financially better off and better able to sustain loss within their deductibles or retentions than others. The County can consider requests for higher deductibles based on the contractor’s demonstrated ability to pay the deductible. The County has developed the following maximum deductibles/retentions based on the following types of contracts:

For Lump Sum Low Bid Construction Contracts, the County has set the maximum deductible/retention it will accept at \$25,000. The nature of Lump Sum

Low Bid Contracts requires that the County specification be identical for all bidders. The paragraph indicated for Lump Sum Low Bid Contract should be used to establish the stated deductible/retention amount for these contracts.

For Non-Lump Sum Low Bid Construction Contracts (i.e., A/E or other construction related consulting services, dredging or excavation work, installation or remediation services, etc.) the County has set the maximum deductible/retention it will accept at \$25,000. If a Contractor wants to use a higher deductible, the County retains the right to require the Contractor to provide a bond or other financial instrument guaranteeing payment of all losses and retained costs below the deductible or retention. The paragraph indicated for Non-Lump Sum Low Bid Construction Contract should be used in the bid documents to convey this to the General Contractors.

The deductibles/retentions must apply on a “per occurrence” or “per loss” basis, except on professional or special liability policies. Deductibles or retentions that apply “per claim” are acceptable on professional or special liability policies.

General Liability Insurance Limits (Pertains to Section III. B. of IIR):

Insurance limits should be based on the risk of bodily injury and property damage claims, including construction defects discovered after project completion and County acceptance. Table 2 provides recommended multipliers to be applied to the general liability per occurrence limits in the Liability Coverage and Limits Matrix. Applying multipliers to the limits in the Liability Coverage and Limit Matrix will result in the minimum recommended per occurrence limit for the project. For example, the \$1 million per occurrence limit for interior renovation work on a project of medium size would be \$1 million twice as much as \$1 million, for a per occurrence limit of no less than \$2 million.

The personal injury/advertising injury limit should equal the per occurrence limit. The policy aggregate limit should be double the per occurrence limit unless the aggregate limit applies solely to the project (in which case the policy aggregate should be equal to the per occurrence limit).

The products/completed operations aggregate limit should be double the required per occurrence limit, unless the products/completed operations limit applies solely to the project (in which case the products/completed operations limit should be equal to the per occurrence limit).

Table 2
Minimum General Liability Limits

Project Category	Limit Multiplier
Small	The per occurrence limit shown in the Liability Coverage and Limits Matrix
Medium	2 to 5 times the per occurrence limit shown in the Liability Coverage and Limits Matrix
Large	7.5 to 25 times the per occurrence limit shown in the Liability Coverage and Limits Matrix
Major or high hazard	25 to 50 times the per occurrence limit shown in the Liability Coverage and Limits Matrix

Table 2A
Minimum General Liability Limits for Elevator Retrofit/Maintenance

Project Category	Limit Multiplier
2-3 stories structure	The per occurrence limit shown in the Liability Coverage and Limits Matrix
4-8 stories structure	5 times the per occurrence limit shown in the Liability Coverage and

	Limits Matrix
9-20 stories structure	10 times the per occurrence limit shown in the Liability Coverage and Limits Matrix
More than 20 stories structure	20 times the per occurrence limit shown in the Liability Coverage and Limits Matrix
High hazard occupancy (childcare, hospital, nursing home, etc.)	2 times the per occurrence limit shown above (up to a \$20 million per occurrence limit)

2. **Continuation of Claims Made or Products/Completed Operations Coverage (Pertains to Sections II, G, and III, A. of IIR):** The Contractor should be required to continue this insurance after the project is completed and accepted by the County, to cover any potential injuries and property damage later resulting from construction defects.

Continuation of this coverage is not required for small projects or projects that do not involve construction. Continuation of this coverage is recommended for the period shown in Table 3.

Table 3
Minimum Time for Continuing Claims Made or Products/Completed Operations Coverage After Completion

Project Category	Years' Coverage Must be Continued
Small	None
Medium	Two years
Large	Three years
Major and "high hazard"	Five years

3. **Automobile Liability Insurance Limits (Pertains to Section III, C, of IIR).**

The multipliers in Table 4 should be applied to the automobile limits shown in the Liability Coverage and Limits Matrix to determine the minimum automobile liability limit for the project. No annual aggregate applies to automobile limits.

Table 4
Minimum Required Automobile Liability Limits

Project Category	Limit Multiplier
Small	The per accident limit shown in the Liability Coverage and Limits Matrix
Medium	Two times the per accident limit shown in the Liability Coverage and Limits Matrix
Large	Three times the per accident limit shown in the Liability Coverage and Limits Matrix
Major and "high hazard"	Five times the per accident limit shown in the Liability Coverage and Limits Matrix

4. **Professional and Special Liability Insurance Limits (Pertains to Section III, D and F, of IIR).** The multipliers in Table 5 should be applied to any professional liability and "special liability" limits shown in the Liability Coverage and Limits Matrix to determine the minimum liability limit required per claim (or per occurrence). The annual aggregate limit should be two times the required per claim (or per occurrence) limit.

Table 5
Professional and Special Liability Limits

Project Category	Limit Multiplier
Small	The per claim limit shown in the Liability Coverage and Limits Matrix
Medium	Two times the per claim limit shown in the Liability Coverage and Limits Matrix
Large	Three times the per claim limit shown in the Liability Coverage and Limits Matrix
Major and "high hazard"	Five times the per claim limit shown in the Liability Coverage and Limits Matrix

5. **Builders Risk, Installation Floater, Property and Boiler & Machinery (Pertains to Section III, A, of IIR).** Items III, A, in the IIR identify two forms of property protection that can be used to insure property to be installed in a project (builders risk insurance and an installation floater).

Most capital improvement projects will require builders risk coverage. However, there are situations in which builders risk insurance is not required.

Projects in which the total project cost is under \$50,000 or that involve grading and/or paving only (with no infrastructure construction) do not require builders risk insurance.

Projects in which the Contractor is installing material and equipment in an existing structure should require an installation floater policy rather than builders risk insurance (although a Contractor can substitute a blanket builder's risk policy in place

of an installation floater).

For projects that involve structural renovations or additions to an existing structure, the County has two exposures: one for the new work being done and one for the existing building or structure. If the new work does not involve a major exposure to the existing building or structure, the County should require an installation floater policy equal to the contract cost on the new work. The County would then assume the risk of damage to the existing structure.

If the new work involves a major addition or major renovation that could affect the structural integrity of the existing structure, the County should require builders risk insurance that covers the new work and the existing structure for the total cost of the contract plus the value of the existing structure. Except when projects also involve existing property, the value insured in a builder's risk policy or an installation floater should always be equal to the total contract cost. If a contractor's work involves testing air conditioning systems, boilers, pressure vessels, major machinery or major electrical panels, the County should require that the builders' risk or installation floater policy include coverage for testing. Otherwise, any damage done to the equipment as a result of trial tests will not be covered.

Work on roads and drainage canals can involve sizable contract costs. However, the probability of damage on such projects is limited. Additionally, when damage occurs, it is usually limited to a small area and represents a small portion of the total contract value. As such, unless there are high-value segments of the project subject to a sizable loss (such as an expensive pumping station) builders risk insurance is not recommended.

- 6. Workers Compensation (Pertains to Section III, E, of IIRs).** For workers' compensation, the Liability Coverage and Limit Matrix only identify that coverage needed. The statutory workers compensation limit and the employer's liability limit should remain as shown in the Liability Coverage and Limit Matrix. Multipliers are not used to increase these limits.

GLOSSARY OF CONSTRUCTION INSURANCE TERMS

TERM OR PHRASE	MEANING
Admitted Insurer	An insurer that is licensed to do business in the state.
As Built Construction	Construction projects with no design services. Design plans for the prospective construction exist prior to construction.
Authorized Insurer	An admitted insurer or an approved surplus lines insurer authorized to do business in the state.
Aggregate Limit	The maximum limit to be paid during the policy period for all covered claims. In the commercial general liability policy, there are two annual aggregate limits. One applies to all coverage other than products and completed operations and a second aggregate limit applies to products and completed operations.
Aircraft Liability	A liability insurance policy covering liability arising from the use of an aircraft.
Asbestos Liability	A liability insurance policy covering loss arising from the removal, encapsulation and/or transportation of asbestos.
Automobile Liability	A liability insurance policy covering losses arising from the operation of automobiles.
Boiler & Machinery	A type of insurance that covers damage to property caused by a boiler or equipment "accident." ("Accidents" include explosion or tearing asunder originating from pressure vessels, electrical arcing or centrifugal force.) Builders risk policies can usually be extended to include this coverage during testing of boilers, electrical systems and machinery.

Blanket Builders Risk	A builder's risk policy purchased by a Contractor that applies to all projects the Contractor reports to the insurer during the policy term.
Builders Risk	A type of insurance that covers damage to property under construction.
Commercial General Liability	A common type of general liability policy designed by the Insurance Services Office (ISO) and widely used by insurers. The principal coverages included in a commercial general liability policy include premises and operations, products and completed operations, contractual liability and personal and advertising injury liability.
Contractors Professional Liability	A type of liability insurance covering a contractor's liability for engineering or architectural work, review of plans and shop drawings, project management, project consulting, project scheduling, etc.
Coverage	A term referring to the protection that makes up part or all of the insurance in an insurance policy. (See Commercial General Liability for an example.)
Deductible	An amount that the insured entity is responsible for reimbursing to the insurer after payment of a third-party liability claim or the insured's share of loss paid as part of a property claim.
Design Build Construction	It is a project delivery system used in the construction industry. It is a method to deliver a project in which the design and construction services are contracted by a single entity known as the design-builder or design-build contractor.

Design E&O	A type of professional liability insurance for engineers and architects (also known as architects and engineers E&O).
Design Professional	Design services provided under public contract as defined by California Civil Code Section 2782.8. These would include architect, landscape architect, professional engineer, professional land surveyor.
Continuation of Products/ Completed Operations Coverage	A requirement that an insured continue to purchase products/completed operations insurance for a stated period after the contracted work is completed and accepted by the County.
Employers Liability	A coverage that is part of a workers' compensation policy. Employers' liability insures the employer's liability (up to a stated limit) for injury to employees that are not subject to workers compensation laws.
Environmental Liability	A liability insurance policy covering liability and cleanup costs arising from pollution spills or leaks. (Coverage can include the cost to clean up owned property as well as non-owned property.)
Errors & Omissions	Another term for professional liability.
Excess Insurance	An insurance policy that stands above (or excess to) primary insurance.
General Liability	A liability insurance policy covering losses arising from general operations and the operation of premises.
Installation Floater	A type of insurance that covers damage to the materials being installed by the insured.
Jones Act	A federal law that requires employers to insure the captain and crew members of a boat for injury. (The law applies to all employees working on a boat

	operating in navigable waters.)
Marine Liability	A liability insurance policy covering loss arising from the operation of boats or ships (also known as a protection and indemnity policy.)
Navigable Waters	Ocean and inland waters that can be consistently used by larger boats or ships. (Operations on navigable waters can subject employers to paying United States Longshore and Harbor Workers Act benefits to injured employees.)
Non-Contributing	An insurance policy in which the policy limits will not combine with (contribute with) other policies to share a loss. A non-contributing policy would stand as excess to other policies
Personal and Advertising Injury	General liability coverage covers libel, slander, false arrest, malicious prosecution, wrongful eviction, violation of privacy and use of another entity's idea (or infringing on another entity's copyright, trademark or slogan) in advertising the insured's products or services.
Policy Aggregate	An annual aggregate limit in the commercial general liability policy that applies to all commercial general liability coverages except Products/Completed Operations.
Pollution Liability	Another term for environmental liability.
Primary Insurance	Insurance that stands first in line to pay a loss.
Professional Liability	A liability insurance policy covering loss arising from errors or omissions done in performing professional services (also known as an errors & omissions [E&O])

	policy.)
Products/Completed Operations Liability	A type of general liability coverage that covers liability for damage or injury caused by the insured's products after the sale of the product or caused by the completed operations done by an insured. This type of coverage is subject to a separate annual aggregate limit.
Railroad Protective Liability	A specialized type of liability insurance required of Contractors by railroads to insure the railroad when Contractors enter on railroad property to perform work.
Retention	A self-insured layer that applies primary to the insured liability limits (similar to a deductible).
Self-Insurance	Self-retained risk of loss. A self-insurance program can be a formal document recognizing a self-retained risk of loss (such as a self-insurance certificate or a retention), an informal assumption of known risk or an unintended and unexpected risk of loss.
Special Liability	A type of liability insurance that is designed for specialized types of operations, such as asbestos liability, environmental liability and railroad protective liability.
Surplus Lines Insurer	An out-of-state insurer that transacts business on risks that admitted insurers have refused to write. To be acceptable, the surplus lines insurer must be authorized to conduct business in the state.
USL&H	An acronym for the United States Longshore and Harbor Workers Act.

Workers Compensation	Workers' compensation insurance covers employees for injury or illness they incur in the course of their work. Workers compensation insurance is made up of workers compensation coverage and employers liability coverage. The workers compensation limit is a "statutory" limit in which the amount insured is established by the benefit levels stated in workers compensation statutes.
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IIR's FOR BUILD TO SUIT LEASES (COUNTY AS LESSEE)

INDEMNIFICATION AND INSURANCE REQUIREMENTS: During the term of this Lease, and following acceptance of the building by Lessee, the following indemnification and insurance requirements shall be in effect.

I. INDEMNIFICATION

The Lessor shall indemnify, defend and hold harmless the Lessee from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Lessor's construction, repair, maintenance and other acts and omissions arising from and/or relating to the Lessor's ownership of the Premises.

The Lessee shall indemnify, defend and hold harmless the Lessor, from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Lessee's repair, maintenance and other acts and omissions arising from and/or relating to the Lessee's use of the Premises.

II. WAIVER

Both the Lessee and Lessor each agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).

III. GENERAL INSURANCE PROVISIONS - LESSOR REQUIREMENTS

Without limiting the Lessor's indemnification of Lessee and during the term of this Lease, and until all of its obligations pursuant to this Lease have been met, Lessor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Lessor pursuant to this Lease. The Lessee in no way warrants that the Required Insurance is sufficient to protect the Lessor for liabilities which may arise from or

relate to this Lease.

A. Evidence of Coverage and Notice to Lessee

Certificate(s) of insurance coverage (Certificate) satisfactory to Lessee, and a copy of an Additional Insured endorsement confirming Lessee and its Agents (defined below) has been given Insured status under the Lessor’s General Liability policy, shall be delivered to Lessee at the address shown below and provided prior to the start day of this Lease.

Renewal Certificates shall be provided to Lessee not less than 10 days prior to Lessor’s policy expiration dates. The Lessee reserves the right to obtain complete, certified copies of any required Lessor insurance policies at any time.

Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Lessor identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Lessee required endorsement forms.

Neither the Lessee’s failure to obtain, nor the Lessee’s receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Lessor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

County of Los Angeles Lessee Department Name

Lessee Department Address

Attention: Name of Department Contact Person

Lessor also shall promptly notify Lessee of any third-party claim or suit filed against Lessor which arises from or relates to this Lease and could result in the filing of a claim or lawsuit against Lessor and/or Lessee.

B. Additional Insured Status and Scope of Coverage

The Lessee, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively Lessee and its Agents), shall be provided additional insured status under Lessor's General Liability policy with respect to liability arising from or connected with the Lessor's acts, errors, and omissions arising from and/or relating to the Lessor's operations on and/or its ownership of the premises. Lessee's additional insured status shall apply with respect to liability and defense of suits arising out of the Lessor's acts or omissions, whether such liability is attributable to Lessor or to the Lessee. The full policy limits and scope of protection also shall apply to the Lessee as an additional insured, even if they exceed the Lessee's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

C. Cancellation of or Changes in Insurance.

Lessor shall provide County with, or Lessor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Lease, in the sole discretion of the County, upon which the County may suspend or terminate this Lease.

D. Failure to Maintain Insurance

Lessor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease, upon which County immediately may withhold payments due to Lessor, and/or suspend or terminate this Lease. County, at its sole discretion, may obtain damages from Lessor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Lessor, deduct the premium cost from sums due to Lessor or pursue Lessor reimbursement.

E. Insurer Financial Ratings

Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the Lessee, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the Lessee.

F. Lessor's Insurance Shall Be Primary

Lessor's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Lessee. Any Lessor maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Lessee coverage.

G. Waiver of Subrogation

To the fullest extent permitted by law, Lessor hereby waives its and its insurer(s) rights of recovery against Lessee under all required insurance policies for any loss arising from or related to this Lease. The Lessor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waivers.

H. Deductibles and Self-Insured Retentions (SIRs)

Lessor's policies shall not obligate Lessee to pay any portion of any Lessor deductible or SIR. The Lessee retains the right to require Lessor to reduce or eliminate policy deductibles and SIRs as respects the Lessee, or to provide a bond guaranteeing

Lessor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

I. Claims Made Coverage

If any part of the Required Insurance is written on claims made basis, any policy retroactive date shall precede the start date of this Lease. Lessor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

J. Application of Excess Liability Coverage

Lessor may use a combination of primary and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

K. Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

L. Lessee Review and Approval of Insurance Requirements

The Lessee reserves the right to review and adjust the Required Insurance provisions, conditioned upon Lessee's determination of changes in risk exposures.

III. INSURANCE COVERAGE TYPES AND LIMITS

- A. Lessee Requirements:** During the term of this Lease, Lessee shall maintain a program of insurance coverage as described below. Lessee, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificate evidencing coverage or

letter evidencing self-funding will be provided to Lessor after execution of this Lease at Lessor's request.

(1) Commercial General Liability Insurance providing scope of coverage equivalent to ISO policy form CG 00 01, naming Lessor and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

NOTE TO COUNTY STAFF: Should you have any questions regarding the insurance requirements limits below, please contact the CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov.

B. Lessor Requirements (Occupancy Period): After the construction is completed, Lessor shall provide and maintain the following programs of insurance coverage:

(1) Commercial General Liability Insurance providing scope of coverage equivalent to ISO policy form CG 00 01, naming Lessee and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 10 million
Products/Completed Operations Aggregate:	\$ 10 million
Personal and Advertising Injury:	\$ 5 million
Each Occurrence:	\$ 5 million

(2) Commercial Property Insurance. Such coverage shall: Provide coverage for Lessee's property and any improvements and

betterments; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.

Be written for the full replacement cost of the property, with a deductible no greater than \$250,000 or 5% of the property value, whichever is less. Insurance proceeds shall be payable to Lessee and Lessor as their interests may appear.

- C. Lessor Requirements (Construction Period):** During the period of construction, Lessor shall provide and maintain the following programs of insurance coverage:

Builder's Risk Course of Construction Insurance. Such coverage shall insure against damage from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30). This insurance shall be endorsed to include earthquake, flood, ordinance or law coverage, coverage for temporary offsite storage, debris removal, pollutant cleanup and removal, testing, preservation of property, excavation costs, landscaping, shrubs and plants, and full collapse coverage during construction, without restricting collapse coverage to specified perils. Such insurance shall be extended to include boiler & machinery coverage for air conditioning, heating and other equipment during testing. This insurance shall be written on a completed-value basis and cover the entire value of the construction project, including Lessor furnished materials and equipment, against loss or damage until completion and acceptance by the Lessee and the Lessor if required. Such coverage shall provide a per occurrence deductible of no greater than ten percent (10%) of the value insured for earthquake, and five percent (5%) of the value insured for all other perils.

General Liability Insurance. Such coverage shall be written on ISO policy form CG 00 01 or its equivalent, naming Lessor as an additional insured, with limits of not less than \$(determined on a project-by-project basis):

General Aggregate:

Products/Completed Operations Aggregate:

Personal and Advertising Injury:

Each Occurrence:

The Products/Completed Operations coverage shall continue to be maintained in the amount indicated above for at least two (2) years from the date the Project is completed and accepted by the Lessee and the Lessor if required.

Automobile Liability. Coverage must be provided using the ISO policy form CA 00 01, or an equivalent policy, with limits no less than those specified. Coverage is required on a project-by-project basis for bodily injury and property damage, with combined or equivalent split limits for each individual accident. This insurance should include liability related to the use of automobiles by the Lessee or the Lessee's contractor under this Lease, covering owned, leased, hired, and non-owned vehicles as applicable.

Professional Liability. Such insurance shall cover liability arising from any error, omission, negligent, or wrongful act of the Lessee's contractor and/or licensed professional (i.e. architects, engineers, surveyors, etc.) with limits of not less than \$(determined on a project by project basis) per claim and \$(double the per claim limit) aggregate. The coverage shall also provide an extended two-year reporting period commencing upon expiration, termination or cancellation of the construction project.

Workers Compensation and Employers' Liability Insurance or qualified self-insurance satisfying statutory requirements. Such coverage shall provide Employers' Liability coverage with limits of not less than \$1 million per accident. Such policy shall be endorsed to waive subrogation against the Lessor for injury to the Lessee's or Lessee's contractor employees. If Lessee or Lessee's contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the Lessor as the Alternate Employer, and the endorsement form shall be modified to provide that Lessor will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision.

Asbestos Liability or Contractors Pollution Liability Insurance is needed if construction requires remediation of asbestos or pollutants. Such insurance shall cover liability for personal injury and property damage arising from the release, discharge, escape, dispersal or emission of asbestos, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring and treatment of asbestos in compliance with governmental mandate or requests. If the asbestos or pollutants will be removed from the construction site, asbestos or pollution liability is also required under Lessee's or Lessee's contractor Automobile Liability Insurance. Lessee or Lessee's contractor shall maintain limits of not less than \$(determined on a project-by-project basis) for this project.

Performance Security Requirements. Prior to the beginning of construction Lessee shall require its contractor to file surety bonds with the Lessee and the Lessor if required in the amounts and for the purposes noted

below. All bonds shall be duly executed by a solvent surety company that is authorized by the State of California, is listed in the United States Department of the Treasury's Listing of Approved Sureties Treasury (Circular 570) and is satisfactory to the County, and it shall pay all premiums and costs thereof and incidental thereto (see <https://fiscal.treasury.gov/about-us/doing-business-with-fiscal-service/surety-bonds>).

Each bond shall be signed by the Lessee's Contractor (as Principal) and the Surety.

The Lessee's contractor shall give two surety bonds with good and sufficient sureties: the first in the sum of not less than 100% of the Project price to assure the payment of claims of material men supplying materials to Lessee's contractor, subcontractors, mechanics, and laborers employed by the Lessee's contractor on the Project, and the second in the sum of not less than 100% of the Project price to assure the faithful performance of the Project Contract.

- 1. The "Materials and Labor Bond"** (or "Payment Bond") shall be so conditioned as to inure to the benefit of persons furnishing materials for or performing labor upon the Work. This bond shall be maintained by the Lessee's contractor in full force and effect until the Work is completed and accepted by the Lessee and the Lessor if required, and until all claims for materials, labor, and subcontracts are paid.
- 2. The "Bond for Faithful Performance"** shall be so conditioned as to assure the faithful performance by the Lessee's contractor of all Work under said Project contract within the time limits prescribed, including any maintenance and warranty provisions, in a manner that is satisfactory and acceptable to the Lessee and the Lessor if required; that all materials and

workmanship supplied by Lessee's contractor will be free from original or developed defects, and that should original or developed defects, or failures appear within a period of one year from the date of Acceptance of the Work by the Lessee and the Lessor if required, the Contractor shall, at Contractor's own expense, make good such defects and failures, and make all replacements and adjustments required, within a reasonable time after being notified by the Lessee to do so, and to the approval of the Lessor if required. This bond shall be maintained by the Lessee's contractor in full force and effect during the performance of the Project and for a period of one year after acceptance of the Work by the Lessee and the Lessor if required.

Should any surety or sureties upon said bonds or any of them become insufficient, or be deemed unsatisfactory by the Lessee or the Lessor, said Contractor shall replace said bond or bonds with good and sufficient sureties within ten (10) days after receiving notice from the Lessee or the Lessor that the surety or sureties are insufficient or unsatisfactory.

No further payment shall be deemed due or will be made under this Contract until the new sureties shall qualify and be accepted by the Lessee and the Lessor.

IIR's FOR FULL SERVICE LEASE (COUNTY AS LESSEE)

INDEMNIFICATION AND INSURANCE REQUIREMENTS: During the term of this Lease, the following indemnification and insurance requirements shall be in effect.

I. INDEMNIFICATION

The Lessor shall indemnify, defend and hold harmless the Lessee from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Lessor's repair, maintenance and other acts and omissions arising from and/or relating to the Lessor's ownership of the Premises.

The Lessee shall indemnify, defend and hold harmless the Lessor, from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Lessee's repair, maintenance and other acts and omissions arising from and/or relating to the Lessee's use of the Premises.

II. WAIVER

Both the Lessee and Lessor each agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).

III. GENERAL INSURANCE PROVISIONS - LESSOR REQUIREMENTS

Without limiting the Lessor's indemnification of Lessee and during the term of this Lease, and until all of its obligations pursuant to this Lease have been met, Lessor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Lessor pursuant to this Lease. The Lessee in no way warrants that the

Required Insurance is sufficient to protect the Lessor for liabilities which may arise from or relate to this Lease.

A. Evidence of Coverage and Notice to Lessee

- Certificate(s) of insurance coverage (Certificate) satisfactory to Lessee, and a copy of an Additional Insured endorsement confirming Lessee and its Agents (defined below) has been given Insured status under the Lessor’s General Liability policy, shall be delivered to Lessee at the address shown below and provided prior to the start day of this Lease.
- Renewal Certificates shall be provided to Lessee not less than 10 days prior to Lessor’s policy expiration dates. The Lessee reserves the right to obtain complete, certified copies of any required Lessor insurance policy at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Lessor identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Lessee required endorsement forms.
- Neither the Lessee’s failure to obtain, nor the Lessee’s receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Lessor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:

County of Los Angeles Lessee
Department Name Lessee
Department Address
Attention: Name of Department Contact Person

Lessor also shall promptly notify Lessee of any third-party claim or suit filed against Lessor

which arises from or relates to this Lease and could result in the filing of a claim or lawsuit against Lessor and/or Lessee.

B. Additional Insured Status and Scope of Coverage

The Lessee, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively Lessee and its Agents), shall be provided additional insured status under Lessor's General Liability policy with respect to liability arising from or connected with the Lessor's acts, errors, and omissions arising from and/or relating to the Lessor's operations on and/or its ownership of the premises. Lessee's additional insured status shall apply with respect to liability and defense of suits arising out of the Lessor's acts or omissions, whether such liability is attributable to Lessor or to the Lessee. The full policy limits and scope of protection also shall apply to the Lessee as an additional insured, even if they exceed the Lessee's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

C. Cancellation of or Changes in Insurance

Lessor shall provide the Lessee with, or Lessor's insurance policies shall contain a provision that the Lessee shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Lessee at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Lease, in the sole discretion of the Lessee, upon which the Lessee may suspend or terminate this Lease.

D. Failure to Maintain Insurance

Lessor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease, upon which

County immediately may withhold payments due to Lessor, and/or suspend or terminate this Lease. County, at its sole discretion, may obtain damages from Lessor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Lessor, deduct the premium cost from sums due to Lessor or pursue Lessor reimbursement.

E. Insurer Financial Ratings.

Insurance is to be provided by an insurance company authorized to do business in California and acceptable to the Lessee, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the Lessee.

F. Lessor's Insurance Shall Be Primary

Lessor's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Lessee. Any Lessor maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Lessee coverage.

G. Waiver of Subrogation

To the fullest extent permitted by law, Lessor hereby waives its and its insurer(s) rights of recovery against Lessee under all required insurance policies for any loss arising from or related to this Lease. The Lessor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

H. Deductibles and Self-Insured Retentions (SIRs)

Lessor's policies shall not obligate Lessee to pay any portion of any Lessor deductible or SIR. The Lessee retains the right to require Lessor to reduce or eliminate policy deductibles and SIRs as respects the Lessee, or to provide a bond guaranteeing Lessor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

I. Claims Made Coverage

If any part of the Required Insurance is written on claims made basis, any policy retroactive date shall precede the start date of this Lease. Lessor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

J. Application of Excess Liability Coverage

Lessor may use a combination of primary and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

K. Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

L. Lessee Review and Approval of Insurance Requirements

The Lessee reserves the right to review and adjust the Required Insurance provisions, conditioned upon Lessee's determination of changes in risk exposures.

IV. INSURANCE COVERAGE TYPES AND LIMITS

A. Lessee Requirements: During the term of this Lease, Lessee shall maintain a program of insurance coverage as described below. Lessee, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to Lessor after execution of this Lease at Lessor's request.

(1) Commercial General Liability Insurance providing scope of coverage equivalent to ISO policy form CG 00 01, naming Lessor and its

Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

NOTE TO COUNTY STAFF: Should you have any questions regarding the insurance requirements limits below, please contact the CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov.

B. Lessor Requirements: During the term of this Lease, Lessor shall provide and maintain the following programs of insurance coverage:

(1) Commercial General Liability Insurance providing scope of coverage equivalent to ISO policy form CG 00 01, naming Lessee and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 10 million
Products/Completed Operations Aggregate:	\$ 10 million
Personal and Advertising Injury:	\$ 5 million
Each Occurrence:	\$ 5 million

(2) Commercial Property Insurance. Such insurance shall:

- Provide coverage for Lessee's property and any improvements and betterments; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.
- Be written for the full replacement cost of the property, with a

deductible no greater than \$250,000 or 5% of the property value, whichever is less. Insurance proceeds shall be payable to Lessee and Lessor as their interests may appear.

IIR's FOR LEASE OF COUNTY FACILITY (COUNTY AS LESSOR)

INDEMNIFICATION AND INSURANCE REQUIREMENTS: During the term of this Lease, the following indemnification and insurance requirements shall be in effect.

I. INDEMNIFICATION

The Lessee shall indemnify, defend and hold harmless the Lessor, from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Lessee's repair, maintenance and other acts and omissions arising from and/or relating to the Lessee's use of the Premises.

The Lessor shall indemnify, defend and hold harmless the Lessee from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with the Lessor's repair, maintenance and other acts and omissions arising from and/or relating to the Lessor's ownership of the Premises.

II. GENERAL INSURANCE PROVISIONS - LESSEE REQUIREMENTS

Without limiting the Lessee's indemnification of Lessor and during the term of this Lease, and until all of its obligations pursuant to this Lease have been met, Lessee shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Lessee pursuant to this Lease. The Lessor in no way warrants that the Required Insurance is sufficient to protect the Lessee for liabilities which may arise from or relate to this Lease.

A. Evidence of Coverage and Notice to Lessor

- Certificate(s) of insurance coverage (Certificate) satisfactory to Lessor, and a copy of an Additional Insured endorsement confirming Lessor and its Agents (defined below) has been given Insured status under the Lessee's General Liability policy, shall be delivered to Lessor at the address shown below and provided prior to the start day of this Lease.
- Renewal Certificates shall be provided to Lessor not less than 10 days prior to Lessee's policy expiration dates. The Lessor reserves the right to obtain complete, certified copies of any required Lessee insurance policy at any time
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Lessee identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty-five thousand (\$25,000.00) dollars, and list any Lessor required endorsement forms.
- Neither the Lessor's failure to obtain, nor the Lessor's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Lessee, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- Certificates and copies of any required endorsements, notices of cancellation shall be delivered to:
 - County of Los Angeles
 - Department
 - Address
 - Attention: Name of Lease Manager,
- Lessee also shall promptly notify Lessor of any third-party claim or suit filed against Lessee which arises from or relates to this Lease and could result in the filing of a claim

or lawsuit against Lessee and/or Lessor.

B. Additional Insured Status and Scope of Coverage

The Lessor, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively Lessor and its Agents), shall be provided additional insured status under Lessee's General Liability policy with respect to liability arising from or connected with the Lessee's acts, errors, and omissions arising from and/or relating to the Lessee's operations on and/or its use of the premises. Lessor's additional insured status shall apply with respect to liability and defense of suits arising out of the Lessee's acts or omissions, whether such liability is attributable to Lessee or to Lessor. The full policy limits and scope of protection also shall apply to Lessor as an additional insured, even if they exceed the Lessor's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein

C. Cancellation of or Changes in Insurance

Lessee shall provide the Lessor with, or Lessee's insurance policies shall contain a provision that the Lessor shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the Lessor at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Lease, in the sole discretion of the Lessor, upon which the Lessor may suspend or terminate this Lease.

D. Failure to Maintain Insurance

Lessee's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease, upon which County

immediately may suspend or terminate this Lease. County, at its sole discretion, may obtain damages from Lessee resulting from said breach. Alternatively, the County may purchase the Required Insurance and without further notice to Lessee, pursue Lessee reimbursement.

E. Insurer Financial Ratings

Insurance is to be provided by an insurance company authorized to do business in California and acceptable to Lessor, with an A.M. Best rating of not less than A:VII, unless otherwise approved by Lessor.

F. Lessee's Insurance Shall Be Primary

Lessee's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to Lessor. Any Lessor maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Lessee's coverage.

G. Waiver of Subrogation

To the fullest extent permitted by law, the Lessee hereby waives its and its insurer(s) rights of recovery against Lessor under all required insurance policies for any loss arising from or related to this Lease. The Lessee shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

H. Deductibles and Self-Insured Retentions (SIRs)

Lessee's policies shall not obligate Lessor to pay any portion of any Lessee deductible or SIR. The Lessor retains the right to require Lessee to reduce or eliminate policy deductibles and SIRs as respects the Lessor, or to provide a bond guaranteeing Lessee's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

I. Claims Made Coverage

If any part of the Required Insurance is written on claims made basis, any policy retroactive date shall precede the start date of this Lease. Lessee understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

J. Application of Excess Liability Coverage

Lessee may use a combination of primary and excess insurance policies which provide coverage as broad as (“follow form” over) the underlying primary policies, to satisfy the Required Insurance provisions.

K. Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

L. Lessor Review and Approval of Insurance Requirements

The Lessor reserves the right to review and adjust the Required Insurance provisions, conditioned upon Lessor’s determination of changes in risk exposures.

III. INSURANCE COVERAGE TYPES AND LIMITS

NOTE TO COUNTY STAFF: Should you have any questions regarding the insurance requirements limits below, please contact the CEO Risk Management Branch at insurancecompliance@ceo.lacounty.gov.

A. Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming Lessor and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$ 10 million
Products/Completed Operations Aggregate:	\$ 10 million
Personal and Advertising Injury:	\$ 5 million
Each Occurrence:	\$ 5 million

B. Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Lessee's use of autos pursuant to this Lease, including owned, leased, hired, and/or non-owned autos, as each may be applicable. Any Lessee whose business includes auto garage, auto servicing or similar operations also shall endorse its policy to provide Garagekeeper's Liability coverage (written on ISO form CA 99 37 or its equivalent) with a limit of not less than \$_____ for the Leased premises.

NOTE TO COUNTY STAFF: Garagekeeper's Liability coverage is only required for a Lessee whose business involves valet parking, parking lot management, car wash and similar operations in which the Lessee takes custody or control of vehicles belonging to third parties. The Limit of insurance for each location should be established by considering the average value of the type of vehicle most commonly held at the location, and the total number of such vehicles which are likely to incur loss or damage in a single incident. For example, Lessee provides auto body repair and painting and typically has as many as 50 cars at the Leased premises at any time. The estimated average value per vehicle is approximately \$20,000, and it is estimated that no more than 10 vehicles would be damaged due to a single event (ex. shop fire) at the location. Therefore, a limit of not less than \$20,000 X 10 = \$200,000 would be chosen.

C. Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which include Employers' Liability coverage with limits of not less than \$1 million per accident. If applicable to Lessee's

operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

D. Commercial Property Insurance. Such insurance shall:

- Provide coverage for Lessor's property and any improvements and betterments; this coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), excluding earthquake and including flood and ordinance or law coverage.
- Be written for the full replacement cost of the property, with a deductible no greater than \$250,000 or 5% of the property value, whichever is less. Insurance proceeds shall be payable to the Lessee.

IIR's FOR INFORMATION TECHNOLOGY CONTRACTS

I. General Indemnification

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 8.23 shall be conducted by Contractor and performed by counsel selected by Contractor. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense. Nothing herein shall be construed as a waiver of County's sovereign immunity.

Indemnification – Intellectual Property

Contractor shall indemnify, defend, and hold harmless the County its Special Districts, elected and appointed officers, employees and agents from and against any and all third-party liability, including but not limited to demands, claims, actions, fees, damages, costs, and expenses (including attorneys and expert witness fees) arising from any alleged or actual infringement of any third party's patent or copyright, or any alleged or actual unauthorized trade secret disclosure, arising from or related to this Agreement and/or the operation and use of the Application Software (collectively referred to as "Infringement Claim(s)").

Any legal defense pursuant to Contractor's indemnification obligations under this agreement shall be conducted by Contractor and performed by counsel selected by Contractor. County shall provide Contractor with immediate written notification of any such third-party claim, as well as information, reasonable assistance, and authority to defend or settle the claim. Notwithstanding the foregoing, County shall have the right to participate in any such

defense at its sole cost and expense.

Contractor will pay the amount of any resulting adverse final judgment issued by a court of competent jurisdiction, or of any settlement made by Contractor in writing.

Contractor will have no liability hereunder if the claim of infringement or an adverse final judgment rendered by a court of competent jurisdiction results from (i) County's use of a previous version of the Application Software, and the claim would have been avoided had County used the current version of the Software; (ii) County's combining the Application Software with devices or products not intended or approved by Contractor; (iii) use of the Application Software in applications, business environments or processes for which the Application Software was not designed or contemplated, and where use of the Application Software outside such application, environment or business process would not have given rise to the claim; (iv) corrections, modifications, alterations or enhancements that County made to the Application Software and such correction, modification, alteration or enhancement is determined by a court of competent jurisdiction to be a contributing cause of the infringement; (v) use of the Application Software by any person or entity other than Users; or (vi) County's willful infringement, including County's continued use of the infringing Application Software after County becomes aware that such infringing Application Software is or is likely to become the subject of a claim hereunder.

Contractor shall, at its option and at no cost to County, as remedial measures, either: (i) procure the right, by license or otherwise, for County to continue to use the Application Software or affected component(s) thereof, or part(s) thereof, to the same extent of County's License; or (ii) replace or modify the Application Software or component(s) thereof with another software or component(s) of at least equivalent quality and performance capabilities, as mutually determined by County and Contractor, until the Application Software and all components thereof become non-infringing, non-misappropriating and non-disclosing (hereinafter collectively "Remedial Act(s)"). The foregoing states Contractor's entire liability and County's sole and exclusive remedy with respect to the

subject matter hereof.

II. GENERAL Provisions for All INSURANCE Coverage

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections II and III of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

1. Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.
- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract.
- Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.

- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

- Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles

Contracting Department Name, Division/Section

Contracting Department Address

Attention: Name and Title of Department Contact

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to the Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third-party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Contract and could result in the filing of a claim or lawsuit against Contractor and/or County.

2. Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability and Cyber Liability/Privacy policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents' additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it

satisfies the Required Insurance provisions herein.

3. Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

4. Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor for reimbursement.

5. Financial Insurer Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

6. Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

7. Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8. Sub-Contractor Insurance Coverage Requirements

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

9. Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California

10. Claims Made Coverage

If any part of the Required Insurance is written on a claim made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

11. Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as (“follow form” over) the underlying primary policies, to satisfy the Required Insurance provisions.

12. Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

13. Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

14. County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County’s determination of changes in risk exposures.

III. TYPES OF INSURANCE

1. Commercial General Liability Insurance

Providing scope of coverage equivalent to ISO policy form CG 00 01, naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

2. Automobile Liability Insurance

Providing scope of coverage equivalent to ISO policy form CA 00 01 with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

3. Workers' Compensation and Employers' Insurance

Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

4. Professional Liability/Errors and Omissions coverage may or may not be required. This insurance may not be substituted for Cyber E&O or Cyber Privacy insurance. It is recommended to fill any gaps in coverage between the General Liability policy and the other policies.

Professional Liability/Errors and Omissions

Insurance covering Contractor's liability arising from or related to this Agreement, with limits of not less than \$1 million per claim and \$5 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

Property Coverage provides protection against losses due to perils such as fire, vandalism,

theft, and water damage, and is only required when a Contractor takes custody of County owned or leased property (for example, Contractor occupies a County building, or is given County computers to use at non-County locations, such as the Contractor's business premises).

5. Property Coverage

If Contractor is given exclusive use of County owned or leased property shall carry property, Contractor coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. County and its Agents shall be named as an Additional Insured on Contractor's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual value. Real property and all other personal property shall be insured for their full replacement value.

This coverage is required when the contractor modifies or customizes their software or will be designing or consulting on the purchase of hardware. This is also required when the contractor is providing training. This will provide coverage for Intellectual Property infringement claims.

6. Technology Errors & Omissions insurance (Tech E&O)

Insurance for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems analysis (2) systems programming (3) data processing (4) systems integration (5) outsourcing including outsourcing development and design (6) systems design, consulting, development and modification (7) training services relating to computer software or hardware (8) management, repair and maintenance of computer products, networks and systems (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by the vendor with limits of not less than \$10 million.

This coverage is required whenever the vendor is using, storing or collecting personal information. This can be on County servers or outside servers. The amount of the limits will depend on the amount of data being stored and the type of personal data being stored.

7. Privacy/Network Security (Cyber) liability

Insurance coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs] (2) system breach (3) denial or loss of service (4) introduction, implantation, or spread of malicious software code (5) unauthorized access to or use of computer systems with limits of not less than \$10 million. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

The proposed contractor may be using a combined policy.

8. Cyber Liability Insurance (Combined Tech E&O and Privacy/Network Security)

The Contractor shall secure and maintain cyber liability insurance coverage with limits of \$**[Insert the limit calculated based on the Exhibit F Guidelines]** per occurrence and **\$(Insert the limit calculated based on the Exhibit F Guidelines)** in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and data/information loss and business interruption; any other liability or risk that arises out of the Contract. The Contractor shall add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the

certificates of insurance described herein, shall not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

IIR's FOR COUNTY SERVICE AGREEMENTS

I. INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

Any legal defense pursuant to Contractor's indemnification obligations under this Agreement shall be conducted by Contractor and performed by counsel selected by Contractor. County shall provide Contractor with immediate written notification of any such third-party claim, as well as information, reasonable assistance, and authority to defend or settle the claim. Notwithstanding the foregoing, County shall have the right to participate in any such defense at its sole cost and expense.

Contractor will pay the amount of any resulting adverse final judgment issued by a court of competent jurisdiction, or of any settlement made by Contractor in writing. Nothing herein shall be construed as a waiver of County's sovereign immunity.

II. GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections II and III of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor from liabilities which may arise from or relate to this Contract.

1. Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.
- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- Certificates and copies of any required endorsements shall be sent to:
County of Los Angeles
Contracting Department Name, Division/Section

Contracting Department Address

Attention: Name and Title of Department Contact

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to the Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third-party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Contract and could result in the filing of a claim or lawsuit against Contractor and/or County.

2. Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

3. Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or

policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

4. Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

5. Financial Insurer Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

6. Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

7. Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8. Sub-Contractor Insurance Coverage Requirements

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub- Contractor complies with the Required Insurance provisions herein and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

9. Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

10. Claims Made Coverage

If any part of the Required Insurance is written on a claim made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

11. Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

12. Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the

standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

13. Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

14. County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

Instructions to Analyst

At a minimum, all County service contracts should include the Commercial General Liability, Automobile Liability and Workers Compensation and Employer's Liability insurance requirements with limits of not less than those noted below.

If you are uncertain or have questions about the appropriate types and limits of insurance coverage for your specific contract, please refer to Section 5 of this Insurance Manual or contact the CEO Risk Management Branch.

III. INSURANCE COVERAGE

- 1. Commercial General Liability insurance** (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million

Each Occurrence:

\$1 million

- 2. Automobile Liability insurance** (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

- 3. Workers Compensation and Employers' Liability insurance** or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

Instructions to Analyst - The Alternate Employer endorsement (above) also should be required if your department will (1) lease or rent equipment and an equipment operator is provided by the supplier, or (2) exercise control over the details of the work performed by the employees of your contractor. Please contact the CEO Risk Management Branch – Risk Management Operations Section staff if you need assistance.

One or more of the following insurance coverages(s) may also be required,

depending upon the type of contracted service. Please review and select coverage(s) as applicable.

If you are uncertain or have questions about it, e appropriate types and limits of insurance coverage for your special types and act, please refer to Section 5 of this Insurance Manual or contact the CEO, Risk Management Branch – Risk Management Operations Section staff for assistance.

4. Unique Insurance Coverage

- **Sexual Misconduct Liability**

Instructions to Analyst - Sexual Misconduct Liability Coverage should be required when the contract involves care or supervision of children, seniors and other vulnerable people. This may include services such as childcare, foster care, group homes, emergency shelters, medical and/or mental health care service delivery, residential treatment, mentoring, schools, camp operations, school bus transport, and security services.

Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$1 million per claim and \$1 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

- **Professional Liability/Errors and Omissions**

Instructions to Analyst - Professional Liability/Errors and Omissions coverage is required for medical and legal Contractors, as well as Contractors in non-traditional professions including, but not limited to accountants, appraisers,

architects, billers, computer programmers, engineers, interpreters, staffing/temporary services agencies, and consultants. NOTE: A minimum \$3 million aggregate limit is recommended for medical and legal service providers.

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

- **Property Coverage**

Instructions to Analyst - Property Coverage provides protection against losses due to perils such as fire, vandalism, theft, and water damage, and is only required when a Contractor takes custody of County owned or leased property (for example, Contractor occupies a County building, or is given County computers to use at non-County locations, such as the Contractor's business premises).

If Contractor's given exclusive use of County owned or leased property shall carry property, Contractor coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. County and its Agents shall be named as an Additional Insured on Contractor's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual value. Real property and all other personal property shall be insured for their full replacement value.

- **Technology Errors & Omissions Insurance.**

Instructions to Analyst - These policies are relatively new to the market and much of the language is not standardized. The policies should contain protection in the

areas specified.

Contractor shall name County and its agents as an additional insured, and including coverage for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems analysis, (2) system programming, (3) data processing, (4) systems integration, (5) outsourcing including outsourcing development and design, (6) systems design, consulting, development and modification, (7) training services relating to computer software or hardware, (8) management, repair and maintenance of computer products, networks and systems, (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software, (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by the vendor with limits not less than \$10 million per claim and in the aggregate.

- **Cyber Liability**

INSTRUCTIONS TO ANALYSTS - DEPARTMENTS AND THEIR COUNTY COUNSEL ATTORNEYS SHOULD CONSULT WITH RISK MANAGEMENT AND THE CHIEF INFORMATION SECURITY OFFICER TO DETERMINE THE SPECIFIC CYBER LIABILITY INSURANCE COVERAGE LIMITS AND USE THE GUIDELINES IN EXHIBIT F OF THE INSURANCE MANUAL. THE STANDARD AGREEMENT MAY ALREADY HAVE PROVISIONS FOR CYBER LIABILITY INSURANCE COVERAGE. IF THE STANDARD AGREEMENT DOES NOT PROVIDE CYBER LIABILITY COVERAGE PROVISIONS, THE SECTION BELOW SHOULD BE USED. COUNTY PERSONNEL SHOULD REFER TO THE GUIDELINES IN EXHIBIT F TO IDENTIFY A LIMIT TO BE REQUIRED.

The Contractor shall secure and maintain cyber liability insurance coverage in the

manner prescribed in this section unless the Contract prescribes cyber liability insurance coverage provisions and those provisions are no less stringent than those described in this section.

The Contractor shall secure and maintain cyber liability insurance coverage with limits of **[\$[Insert the limit calculated based on the Exhibit F Guidelines]** per occurrence and **[\$[Insert the limit calculated based on the Exhibit F Guidelines]** in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and data/information loss and business interruption; any other liability or risk that arises out of the Contract. The Contractor shall add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, shall not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

- **Crime Coverage**

Instructions to Analysts - Crime Coverage is only required when the contracted services involve pick up, carry, guard or otherwise handle County money and securities (ex. cash, checks, warrants, bonds, vouchers), or other highly valued County property (ex. property to be auctioned).

A Fidelity Bond or Crime Insurance policy with limits of not less than \$ [insert Dept. estimate of the probable maximum loss exposure] per occurrence. Such coverage shall protect against all loss of money, securities, or other valuable property entrusted by County to Contractor, and apply to all of Contractor's directors, officers, agents and employees who regularly handle or have responsibility for such money, securities or property. The County and its Agents shall be named as an Additional Insured and Loss Payee as its interests may appear. This insurance shall include third-party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and shall not contain a requirement for an arrest and/or conviction.

- **Miscellaneous Coverage**

Miscellaneous Coverage for one or more of these specialized types of insurance coverage(s) may also be required for contracted services involving unique services and/or risk exposures such as property renovations, vehicle maintenance and repair, aircraft, pollutants, watercraft, rail operations, etc. Contact the CEO, Risk Management Branch – Risk Management Operations Section staff for assistance.

Miscellaneous Types of Coverages that also may be needed based on services provided: Garage, Builder's Risk, Installation Floater, Owners and Contractors Protective Liability, Pollution (Environmental) Liability, Asbestos Liability, Railroad Protective Liability, Earthquake, Flood, Terrorism, Motor Truck Cargo Liability, Equipment Breakdown, Aircraft Liability, Marine Protection and Indemnity, Fine Art, Fiduciary.

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Section 11: Exhibit A
RECOMMENDED LIABILITY COVERAGE AND LIMIT MATRIX

Type of Project	General Liability (use Table 2 for final limit)	Automobile Liability (use Table 4 for final limit)	Workers Compensation			Professional and Special Liability (use Table 5 for final limit)			
			Workers Comp	WC - Jones Act	WC - USL&H	Marine Liability	Aircraft Liability	Pollution Liability	Other Liability
Alarm Installation (Alarm installation work at a jail or penal facility or at a residential location housing over 50 persons should be considered "high hazard")	\$1 million	\$1 million	Statutory \$1 million EL						\$1 million Errors & Omissions
Asbestos Remediation	\$1 million	\$1 million	Statutory \$1 million EL						\$1 million Asbestos Liability
Air Conditioning, Heating or Refrigeration System Installation	\$1 million	\$1 million	Statutory \$1 million EL						
Architectural or Engineering Work	\$1 million	\$1 million	Statutory \$1 million EL						\$1 million Professional (E&O) Liability
Automatic Sprinkler Installation	\$1 million	\$1 million	Statutory \$1 million EL						

Type of Project	General Liability (use Table 2 for final limit)	Automobile Liability (use Table 4 for final limit)	Workers Compensation			Professional and Special Liability (use Table 5 for final limit)			
			Workers Comp	WC - Jones Act	WC - USL&H	Marine Liability	Aircraft Liability	Pollution Liability	Other Liability
Beach Improvement (including facilities installation)	\$1 million	\$1 million	Statutory \$1 million EL	\$1 million required if Contractor's employees will use boats of any type	Required	\$1 million required if Contractor's employees will use boats of any type	\$1 million required if contractor uses or will hire others to use aircraft to perform aerial survey or photography	\$1 million required if pollutants are present	
Breakwater or Jetty Construction	\$1 million	\$1 million	Statutory \$1 million EL	\$1 million required if Contractor's employees will use boats of any type	Required	\$1 million required if Contractor's employees will use boats of any type	\$1 million required if contractor uses or will hire others to use aircraft to perform aerial survey or photography		
Bridge Construction	\$2 million	\$1 million	Statutory \$1 million EL	\$1 million required if Contractor's employees will use boats of any type	Required if over or next to navigable waters	\$1 million required if Contractor's employees will use boats of any type	\$1 million required if contractor uses or will hire others to use aircraft to perform aerial survey or photography		Railroad Protective Liability - at limit required by Railroad (if work enters upon railroad property)
Bridge Painting	\$2 million	\$1 million	Statutory \$1 million EL	\$1 million required if Contractor's employees will use boats of any type	Required if over or next to navigable waters	\$1 million required if Contractor's employees will use boats of any type			Railroad Protective Liability - at limit required by Railroad (if work enters upon railroad property)

Type of Project	General Liability (use Table 2 for final limit)	Automobile Liability (use Table 4 for final limit)	Workers Compensation			Professional and Special Liability (use Table 5 for final limit)			
			Workers Comp	WC - Jones Act	WC - USL&H	Marine Liability	Aircraft Liability	Pollution Liability	Other Liability
Building Construction (General)	\$1 million	\$1 million	Statutory \$1 million EL				\$1 million required if aerial lifting of materials or aerial surveying or photography is performed	\$1 million required if pollutants are present	\$1 million contractor's professional liability required if the project is a design/build project and contractor does or subcontracts design.
Building Moving	\$2 million	\$2 million	Statutory \$1 million EL						
Catch Basin Clean Out	\$1 million	\$1 million	Statutory \$1 million EL						
Dam or Reservoir Construction	\$2 million	\$2 million	Statutory \$1 million EL				\$1 million required if Contractor uses or will hire others to use aircraft to perform aerial survey or photography	\$1 million required if pollutants are present	
Dredging	\$1 million	\$1 million	Statutory \$1 million EL	\$1 million required if Contractor's employees will use boats of any type	Required if over or next to navigable waters	\$1 million required if Contractor's employees will use boats of any type	\$1 million required if contractor uses or will hire others to use aircraft to perform aerial survey or photography		
Earthquake Retrofit Work	\$2 million	\$1 million	Statutory \$1 million EL						
Elevator Retrofit/Maintenance	\$1 million	\$1 million	Statutory \$1 million EL						

Type of Project	General Liability (use Table 2 for final limit)	Automobile Liability (use Table 4 for final limit)	Workers Compensation			Professional and Special Liability (use Table 5 for final limit)			
			Workers Comp	WC - Jones Act	WC - USL&H	Marine Liability	Aircraft Liability	Pollution Liability	Other Liability
Environmental Assessment Work	\$1 million	\$1 million	Statutory \$1 million EL					Required as part of professional liability	\$1 million Professional (E&O) Liability
Excavation or Pile Driving	\$1 million	\$1 million	Statutory \$1 million EL	\$1 million required if Contractor's employees will use boats of any type	Required if on or next to navigable waters	\$1 million required if Contractor's employees will use boats of any type		\$1 million required if pollutants are present	Railroad Protective Liability - at limit required by Railroad (if work enters upon railroad property)
Exterior fence or retaining wall installation	\$1 million	\$1 million	Statutory \$1 million EL						\$5 million Railroad Protective Liability (if work enters upon railroad property)
Fireproofing and Sprinkler Installation	\$2 million	\$1 million	Statutory \$1 million EL						
Flood control, cofferdam and sewer construction	\$1 million	\$1 million	Statutory \$1 million EL	\$1 million required if Contractor's employees will use boats of any type	Required if over or next to navigable waters	\$1 million required if Contractor's employees will use boats of any type	\$1 million required if contractor uses or will hire others to use aircraft to perform aerial survey or photography	\$1 million required if pollutants are present	Railroad Protective Liability - at limit required by Railroad (if work enters upon railroad property)
Golf Course Construction	\$1 million	\$1 million	Statutory \$1 million EL					\$1 million required if pollutants are present	
Heating System Installation	(See Air Conditioning)								

Type of Project	General Liability (use Table 2 for final limit)	Automobile Liability (use Table 4 for final limit)	Workers Compensation			Professional and Special Liability (use Table 5 for final limit)			
			Workers Comp	WC - Jones Act	WC - USL&H	Marine Liability	Aircraft Liability	Pollution Liability	Other Liability
Interior Renovation	\$1 million	\$1 million	Statutory \$1 million EL						\$1 million asbestos liability if work involves asbestos removal or encapsulation
Iron or Steel erection - Buildings or Structural Work	\$2 million	\$1 million	Statutory \$1 million EL						Railroad Protective Liability - at limit required by Railroad (if work enters upon railroad property)
Irrigation and Water System Construction	\$1 million	\$1 million	Statutory \$1 million EL				\$1 million required if contractor uses or will hire others to use aircraft to perform aerial survey or photography	\$1 million required if pollutants are present	Railroad Protective Liability - at limit required by Railroad (if work enters upon railroad property)
Landscaping, Planting and Arbor Work	\$1 million	\$1 million	Statutory \$1 million EL						
Park, Playing Field or Playground Construction	\$1 million	\$1 million	Statutory \$1 million EL					\$1 million required if pollutants are present	
Paving	(See Street, Road and Highway Construction)								
Pipeline or Sewer Construction	(See Water Main Construction)								
Streetlight Installation, Maintenance and Repair	\$2 million	\$2 million	Statutory \$1 million EL						

Type of Project	General Liability (use Table 2 for final limit)	Automobile Liability (use Table 4 for final limit)	Workers Compensation			Professional and Special Liability (use Table 5 for final limit)			
			Workers Comp	WC - Jones Act	WC - USL&H	Marine Liability	Aircraft Liability	Pollution Liability	Other Liability
Street, Road and Highway Construction (including slurry sealing)	\$1 million	\$1 million	Statutory \$1 million EL	\$1 million required if Contractor's employees will use boats of any type	Required if over or next to navigable waters	\$1 million required if Contractor's employees will use boats of any type	\$1 million required if contractor uses or will hire others to use aircraft to perform aerial survey or photography	\$1 million required if pollutants are present	Railroad Protective Liability - at limit required by Railroad (if work enters upon railroad property)
Swimming Pool Construction	\$1 million	\$1 million	Statutory \$1 million EL						
Traffic Signal Light Installation, Maintenance and Repair	\$2 million	\$2 million	Statutory \$1 million EL						
Tree Planting and Trimming	(See Landscaping)								
Tunneling Work	\$2 million	\$1 million	Statutory \$1 million EL					\$1 million required if pollutants are present	Railroad Protective Liability - at limit required by Railroad (if work enters upon railroad property)
Water Main Construction	\$1 million	\$1 million	Statutory \$1 million EL				\$1 million required if contractor uses or will hire others to use aircraft to perform aerial survey or photography	\$1 million required if pollutants are present	Railroad Protective Liability - at limit required by Railroad (if work enters upon railroad property)
Waterworks Construction	\$1 million	\$1 million	Statutory \$1 million EL					\$1 million required if pollutants are present	

Type of Project	General Liability (use Table 2 for final limit)	Automobile Liability (use Table 4 for final limit)	Workers Compensation			Professional and Special Liability (use Table 5 for final limit)			
			Workers Comp	WC - Jones Act	WC - USL&H	Marine Liability	Aircraft Liability	Pollution Liability	Other Liability
Wrecking Work	\$2 million	\$2 million	Statutory \$1 million EL					\$1 million required if pollutants are present	\$1 million asbestos liability required if asbestos is present

**Exhibit B: Additional Insured Endorsements
B.1 Standard Additional Insured Endorsement**

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 10 04 13

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

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
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.

C. 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.

B.2 Standard Additional Insured Endorsement Completed Operations

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 37 04 13

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

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations

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" 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.

B.3 Blanket Insured Endorsement - Construction

COMMERCIAL GENERAL LIABILITY
CG 20 38 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS FOR OTHER PARTIES WHEN REQUIRED IN WRITTEN CONSTRUCTION AGREEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Section II – Who Is An Insured is amended to include as an additional insured:

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
2. Any other person or organization you are required to add as an additional insured under the contract or agreement described in Paragraph 1. above.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

However, the insurance afforded to such additional insured described above:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for the person or organization described in Paragraph 1. above are completed.

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

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

2. "Bodily injury" or "property damage" occurring after:
 - a. 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

B.4 Blanket Additional Insured Endorsement – Service Contracts

COMMERCIAL GENERAL LIABILITY
CG 20 43 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – AUTOMATIC STATUS WHEN REQUIRED IN WRITTEN CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Section II – Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) for whom you have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy. Such person(s) or organization(s) is an additional insured only with respect to liability for:

1. "Bodily injury" or "property damage" not included in the "products-completed operations hazard"; or
2. "Personal and advertising injury";
caused by, in whole or in part, your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your operations.

B. The insurance afforded to such additional insured described in Paragraph **A.** of this endorsement:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

C. With respect to insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" due to rendering of or failure to render any professional service. This includes but is not limited to:

1. Legal, accounting or advertising services;
2. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications;
3. Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;

4. Engineering services, including related supervisory or inspection services;
5. Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;
6. Any health or therapeutic service treatment, advice or instruction;
7. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;
8. Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, bodybuilding or physical training programs;
9. Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
10. Body piercing services;
11. Services in the practice of pharmacy;
12. Law enforcement or firefighting services; and
13. Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional service.

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

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement described in Paragraph **A.**; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

Exhibit C: Non-Employee Injury/Property Report Form

COUNTY OF LOS ANGELES NON-EMPLOYEE INJURY/ PROPERTY DAMAGE REPORT

Department:

Division/Facility:

Section:

Prepared for County Counsel in defense of the County, Special Districts and employees.

INSTRUCTIONS:

1. All incidents involving injury or property damage to non-employees, however minor, while on County property (owned or leased) must be reported by e-mail to George Hills Company.

New Incidents: COLANewIncidentClaims@georgehills.com

FATALITIES OR SERIOUS INJURIES MUST BE REPORTED IMMEDIATELY BY PHONE TO GEORGE HILLS COMPANY AT (855) 442-2357.

NON-EMPLOYEE INFORMATION:

1. Name _____
(Last Name) (First Name) (Middle Name)
2. Address _____
3. Age _____ 4. Sex Male Female
- If minor, give name of parent or guardian _____

TIME AND PLACE:

5. Place of occurrence _____
(Name of County Facility, Street Number) (City or Town)
6. Location in building _____
(In detail: Bldg., Floor, Room No.)
7. Date of occurrence _____ Hour _____ AM/PM 8. Weather: _____ Clear _____ Rain
- POLICE REPORT Yes No POLICE AGENCY REPORTING _____ STATION _____ DEPT. #: _____

DESCRIPTION OF INCIDENT:

9. What was non-employee doing?

10. What happened? (Describe fully, stating whether injured person fell, was struck, etc.) Give all factors contributing to injury or damage:
(If necessary, continue on separate sheet)

11. Condition of floor, sidewalk, steps or other physical property or equipment involved: _____

12. Was there any defect or foreign substance or object involved? If so, describe: _____

13. If slip and fall: Person's shoes _____ heels _____ caps _____
(Type) (Type) (Type)

NATURE OF INJURY AND PART OF BODY AFFECTED:

14. Be specific! State which part of body injured; whether right or left, etc. If exact nature of injury is undetermined, give opinion:

TREATMENT GIVEN:

15. Was treatment given to the injured person by County Personnel? _____ By whom? _____

Type of Treatment: _____

16. Was ambulance called? _____ Which company _____ By whom? _____

17. Taken to hospital? _____ Which? _____

STATEMENTS BY WITNESSES:

(Note: Attach additional pages if needed)

18. Statement of injured as to what happened: _____

19. Witness No. 1: Name: _____

(Last Name) (First Name) (Initial)

Address: _____ Telephone: _____

(Number) (Street) (City)

Statement: _____

20. Witness No. 2: Name: _____

(Last Name) (First Name) (Initial)

Address: _____ Telephone: _____

(Number) (Street) (City)

Statement: _____

Date Report Prepared: _____

Prepared by: _____ Phone: _____

(Print Name)

Dept. _____

(Title)

(Signature)

Exhibit D. ACORD Certificate of Liability Insurance and Evidence of Property Insurance Forms

CERTIFICATES OF INSURANCE

What is a Certificate of Insurance?

A Certificate of Insurance is merely evidence of the policies issued and in force at the time the Certificate of Insurance is issued. It does not provide assurance that the certificate holder will be notified if the policy is modified, expires, is extended or cancels. As governed by insurance law in all states, a Certificate of Insurance cannot extend or alter coverage provided in an insurance policy in any way. It is a "snapshot" in time.

What are the benefits of requiring a Certificate of Insurance?

A Certificate of Insurance makes it easier to identify insurers, policy numbers, etc., in the event of a claim or other insurance-related issues. Obtaining a Certificate of Insurance reinforces commitment to the contract requirements. Case law indicates that not demanding a Certificate can lead a court to conclude that we have waived the contractor's obligations to procure the related insurance.

How Should I manage the Certificates that I receive?

Certificates of Insurance indicate policy effective dates. You should establish a procedure to require a new certificate 30 days prior to the indicated expiration date. No work by a contractor or service provider should be allowed without a current Certificate of Insurance being on file.

Additional Insured Status

The County requires that it be named an additional insured party on the contractor's general liability policy. Always require that a copy of the actual endorsement page of the policy be provided along with the Certificate.

ACORD - Definition

Association for Cooperative Operations Research and Development - global, nonprofit organization which serves the insurance industry in the creation and filing of standardized forms.

Understanding the the ACORD Certificate of Insurance

PRODUCER
Insurance Agent/Broker who issues certificate

NAME OF INSURED
Must be the legal name of the contracting party

ADD'L INSURED
Beside each required coverage this block should be marked. This indicates the County is Additional Insured.

INSURER LETTER
The letter entered here indicates the insurance company providing this coverage from the list of "Insurer's Affording Coverage"


TYPES OF INSURANCE
Indicates coverage provision

POLICY FORM
"Claims Made" or "Occurrence" form, * see definition below

GEN'L AGGREGATE LIMIT
This indicates the coverage limit applies to the policy, project or location.

SUBROGATION WAIVED
If the block is marked, the insured's right to subrogation against the County has been waived.

* Definitions
Claims Made - Claim for damages must be reported during the policy period.
Occurrence - Loss that results in a claim must have occurred during the



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/01/20xx

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS 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 have ADDITIONAL INSURED provisions or 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 ACME Insurance Agency 123 Agent Street Anywhere, CA, 90010	CONTACT NAME: M Agent PHONE (A/C, No. Ext.): 800-465-1265 FAX (A/C, No.): 800-465-1266 E-MAIL ADDRESS: magent@acmeins.com
---	--

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: AIG Specialty Insurance Company	26882
INSURER B: Westport Insurance Company	000347
INSURER C: CNA Insurance	086301
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
County Contractor
100 Policyholder Ave
Anywhere, CA 90010

COVERAGES	CERTIFICATE NUMBER:	REVISION NUMBER:
------------------	----------------------------	-------------------------

THIS IS TO CERTIFY THAT THE 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSURER LETTER	TYPE OF INSURANCE	ADD'L SUBR (INS, WVD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	X X	GL4060753	06/01/20XX	06/01/20XX	EACH OCCURRENCE \$ 1,000,000
						MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ 1,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-COMMERCIAL AUTOS ONLY <input type="checkbox"/> AUTOS ONLY		CA6675648	06/01/20XX	06/01/20XX	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
						BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB	X	SPE4060755	06/01/20XX	06/01/20XX	EACH OCCURRENCE \$ 3,000,000
						AGGREGATE \$ 3,000,000 DED <input checked="" type="checkbox"/> RETENTION \$ 10,000
C	<input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER/STUDENT? (Mandatory in NY) If yes, describe work DESCRIPTION OF OPERATIONS below	Y/N	N/A	06/01/20XX	06/01/20XX	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Contract Number
Any additional information that may be required.

CERTIFICATE HOLDER	CANCELLATION
County of Los Angeles Department Name Department Address	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 Agent/Broker Signature

DATE
Actual Date Certificate was issued

PRODUCER INFO
Contact Information

INSURERS AFFORDING COVERAGE
Name and NAIC# of insurance companies that provide coverage.

LIMITS OF INSURANCE
Should equal to or greater than the required limits of the contract.

POLICY EXPIRATION DATE
If occurrence form, date must be on or after termination of contract.

POLICY EFFECTIVE DATE
Must be prior to coincidental with effective date of contract.

POLICY NUMBER
Actual policy number

CERTIFICATE HOLDER
Should be the County of Los

DESCRIPTION OF OPERATIONS
Identifies operations and special provisions for this certificate

NOTICE OF CANCELLATION
Policy provisions usually state that notice will be provided to insured only

AUTHORIZED REPRESENTATIVE
Must be signed by agency personnel.

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)

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

PRODUCER NAME, CONTACT PERSON AND ADDRESS		PHONE (A/C, No, Ext):	COMPANY NAME AND ADDRESS		NAIC NO:
License#:			IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH		
FAX (A/C, No):	E-MAIL ADDRESS:		POLICY TYPE		
CODE:	SUB CODE:		LOAN NUMBER		POLICY NUMBER
AGENCY CUSTOMER ID #:			EFFECTIVE DATE	EXPIRATION DATE	CONTINUED UNTIL TERMINATED IF CHECKED
ADDITIONAL NAMED INSURED(S)			THIS REPLACES PRIOR EVIDENCE DATED:		

PROPERTY INFORMATION (ACORD 101 may be attached if more space is required) BUILDING OR BUSINESS PERSONAL PROPERTY

LOCATION / DESCRIPTION

THE 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 EVIDENCE OF PROPERTY INSURANCE 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION	PERILS INSURED	BASIC	BROAD	SPECIAL	DED:
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$					DED:
<input type="checkbox"/> BUSINESS INCOME	<input type="checkbox"/> RENTAL VALUE	YES	NO	N/A	Actual Loss Sustained; # of months:
BLANKET COVERAGE					If YES, LIMIT: \$
TERRORISM COVERAGE					Attach Disclosure Notice / DEC
IS THERE A TERRORISM-SPECIFIC EXCLUSION?					
IS DOMESTIC TERRORISM EXCLUDED?					
LIMITED FUNGUS COVERAGE					If YES, LIMIT: DED:
FUNGUS EXCLUSION (If "YES", specify organization's form used)					
REPLACEMENT COST					
AGREED VALUE					
COINSURANCE					If YES, %
EQUIPMENT BREAKDOWN (If Applicable)					If YES, LIMIT: DED:
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg					If YES, LIMIT: DED:
- Demolition Costs					If YES, LIMIT: DED:
- Incr. Cost of Construction					If YES, LIMIT: DED:
EARTH MOVEMENT (If Applicable)					If YES, LIMIT: DED:
FLOOD (If Applicable)					If YES, LIMIT: DED:
WIND / HAIL INCL <input type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:					If YES, LIMIT: DED:
NAMED STORM INCL <input type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:					If YES, LIMIT: DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS					

CANCELLATION

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

ADDITIONAL INTEREST

<input type="checkbox"/> CONTRACT OF SALE	<input type="checkbox"/> LENDER'S LOSS PAYABLE	<input type="checkbox"/> LOSS PAYEE	LENDER SERVICING AGENT NAME AND ADDRESS
<input type="checkbox"/> MORTGAGEE			
NAME AND ADDRESS			AUTHORIZED REPRESENTATIVE

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Exhibit E: COMMERCIAL GENERAL LIABILITY POLICY (CGL) COVERAGE **SUMMARY**

The following key coverages are automatically included in the Commercial General Liability (CG 00 01) policy.

- (1) Products/completed operations liability: provides protection against liability claims arising out of products sold or work completed by the Contractor, including claims for injury or damage arising from a defect in a project following the completion of construction.
- (2) Owner's and Contractor's Protective: protects against liability claims which may arise from the activities of subcontractors hired by the prime Contractor.
- (3) Blanket Contractual Liability: protects the Contractor against the liability of others (e.g. the County) which the Contractor has agreed to assume under an indemnity clause in a contract. When the Service Agreement requires the Contractor to indemnify the County, this coverage in the CGL policy obligates the Contractor's insurer to defend the County in the event the County is named as a defendant in a lawsuit relating to the services provided under the Agreement. This applies even though the County may have had no involvement in the actions that led to the lawsuit. The term "blanket" denotes that coverage applies to all contracts, not just specified contracts.
- (4) Personal Injury: references to liability coverage for personal injury usually refer to protection against libel, slander, defamation of character, false arrest, invasion of private occupancy and similar offenses. In contrast, personal injury in general contract language often includes bodily injury in addition to the above offenses.
- (5) Broad Form Property Damage: -provides additional protection to the contractor for damage the contractor may cause to the County's property. This is essential for contractors who paint, remodel or do similar work on County buildings.
- (6) Explosion, Collapse and Underground Hazard: broadens the property damage liability coverage in item (5) above to include damage arising from work involving the use of explosives, excavating, demolition, digging, or similar activities.

If a Contractor wishes to use the liability policy form known as the "comprehensive" general liability form in lieu of the CGL, that form must be endorsed by the insurance company to add all of the above coverages which are automatically included in the CGL policy. The Certificate of Insurance should indicate that the type of insurance provided complies with the County's "standard" requirement, the CGL policy form.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "you r" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words " we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- 2. Exclusions**
This insurance does not apply to:
- a. Expected Or Intended Injury**
"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. Contractual Liability**
"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
- (1) That the insured would have in the absence of the contract or agreement; or
 - (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.
- c. Liquor Liability**
"Bodily injury" or "property damage" for which any insured may be held liable by reason of:
- (1) Causing or contributing to the intoxication of any person;
 - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.
- This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.
- d. Workers' Compensation And Similar Laws**
Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- e. Employer's Liability**
"Bodily injury" to:
- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
 - (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.
- This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.
- This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
- (b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Distribution Of Material In Violation Of Statutes

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copy-right, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or

- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Distribution Of Material In Violation Of Statutes

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and

- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
- You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

 - (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
16. "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.
17. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, electronic data is not tangible property.
- As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
21. "Your product":
- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
 - (2) The providing of or failure to provide warnings or instructions.

EXHIBIT F

GUIDELINES FOR CYBER INSURANCE LIMIT CALCULATIONS FOR IT CONTRACTS

These Guidelines were developed to assist you in determining the Cyber Insurance limit to be required for different County IT projects.

The limit shown in Table 1 below is the minimum limit required depending on the size of the company and the type of the IT project. The limit shown might be increased based on the formulas in Table 2 and instructions below to arrive at the required final limit depending on the amount of sensitive data collected, transferred or maintained for the County by the company. If after reading these instructions you are still not sure what limit to use, contact CEO — Risk Management at insurancecompliance@ceo.lacounty.gov for the appropriate limit.

Cyber insurance requirements must be shown in bid documents and in County contracts. Please note that the language used in solicitation documents is slightly different than the language used in a final contract.

Steps to Determine Cyber Insurance Limit

First, determine the size of the company and the type of the project (Table 1, Columns 1 and 2). If the project does not involve collection, transfer or maintenance of any sensitive data for the County, then it falls under the General IT Project category (Table 1, Column 3), and the limit recommended in Table 1 for this type of the project should be used as the final recommended limit. If the project involves collection, transfer or maintenance of any sensitive data for the County (PHI and/or PII), then the limits should be higher (Table 1, Column 4), and the final recommended limit should be calculated using additional instructions below.

There is a separate table for Cyber Liability Insurance limits (Table 2) depending on the amount of sensitive data collected, transferred or maintained for the County by the company. This table contains multipliers that are used to determine the final limit to be required for the project. The limit calculated by using these multipliers should be used if it is greater than the limit shown in Table 1, Column 4. The minimum limit shown in Table 1, Column 4 should be used if the limit calculated by using the multipliers in Table 2 is lower than the minimum recommended limit. Limits should be rounded to the nearest million.

Table 1
Minimum Cyber Insurance Limits for IT Projects

Column 1	Column 2	Column 3	Column 4
Company Size	Qualifying Features	Recommended Cyber Limit for General IT Project	Recommended Cyber Limit for IT Projects Involving Collection or Maintenance of PHI and/or PII
Small companies and non-profits	Up to \$100M in revenue	\$2 million	Not less than \$3 million
Medium companies	Between \$100M and \$250M in revenue	\$3 million	Not less than \$5 million
Large companies	Between \$250M and \$1B in revenue	\$5 million	Not less than \$10 million
Very large companies	Over \$1B in revenue	\$10 million	Ask Risk Management for additional advice

Table 2
Additional Calculations of Cyber Insurance Limits
(IT Projects with PHI/PII)

Approximate Amount of Sensitive Records Collected/Maintained for the County	Multiplier	Round Resulting Number to the Nearest Million = Recommended Limit
PII (Example 1: 100,000 records) PII (Example 2: 1,200,000 records)	5 (Ex. 1: 100,000 x 5 = 500,000) (Ex. 2: 1,200,000 x 5 = 6,000,000)	Ex. 1: \$1 million limit Ex. 2: \$6 million limit
PHI (Example 1: 100,000 records) PHI (Example 2: 1,200,000 records)	10 (Ex. 1: 100,000 x 10 = 1,000,000) (Ex. 2: 1,200,000 x 10 = 12,000,000)	Ex. 1: \$1 million limit Ex. 2: \$12 million limit



TULIP Insurance Program

Tenant Users of Premises of County of Los Angeles

County of Los Angeles

SPECIAL EVENTS LIABILITY INSURANCE PROGRAM



PROVIDING:

**COMMERCIAL GENERAL LIABILITY
\$1,000,000 PER OCCURRENCE / \$2,000,000 GENERAL AGGREGATE**

**FOR PERMITTED SPECIAL EVENTS HELD
ON COUNTY OF LOS ANGELES PROPERTY**

**Formerly Known as TULIP Program
County of Los Angeles is automatically granted additional insured status on the certificates
purchased through the SELIP Program
SELIP Certificates are Pre-Approved by the County of Los Angeles**

Contact number: 949-349-9883

ON-LINE SELIP APPLICATIONS AT:

<https://riskmanagement.lacounty.gov/>

<https://app.gatherguard.com>

Note: Beach related activities except **Weddings are not approved SELIP activities. Event sponsors might obtain required insurance through <https://www.phly.com/products/SpecialEventsIns.aspx>**

Tenant Users of Premises of County of Los Angeles

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WHAT IS THE SPECIAL EVENTS LIABILITY INSURANCE PROGRAM:

This policy was designed to provide liability protection for Public Entities that permit public events to be held on the Public Entity's owned or managed property.

Parties who use County facilities operated by concessionaires, such as Raging Waters, cannot utilize the SELIP Program to obtain insurance. Please refer to your use permit for insurance requirements.

Examples of event classifications:

1. A group of citizens wants to hold a block party and requests a street closure.
2. A religious group wants to hold a service in a public park.
3. A parade, street fair, sidewalk sale, a wedding, reunion or social gathering taking place on Public Entity property or in an entity owned or managed facility.

These are just some of the most common examples. Consult the attached Event Schedule for a full range of eligible activities.

When the event holder contacts the Public Entity for a permit or permission to use a Public Entity facility they would be informed of the insurance requirement and offered the opportunity to access the Master Policy. We can provide a simple handout with a toll free number the event holder can access for additional information or a quotation.

HOW DOES THE SPECIAL EVENTS LIABILITY INSURANCE PROGRAM WORK?

The event sponsor will go to <https://riskmanagement.lacounty.gov/> or <https://gatherguard.com/>, click on the "INSURANCE" tab, scroll down to the "SELIP" heading, and click on "VISIT SELIP" link. Next, click on "Get a Quote" and pick Event type. Then fill in the venue by name or address, and complete the remaining steps of the form to obtain the online quote. For further assistance, call a customer service representative at (949) 349-9825 to walk you through the process of determining the correct special event and activities, and what coverage the Public Entity requires. If the event sponsor elects to use the proposed insurance program, they will need to pay the amount of the premium directly online via a payment by credit card option. Upon receipt of payment, a Certificate of Insurance will be issued. Please refer to attachment at end of this brochure for step by step instructions on how to get a quote.

At the end of each month, AJG will provide the County of Los Angeles with a copy of all the event sponsors who have been issued coverage through the program. This report includes the name of the sponsor, event name and location, the premium paid, and department requesting the coverage. A copy of each certificate issued will be attached to this report. The County of Los Angeles will also receive a claims status report of any new or ongoing claims.

SPECIAL EVENTS LIABILITY INSURANCE PROGRAM

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1. **Carrier:** One Beacon Insurance Company (AM Best Rated A XII), Admitted
Atlantic Specialty Insurance Company
2. **Policy Forms:** Commercial General Liability-New Occurrence Form and Liquor Liability
3. **Policy Limits:**
 - \$2,000,000 General Aggregate
 - \$1,000,000 Per Occurrence
 - \$1,000,000 Products/Completed Operations
 - \$1,000,000 Personal and Advertising Injury
 - \$1,000,000 Fire Damage Limit Medical Payment Unit
 - \$ Excluded Medical Payments (Any One Person)

Third Party Property Damage Insurance Program

Loss Limit: Aggregate per Event / Occurrence

\$1,000,000

Deductible

\$0 for Rented Premises

Host Liquor Liability

Each Common Cause Limit

\$1,000,000

Aggregate Limit

\$1,000,000

4. **Claims:**

Claims will be reported directly to One Beacon Entertainment at 877-248-3455, or by emailing entertainment-claims@intactinsurance.com . It is the responsibility of the event sponsor to report any known claims to the carrier. The County of Los Angeles will also receive monthly claim reports with updated claim statuses.
5. **Additional Insured:**

The following may be added as "Additional Insured" for a charge:

 - a) Adjacent property owners, public or private who grant the Public Entity or the certificate holder access via their premises.
 - b) Public Entity organizations, as pre-approved by the Master Policy holder.
 - c) Event sponsors other than tobacco and alcoholic beverage manufacturers.

SPECIAL EVENTS LIABILITY INSURANCE PROGRAM

County of Los Angeles

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6. Exclusions:

The policy contains the following exclusions: Total Pollution; Asbestos; Silica Dust or Toxic Substances; Voluntary Labor; Employment Related Practices; Assault & Battery; Abuse and Sexual Molestation; Professional Liability; Absolute Liquor Liability; Animal Bite; Medical Payments; Computer Related Problems; Amusement Devices; Punitive or Exemplary Damages; Unscheduled Activities; Pyrotechnics (fireworks); Athletic Participant; Independent Contractors.

- 7.** Premium for individual certificate holders will be determined by the exposure and attendance. Class I Risks are those with low or minimal exposure, Class II risks average or medium exposure, Class III risk heavy exposure. Class IV risks require carrier approval, and Class V risks where the exposure is too great for the program are excluded from participation. Host Liquor Liability coverage is provided for Classes I and II at no additional premium charge. Host Liquor provides coverage when "No Liquor is Sold or Included in the Ticket Price." Liquor Liability coverage is required for all other events that sell liquor or when liquor is included in the ticket or admission price. Liquor Liability for licensed professional bartenders or caterers is not provided. They must provide proof of Liquor Liability coverage and are required by law to have their own coverage. Liquor Liability rates are also provided in the attached Class and Attendance rating tables. The following is a schedule of exposures by class:

SPECIAL EVENTS LIABILITY INSURANCE PROGRAM

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CLASS I EVENTS – LOW EXPOSURE	
Anniversary Parties	Electronics Conventions
Antique Shows	Face Painters
Art Festivals	Fashion Shows
Art Festivals and Shows	Flower and Garden Shows
Auctions	Fund Raising Dinner
Auto Shows – Auto Static Only	Funeral Service
Award Presentations	Graduations
Baby Shower	Harvest Festivals – No Farm Implements or Equipment
Ballet or Other Classical Dance Shows	Equipment
Balloon Artists	Holiday Events & Parties / Gift Exchanges
Banquets	Home Shows
Baptism	Jazz and Jam Concerts – Indoors
Bar Mitzvahs / Bat Mitzvahs	Jewelry Maker
Bazaars	Job Fairs Indoors
Beauty Pageants	Ladies Club Events
Belly Dancer	Lectures
Birthday Parties	Luncheons
Boat Shows (Dry Dock Only)	Meetings – Indoors
Body Building Contests	Mime
Book Signing	Mobile Home Shows
Bridal Showers	Pageants
Business Meetings and Shows	Poet
Business Parties	Poetry Reading
Camera Shows	Professional and Amateur Association Meetings
Card Shows	Puppeteer
Caricature Sketching	Quinceanera
Carolers	Recitals
Cartoonist	Reunions Indoors
Casino Nights	RV Shows
Chamber of Commerce Events	Scouting Jamborees – No Overnight Camping
Charity Benefits, Dances, Auctions, or Sales	Seances
Choirs - Indoor	Seminars
Church Services or Meetings	Social Receptions – Indoors
Civic Club Meetings	Speaking Engagements
Classic Dance Shows	Store Openings
Computer Shows	Story Teller
Concerts – Celtic, Chamber, Classical – Indoors, Holiday Music, Instrumental	Symphony Concerts
Consumer Shows	Teleconferences
Conventions – Indoors	Telethons
Craft Shows	Trade Shows - Indoors
Dance Competitions	Vacation Shows

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Dance Recital	Ventriloquist
Debutant Balls	Voter Registration
Debuts	Weddings and Wedding Receptions
Drill Team Exhibitions	Yodeler
Educational Exhibitions	

Host Liquor Liability is provided for Class I at no additional premium charge. Host Liquor provides coverage when "No Liquor is Sold or Included in the Ticket Price."

SPECIAL EVENTS LIABILITY INSURANCE PROGRAM

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CLASS II EVENTS – MEDIUM EXPOSURE	
Bingo Games	Jugglers (Non Pyro)
Card Games – Blackjack , Poker	Magician
Carnivals – School Events with No Mechanical Rides	Mariachi Band
Chess Tournament	Math Tournament
Choirs – Outdoors	Meetings – Outdoors
Christmas Tree Lighting	Menorah Lighting
Clowns – No Motorized Vehicles	Picnics – No Use of Pools of Lakes
Comedians	Reunions Outdoors
Concerts – 50’s, 60’s, 70’s or 80’s Music, Blues Music, Classical Music – Outdoors, Country, Folk, Funk, Motown, Soul Music	School Band Competitions or Events
Dog, Cat, Bird & Other Domestic Animal Shows/ Events	Soap Box Derbies
Easter Egg Hunt	Social Receptions – Outdoors
Festival and Cultural Events – Indoors	Trade Shows – Outdoors
Fishing Events	Union Meetings
Golf Events – Non Professional	Video Game Contests
Impersonator – Celebrity or Holiday Character	
Impressionist	
Jazz and Jam Concerts – Outdoors	
Job Fairs Outdoors	

Host Liquor Liability is provided for Class II at no additional premium charge. Host Liquor provides coverage when “No Liquor is Sold or Included in the Ticket Price.

CLASS III EVENTS – HIGH EXPOSURE	
Aerobics and Jazzercise Classes or Events	Junior Athletic Games
Amateur Rodeo and Roping Events	Karate Meets
Baseball – Amateur	Lacrosse
Basketball – Amateur	Laser Tag (Indoors)
Bicycling – Off-road Only (No Racing)	Livestock Shows
Block Parties/Street Closures/Street Fairs – Under 5,000 Spectators	Magic Show
Bowling Tournaments	Marathons (Walking & Running) Attendees 500 and Under
Boxing, Wrestling, Hockey and Football Games – Amateur	Mobile Homes/RV Shows – Professionally Managed
Casino and Lounge Shows	Movie Release Party
Cheerleading Events/Competitions -No Pyramids	New Year’s Party (Private/By Invite Only)
Comedy Shows	Old Timer Events
Company or Corporate Retreats	Parades – Under 5,000 Spectators

SPECIAL EVENTS LIABILITY INSURANCE PROGRAM

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Concerts – Pop Cover Bands	Play Readings
Cornfield Mazes	Plays
Country & Western Events – No Rodeos or Ride	Pool and/or Billiards Tournaments
Country Festivals and Fairs – No Rides	Proms
Festival and Cultural Events – Outdoors	Rugby
Film Screenings	Soccer
Film Showings	Softball Amateur
Golf Tournament – Daytime	Sporting Events – Indoors – Non Professional
Grad Night	Talent Show (No Rap, Hip Hop, Heavy Metal Shows)
Gymnastic Competitions – Spectators Only	Tap Dancing
Halloween – Costume Contests	Tennis Tournament
Hay Rides	Theatrical Stage Performance
Ice Skating Shows	Volleyball – Amateur
	Wagon / Hayrides
	Walking / Hiking Tour
	Wine Tasting

SPECIAL EVENTS LIABILITY INSURANCE PROGRAM

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CLASS IV EVENTS	
These risks are considered highly hazardous and are submitted to the insurance company for approval and premium quotation, or deemed as Ineligible Exposure in the events program:	
Aircraft and Balloon Events Animal Acts and Shows Any event with daily attendance over 5,000 Any risk with Prior Losses Anything not otherwise classified in the guide Armed private security used at an event Bicycle Rallies, Races and Events Block Parties/Street Closures/Street Fairs – Over 5,000 in Attendance Boat Shows Bounce Houses Bungee Jumping Carnivals with Amusements Devices Circuses Concerts – Not Otherwise Classified Concerts with Rap, Hip Hop, Heavy Metal, Ska Punk or Similar Types of Music Cycle Events Evangelistic Meetings with Faith Healing or Similar Activities Exotic Animal Shows and Events Film Production Fireworks Fraternity Events Go Cart Races Gun and Knife Shows Halloween – Haunted Houses Hang Gliding/ Sky Diving Heads of State Events Hot Air Balloon/Events Hypnotist Inflatables Instructional Classes – Drives Education, Flying or Health Laser Tag – Outdoors Luge Marathon (Walking, Running, etc.) Mechanical Amusement Devices Mosh Pits Motorized Sporting Events New Year’s Party(Open to Public/Not Invite Only)	Parachuting Parasailing Political Rallies Professional Sports Promoters Pyrotechnics Raves Reality TV Shows Record Signing’s in Stores Renaissance Fairs/Festivals Rodeo and Roping Events – Professional Roller Coasters/ Sky Coasters Rummage Sales – Other than for Charities Saddle Animals Sidewalk Sales Skate Boarding Ski Events Sky Diving Slam Dancing Sorority Events Swap Meet / Flea Markets Swimming and Pool Facilities Temporary Grandstands Tobogganing Tractor Pulls Trampolines Triathlons Wall Climbing War Games/Re-enactments Water Events Water Slides Nightclub Shows Overnight Camping and Retreats Paint Ball

SPECIAL EVENTS LIABILITY INSURANCE PROGRAM

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CLASS V EVENTS – SAMPLE PROHIBITED AND INELIGIBLE EXPOSURES	
Bungee Jumping	Parasailing
Stage Diving	Crowd Surfing
Hot Air Balloon Rides	Skateboarding
Luge	Sky Diving
Mechanical Amusement Device(i.e.	Slam Dancing
Carnival Ride or Mechanical Bull	
Mosh Pits	Tobogganing
Parachuting	Trampolines
Aircraft	Circus
Tractor Pull	Rodeo
Roping Event	Inflatable (including inflatables containing a person)
Climbing Wall	Overnight Camping
Laser Tag	Designated Mosh Pit



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TULIP Purchasing Instructions

TULIP – Tenant Users of Premises of County of Los Angeles

***Also known as SELIP Program and was written through a different carrier**

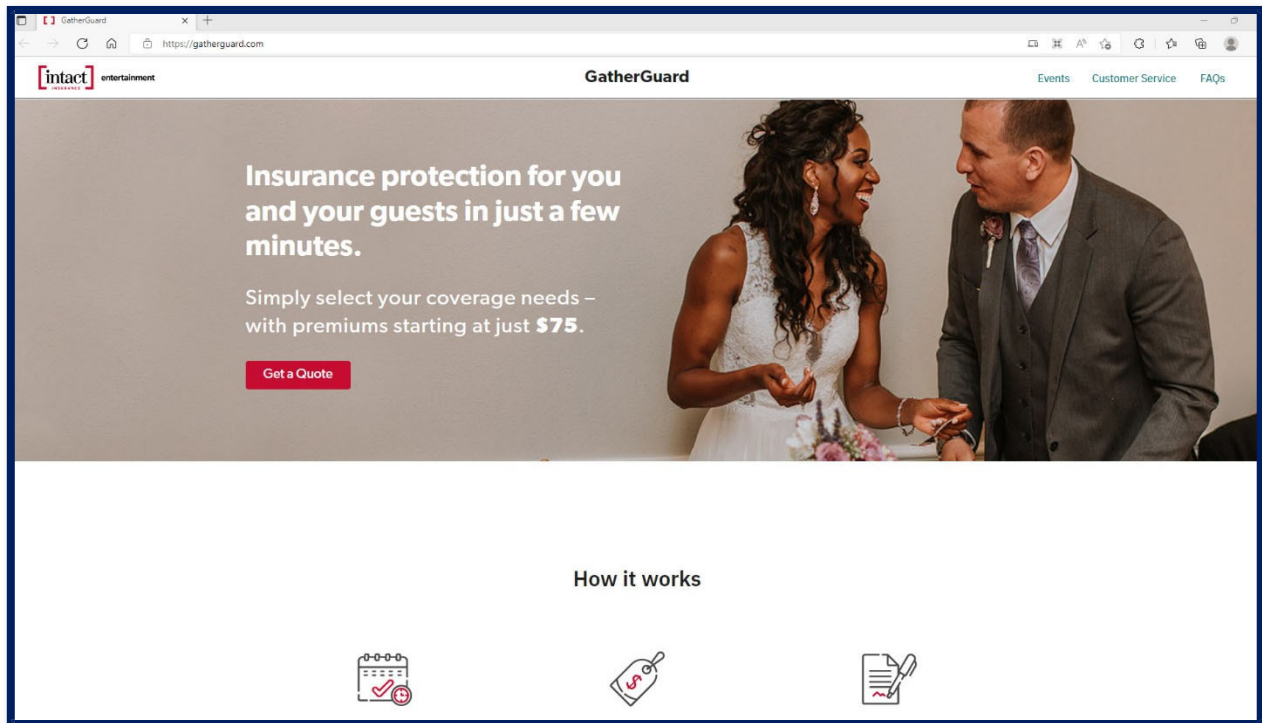
Certificates purchased through TULIP program automatically give additional insured status to The County of Los Angeles and are automatically pre-approved by the County

Arthur J. Gallagher is the Broker for the County of Los Angeles and is the main contact for TULIP Questions One Beacon underwrites this special event insurance program through Atlantic Specialty Insurance Company which can be seen below shown as Specialty Advantage Insurance Services

To access the TULIP program, please visit:

<https://gatherguard.co/>

You should be directed to the following screen:





Steps to purchasing a Special Event Liability Insurance Program Policy










1. Select the type of event:

1 Event Type → 2 Event Information → 3 Insured Information → 4 Policy Documents

Select your event.

If you do not see your event category, please call (844) 747-6240 to confirm event eligibility.

Most popular event types:

 Wedding	 Birthday party	 Meeting (indoors)
 Festival and cultural event (outdoors)	 Charity benefit	 Baby shower
 Church service or meeting	 Social reception (indoors)	 Quinceañera

Other event types

Select from the list ▼

2. Answer these questions about the event:

1 Event Type → 2 Event Information → 3 Insured Information → 4 Policy Documents

Get your wedding insurance quote.

If you have held this event before, have there been any losses or claims?

Will there be any armed security who are not police officers?

Are you a promoter? ⓘ



3. The next step is to choose the venue.

Venue i

Use a venue code

Search for a venue

Venue code i

–

Next



4. Choose Limits of either \$1,000,000 or \$2,000,000

Venue (i)

EDIT

Burton Chace Park
13650 Mindanao Way, Marina Del Rey, CA 90292, USA

Basic Coverage

General Liability Coverage

Limit for each incident (Occurrence)

\$1,000,000 ▼

Includes Host Liquor

Provides coverage when your venue serves alcoholic beverages or allows alcoholic beverages to be consumed on the premises.

Damage to Rented Premises

Limit \$250,000

Basic protection for damage that you or your guests may cause to the event space.

[Coverage Details](#)

Next



5. After you add the name and how often the event takes place you need to select your event date. Next you will answer the five questions regarding Performers, Vendors and Exhibitors

Please add a name for your event

34/50 characters

How often does this event occur?

In your selection, include the days required for setup and take down for the event. **If your event will extend past midnight, include the following day.**

Starts Ends

How many people are you expecting, *over the course of the event?*

Please provide total event attendance by adding up the expected attendance for each day. Include all who will attend including hosts, guests and any volunteers, performers, vendors or exhibitors. For example: Friday you expect 75, Saturday you expect 150, and Sunday you expect 100 people. Total attendance = 325 (101-500)

Performers, Vendors and Exhibitors [Help with this section.](#)

Leave at zero if there will be none, or, if they will provide their own insurance. This coverage offers protection for **you**, should a claim arise as a result of uninsured performer, vendor, or exhibitor negligence. Depending on your event, only some or none of these categories will apply.

How many bands, DJs, dance troupes, or other types of performers have you hired for your event, *that have not provided you with proof of insurance?*

A band counts as one performer.

How many people selling goods will be at your event, *that have not provided you with proof of insurance?*

Goods are considered any non-food items such as T-shirts or posters.



- Review event information and decide whether liquor liability is needed or increased Damage to Rented Premises

General Liability Coverage

Limit for each incident (Occurrence)	\$1,000,000
Includes host liquor	
Damage to Rented Premises	\$250,000

About Your Event EDIT

\$75 County of Los Angeles Sample Event
1 day long - September 3, 2022
1 to 100 people will attend.

Additional Coverages

\$0	Terrorism Coverage – included Coverage for acts of terrorism as defined in the Terrorism Risk Insurance Act. View the required policyholder disclosure notice.	
\$75	Liquor Liability – not common Host liquor liability, which includes coverage for hosted or cash bars, is part of your General Liability coverage. However, if you are providing alcohol at your event as part of your business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages, select this Liquor Liability coverage instead. The need for Liquor Liability may be pre-selected and required by certain event locations.	<input type="checkbox"/>
\$25	Damage to Rented Premises \$750,000 increase in limit to total \$1 million. Protection for damage that you or your guests may cause to the event space.	<input checked="" type="checkbox"/>

Next

Once that has been checked click Next and hit the Checkout button





7. You will need to add all of the contact information for the event sponsor as well as the contact information for the individual handling the SELIP policy.

Insured

Who is the renter of the venue?

an individual a company/organization

First Name Last Name

Street Address
Mailing address, including apartment, suite, unit, building, floor, etc..

City State Zipcode



- You will need to add all of the contact information for the event sponsor as well as the contact information for the individual handling the SELIP policy.

Enter a contact for the insurance policy:

* First name:

* Last name:

* Phone:
example: 123-456-7890

* Email:
example: name@company.com

Check here if address same as above.

Address 1:

Address 2:

* City:

* State: ▼

* Zip / Postal Code:

Country: ▼



Insurance Contact

Enter a contact for the insurance policy
We will use this information to email a copy of your proof of insurance, or to contact you about the policy.

Is the contact address the same as the insured?
 Yes No

First Name Jane	Last Name Doe
Phone <small>This will only be used for customer service.</small> (565) 656-2212	Email <small>This is where the policy information will be sent.</small> sample@gmail.com

Confirm Insurance Contact

Please click "NEXT" once you have typed in all of the contact information.

9. Enter Payment Information

Payment Information

We accept Visa, Mastercard, American Express or Discover.

Card Number Required
0000 0000 0000 0000

Name on Card	Expiration Date	CVV
	MM / YY	XXX

Billing address same as contact Yes No

Confirm Payment Information



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If you have questions or are having trouble accessing the website; please call Alex Ulrich at Arthur J. Gallagher & Co. at 949-349-9825. Alternatively, you may contact OneBeacon Entertainment SELIP help desk at 800-507-8414, Monday through Friday between 8:30 A.M. and 5:00 P.M. Pacific Time.

Thank you for your interest in the Gallagher Special Event Liability Program for the County of Los Angeles Insurance Program.

Legal Disclosure

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Exhibit H. Business Auto Policy (BAP) - Description of Covered Auto Designation Symbols

COMMERCIAL AUTO
CA 00 01 03 06

BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-Fault	Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Nonowned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

Exhibit I. Contractor Self-Insurance Requirements

The County will consider a Contractor's request to substitute a program of self-insurance as an alternative to commercial insurance upon review and approval of the following:

- A. A formal declaration to be self-insured for the type and amount of coverage required in the agreement. This can be in the form of a corporate resolution or a certified statement from a corporate officer or an authorized principal of the Contractor. The statement also must identify which required coverages are self-insured and which are commercially insured. Contractors who are self-insured for workers compensation must provide a copy of their "Certificate of Consent to Self-Insure" issued by the State. The Contractor must notify the County immediately of discontinuation or substantial change in the program.
- B. A statement that the County is a protected party under the Contractor's self-insurance program. This statement must confirm that the Contractor's program will respond on a primary basis to any County commercial insurance or self-insurance programs to ensure that the County will be provided at least the same protection from liability and defense of lawsuits as would be provided by first dollar commercial insurance.
- C. An agreement to notify the County immediately of any claim, judgment, settlement, award, verdict or change in the Contractor's financial condition which would have a significant negative effect on the Contractor's self-insurance program.
- D. An agreement to notify the County immediately of any claim, judgment, settlement, award or verdict under the Contractor's self-insurance program involving the County service agreement.
- E. The name, title, address and telephone number of the individual responsible for the administration of the Contractor's self-insurance program, as well as the name, address and telephone number of the Contractor's claims administrator and legal counsel.
- F. A current audited financial statement to be evaluated by the County to determine if the Contractor has adequate financial resources to respond to claims falling within the self-insured retention or self-insured program. Re-submission of such a statement is required not less than annually or more frequently at the County Project Manager's request. Failure to comply will result in withdrawal of County approval.

The Contractor's proposed self-insurance program must be approved by the County prior to the effective date of the agreement.

PERFORMANCE BONDS AND OTHER PERFORMANCE SECURITY INSTRUMENTS FOR PURCHASES OF SUPPLIES, EQUIPMENT, AND CONTRACTS FOR SERVICES

These performance security guidelines are applicable to purchases of supplies and equipment and to contracts for services. They do not apply to construction contracts which are governed by applicable State laws a/or regulations.

I. INTRODUCTION

The purpose for requiring that a contractor deposit performance security with the County is to protect the County's interest in the event of contractor's failure to perform.

Generally, it is not necessary to require a bond of any type for most purchases or contracts. Since the cost of bonds is passed on to the County, unnecessary bonding is an unnecessary expense to the public. Also, requirements for bonding often present difficulties for small or disadvantaged businesses, and otherwise can be impediments to competition.

The County's interest is better protected by thorough pre-screening and evaluation techniques throughout the purchasing and contracting process concerning the performance capabilities of prospective bidders. Risk to the County is minimized to the extent that contracts include statement of work that are clearly defined and are awarded only to bidders deemed responsible. Once a contract is awarded, a program of vendor evaluation affords the best grounds for ensuring that contract terms are met, and that performance is proceeding satisfactorily.

A bond should be required only if, after a review of all factors, the Contract Administrator determines that the risk of loss to the County will be significant if the contractor fails to perform. These situations are rare and should be the exception. Risk to the County is primarily restricted to contracts that provide for progress payments, such as construction projects or development of major automated systems, where satisfactory fulfillment of a contract may not be determined for an extended period of time.

If a determination is made that a security is required to protect the County's interests, it is not necessary that the security instrument take the form of a performance bond. Other instruments, especially certificates of deposit and letters of credit are more suitable in most situations.

II. POLICY

A. A performance security is not required if:

1. The purchase or contract is less than \$50,000.
2. The contractor has demonstrated a strong financial position.
3. The contractor has a history of successfully completing similar contract obligations.
4. The contractor will be paid only after service is satisfactorily performed.
5. The contractor could be replaced with another contractor and work completed without undue delay or additional cost.

The cumulative added cost to the County resulting from the performance bond requirement and barrier it creates to contracting with Community Based Enterprises dictate prudence in application. Department heads, therefore, are required to approve the imposition of a performance security requirement on contractors.

B. Analysis of Risk

A determination that a performance security is necessary should be based on findings that the risk of financial loss to the County is significant. It is contemplated that except in rare instances; performance security is not indicated. It may be justified for contracts that require prepayment, progress payments, or aggregate payments where satisfactory performance cannot be determined for an extended period of time or where such payments are sufficiently high in dollar value as to warrant the added cost to the County to require security.

Added care must be taken in the analysis of risk for smaller, innovative Community Based Enterprises. Often, a performance security is required because the business has not been established long enough to fully affirm a strong financial record or extensive history of successfully completed contracts. These elements alone should not mandate a requirement for performance security. Instead, the amount of the contract, the terms of payment, and the potential cost to the County in the event of a default should dictate whether a performance security is warranted. If the amounts are modest and the terms of payment are predicated on performance, then security requirements should not be imposed. **Under no circumstances may a performance security be required for purchases or contracts under \$50,000.**

III. PERFORMANCE SECURITY INSTRUMENT ALTERNATIVES

A. IRREVOCABLE LETTERS OF CREDIT, CERTIFICATES OF DEPOSIT, OR CASH DEPOSITS

If it is determined that a performance security is indicated, a form of protection which can reduce costs to the contractor and the County is to allow the contractor to post a certificate of deposit or letter of credit payable to the jurisdiction and on which he/she collects interest if the contract is performed satisfactorily. It is preferable to performance bonds and should be considered in lieu of bonding to especially assist Community Based Enterprises

The cost passed on to the County for these security instruments should be substantially lower than performance bonds, since no premiums are paid, and the instruments may be revenue generating in the form of interest/dividends.

B. PERFORMANCE BONDS

Performance Bonds are reserved for large dollar contracts that involve pre, aggregate, or progress payments where, in the event of default, the cost to the County could be substantial. The surety assumes responsibility for ensuring that the contract is completed in the event of contractor failure, or that damages are paid up to the financial limits of the bond.

Often, these contracts are for highly specialized services and require the County's careful review of any replacement contractor proposed by the surety. For this reason, contract language should include the right of the County to approve any proposed replacement contractor.

C. MAINTAINING INTEGRITY OF PERFORMANCE SECURITY INSTRUMENTS

Departments should store performance security instruments, other than cash in a safe. Alternatively, departments may choose to utilize the services of the Treasurer and Tax Collector. In either event, storage should be sufficient to maintain integrity of the instruments. Cash must be deposited with the Treasurer and Tax Collector in all cases.

IV. ADVANCE PAYMENTS

In general, contracts should only provide for payment upon value received; however, advances may be deemed appropriate under certain circumstances. Such advance financial allocations to contractors are separate business decisions, distinct from a determination that the contractor can perform. Any decision to advance start up funds in the form of advance deliverable payments, loans, advance payment for goods, etc., should be made only after the basic decision that the contractor can perform has been made.

Departments should establish that the advance will be protected against loss through commercial crime insurance or through a self-insurance plan consisting of collateralized security. This can be in the form of a cash deposit, a letter of credit or certificate of deposit.

PAYMENT BOND TO ACCOMPANY CONSTRUCTION CONTRACT
(Public Contract Code Sections 7103 and 10221)

BOND NO. _____

The premium on this bond is _____ for the term of _____

Know All Men By These Presents:

That the State of California, acting by and through the _____, has awarded to _____ whose address for service is _____ as Principal, a contract for the work described as follows:

Project Title: _____

Project Location: _____

WHEREAS, the provisions of Public Contract Code Sections 7103 and 10221 require that the Principal file a bond in connection with said contract and this bond is executed and tendered in accordance therewith.

NOW THEREFORE, Principal and _____, a Surety Corporation organized under the laws of _____, and authorized to transact a general surety business in the State of California, as Surety, are held and firmly bound to the People of the State of California in the penal sum of _____, for which payment we bind ourselves, our heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH,

1. That if said Principal or its subcontractors shall fail to pay any of the persons named in Civil Code Section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Principal and subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, with respect to such work and labor, that the surety herein will pay for the same, otherwise this obligation is to be void. In case suit is brought upon this bond, the Surety will pay a reasonable attorney's fee to be fixed by the court.
2. This bond shall inure to the benefit of any persons named in Civil Code Section 9100 as to give a right of action to such persons or their assigned in any suit brought upon this bond.
3. The aggregate liability of the Surety hereunder, including costs and attorney fees, on all claims whatsoever shall not exceed the penal sum of the bond in accordance with the provisions of Section 996.470(a) of the Code of Civil Procedure.
4. This bond is executed by the Surety, to comply with the provisions of Public Contract Code Sections 7103, 10221 and 10222, of Chapter 5, Title 3, Part 6, Division 4 of the Civil Code and of Chapter 2, Title 14, Part 2 of the Code of Civil Procedure and said bond shall be subject to all of the terms and provisions thereof.
5. This bond may be cancelled by the Surety in accordance with the provisions of Section 996.310 et seq. of the Code of Civil Procedure.
6. This bond to become effective _____

(NAME OF SURETY)

(ADDRESS FOR SERVICE)

I certify (or declare) under penalty of perjury under the laws of the State of California that I have executed the foregoing bond under an unrevoked power of attorney.

Executed in _____ on _____
(CITY AND STATE) (DATE)

X

(SIGNATURE OF ATTORNEY IN FACT)

(PRINTED OR TYPED NAME OR ATTORNEY IN FACT)

SAMPLE PERFORMANCE BOND WORDING (ANNUALY/RENEWABLE PERFORMANCE BOND)

Bond Number: _____

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, That we, _____, (hereinafter called the Principal), as Principal, and NAME OF SURETY COMPANY, duly organized under the laws of the State of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto _____, (hereinafter called the Oblige), in the sum of _____ (\$____) Dollars, for the payment of which sum well and truly to be made, we, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns.

WHEREAS, said Principal has entered into a written Contract with said Oblige, dated _____, for _____, in accordance with the terms and conditions of said Contract, which is hereby referred to and made a part hereof as if fully set forth herein:

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, That if the above bounden Principal shall well and truly keep, do and perform each and every, all and singular, the matters and things in said contract set forth and specified to be by said Principal kept, done and performed, at the times and in the manner in said contract specified, or shall pay over, make good and reimburse to the above named Oblige, all loss and damage which said Oblige may sustain by reason of failure or default on the part of said Principal so to do, then this obligation shall be null and void; otherwise shall remain in full force and effect.

FURTHERMORE, Notwithstanding the provisions of the Contract, the term of this bond shall apply from _____, 20____, until _____, 20____, and may be extended by the Surety by Continuation Certificate. However, neither non-renewal by the Surety, nor the failure or inability of the Principal to file a replacement bond in the event of non-renewal, shall itself constitute a loss to the obligee recoverable under this bond or any renewal or continuation thereof. The liability of the Surety under this bond and all continuation certificates issued in connection therewith shall not be cumulative and shall in no event exceed the amount as set forth in this bond or in any additions, riders, or endorsements properly issued by the Surety as supplements thereto. In no event shall Surety's aggregate liability exceed the penal sum of this bond.

NO SUIT, ACTION OR PROCEEDING by the Oblige to recover on this bond shall be sustained unless the same be commenced within two (2) years following the date on which Principal ceased work on said Contract.

Signed and sealed this _____ day of _____, _____

(fill in Principal's name)
Principal

By: _____

NAME OF SURETY COMPANY
Surety

By: _____
Attorney-in-Fact

Performance Bond	Date Bond Executed (Must be same or later than date of contract)	OMB Control Number: 9000-0001 Expiration Date: 1/31/2027
-------------------------	--	---

See Instructions on page 3

Principal (Legal name and business address)	Type of Organization ("X" one)			
	<input type="checkbox"/> Individual	<input type="checkbox"/> Partnership	<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Corporation
	<input type="checkbox"/> Other (Specify)			
	State of Incorporation			
Surety(ies) (Name(s) and business address(es))	Penal Sum of Bond			
	Million(s)	Thousand(s)	Hundred(s)	Cents
	Contract Date		Contract Number	

Obligation:

We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

Conditions:

The Principal has entered into the contract identified above.

Therefore:

The above obligation is void if the Principal-

- (a) (1) Performs and fulfills all the understanding, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extensions thereof that are granted by the Government, with or without notice of the Surety(ies) and during the life of any guaranty required under the contract, and
- (2) Performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of the contract that hereafter are made. Notice of those modifications to the Surety(ies) are waived.
- (b) Pays to the Government the full amount of the taxes imposed by the Government, if the said contract is subject to 41 USC Chapter 31, Subchapter III, Bonds, which are collected, deducted, or withheld from wages paid by the Principal in carrying out the construction contract with respect to which this bond is furnished.

Witness:

The Principal and Surety(ies) executed this performance bond and affixed their seals on the above date.

Principal

Signature(s)	1. _____ (Seal)	2. _____ (Seal)	3. _____ (Seal)	Corporate Seal
Name(s) & Title(s) (Typed)	1. _____	2. _____	3. _____	

Individual Surety(ies)

Signature(s)	1. _____ (Seal)	2. _____ (Seal)
Name(s) (Typed)	1. _____	2. _____

Corporate Surety(ies)

Surety A	Name & Address	_____	State of Incorporation	Liability Limit (\$)	Corporate Seal
	Signature(s)	1. _____	2. _____		
	Name(s) & Title(s) (Typed)	1. _____	2. _____		
Surety B	Name & Address	_____	State of Incorporation	Liability Limit (\$)	Corporate Seal
	Signature(s)	1. _____	2. _____		
	Name(s) & Title(s) (Typed)	1. _____	2. _____		
Surety C	Name & Address	_____	State of Incorporation	Liability Limit (\$)	Corporate Seal
	Signature(s)	1. _____	2. _____		
	Name(s) & Title(s) (Typed)	1. _____	2. _____		
Surety D	Name & Address	_____	State of Incorporation	Liability Limit (\$)	Corporate Seal
	Signature(s)	1. _____	2. _____		
	Name(s) & Title(s) (Typed)	1. _____	2. _____		
Surety E	Name & Address	_____	State of Incorporation	Liability Limit (\$)	Corporate Seal
	Signature(s)	1. _____	2. _____		
	Name(s) & Title(s) (Typed)	1. _____	2. _____		

Corporate Surety(ies) (continued)

Surety F	Name & Address		State of Incorporation	Liability Limit (\$)	Corporate Seal
	Signature(s)	1.	2.		
	Name(s) & Title(s) (Typed)	1.	2.		
Surety G	Name & Address		State of Incorporation	Liability Limit (\$)	Corporate Seal
	Signature(s)	1.	2.		
	Name(s) & Title(s) (Typed)	1.	2.		

Bond Premium	▶	Rate Per Thousand (\$)	Total (\$)
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Instructions

1. This form is authorized for use in connection with Government contracts. Any deviation from this form will require the written approval of the Administrator of General Services.
2. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of the form. An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.
3. (a) Corporations executing the bond as sureties must appear on the Department of the Treasury's list of approved sureties and must act within the limitations listed therein. The value put into the Liability Limit block is the penal sum (i.e., the face value) of bonds, unless a co-surety arrangement is proposed.

 (b) When multiple corporate sureties are involved, their names and addresses shall appear in the spaces (Surety A, Surety B, etc.) headed "Corporate Surety(ies)." In the space designated "Surety(ies)" on the face of the form, insert only the letter identifier corresponding to each of the sureties. Moreover, when co-surety arrangements exist, the parties may allocate their respective limitations of liability under the bonds, provided that the sum total of their liability equals 100% of the bond penal sum.

 (c) When individual sureties are involved, a completed Affidavit of Individual Surety (Standard Form 28) for each individual surety shall accompany the bond. The government may require the surety to furnish additional substantiating information concerning its financial capability.
4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the words "Corporate Seal", and shall affix an adhesive seal if executed in Maine, New Hampshire, or any other jurisdiction requiring adhesive seals.
5. Type the name and title of each person signing this bond in the space provided.

Paperwork Reduction Act Statement

This information collection meets the requirements of 44 USC § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget (OMB) control number. The OMB control number for this collection is 9000-0001. We estimate that it will take 1 hour to read the instructions, gather the facts, and answer the questions. Send only comments relating to our time estimate, including suggestions for reducing this burden, or any other aspects of this collection of information to: U.S. General Services Administration, Regulatory Secretariat Division (MVCB), 1800 F Street, NW, Washington, DC 20405.

Exhibit K

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR MINIMUM CRITERIA AND STANDARDS FOR CERTIFICATES OF DEPOSIT

The following is a list of the Los Angeles County (County) Treasurer and Tax Collector's (TTC) minimum criteria and standards for Certificates of Deposit (CD). The CD must:

1. Be drawn by or on a financial institution that meets the minimum credit ratings criteria from the table below, at the time the funds are placed with the institution.

CD Term	Institution's Total Assets	Moody's Analytics*	S&P Global	Fitch	Bauer	Weiss	Veribanc
≤ 3 years	Any	A3	A-	A-	4 Stars	B	A
> 3 years	< \$150B	Aa2	AA	AA	4 Stars	B	A
> 3 years	≥ \$150B	A1	A+	A+	4 Stars	B	A

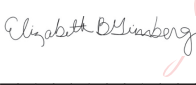
* If Moody's rates the institution and the institution's total assets are less than \$1.5 billion, the Baseline Credit Assessment (a Moody's rating standard) should be a2 or better.

- If the institution is rated by Moody's Analytics, S&P Global Ratings, and Fitch Ratings, two of the three ratings must meet the minimum criteria.
 - If the institution receives one or no rating from Moody's Analytics, S&P Global Ratings, and Fitch Ratings, the institution must meet the minimum criteria of two of the three ratings from Bauer Financial, Weiss Ratings, and Veribanc.
 - If the financial institution's ratings fall below the minimum criteria and standards during the term of the placement, it is not necessary to liquidate the placement. However, at the placement's expiration or maturity, the funds should be placed with a different financial institution that meets the minimum criteria and standards.
2. Be insured through either the Federal Deposit Insurance Corporation or National Credit Union Administration.
 3. Be in the County's name.
 4. Be issued for an amount sufficient to support the terms of the performance agreement, unless otherwise stated in the contract.

**COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR
MINIMUM CRITERIA AND STANDARDS FOR
CERTIFICATES OF DEPOSIT**

5. Mature at a definite time, which unless otherwise stated in the contract, may not be prior to the expiration of the performance agreement or other provisions thereof.

For further information, you may contact the TTC Internal Controls Branch at (213) 584-1489.

Approved:  Digitally signed by Elizabeth Buenrostro Ginsberg
Date: 2024.04.12 16:33:35 -07'00'

Elizabeth Buenrostro Ginsberg
Interim Treasurer and Tax Collector

Date: April 12, 2024

Exhibit L

**COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR
MINIMUM CRITERIA AND STANDARDS FOR
LETTERS OF CREDIT**

The following is a list of the Los Angeles County (County) Treasurer and Tax Collector’s (TTC) minimum criteria and standards for Letters of Credit (LOC). The LOC must:

1. Be drawn by or on a financial institution that meets the minimum credit ratings criteria from the table below, at the time the LOC is established.

LOC Term	Institution’s Total Assets	Moody’s Analytics*	S&P Global	Fitch	Bauer	Weiss	Veribanc
≤ 3 years	Any	A3	A-	A-	4 Stars	B	A
> 3 years	< \$150B	Aa2	AA	AA	4 Stars	B	A
> 3 years	≥ \$150B	A1	A+	A+	4 Stars	B	A


* If Moody’s rates the institution and the institution’s total assets are less than \$1.5 billion, the Baseline Credit Assessment (a Moody’s rating standard) should be A2 or better.

- If the institution is rated by Moody’s Analytics, S&P Global Ratings, and Fitch Ratings, two of the three ratings must meet the minimum criteria.
 - If the institution receives one or no ratings from Moody’s Analytics, S&P Global Ratings, and Fitch Ratings, the institution must meet the minimum criteria of two of the three ratings from Bauer Financial, Weiss Ratings and Veribanc.
 - If the institution’s ratings fall below the minimum criteria and standards during the term of the LOC, it is not necessary to liquidate the placement. However, at the LOC’s expiration or maturity, the LOC should be drawn with a different institution that meets the minimum criteria and standards.
2. Be subject to the Uniform Customs and Practice For Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, and should be in accordance with the terms thereof. (Reference: California Commercial Code Sections 5101-5118.)
 3. Be irrevocable.
 4. Be in the County’s name.
 5. Stipulate an expiration date, which unless otherwise stated in the contract, may not be prior to the expiration of the performance agreement.
 6. State an amount, which, unless otherwise stated in the contract, should not be less than the cash amount required under the terms of the performance agreement.

**COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR
MINIMUM CRITERIA AND STANDARDS FOR
LETTERS OF CREDIT**

7. State specifically, the document(s) to be presented to allow the release of payment to the beneficiary or the release of the LOC to the vendor.

For further information, you may contact the TTC Internal Controls Branch at (213) 584-1489.

Approved:  Digitally signed by Elizabeth
Buenrostro Ginsberg
Date: 2024.04.12 16:53:37
-07'00'

Elizabeth Buenrostro Ginsberg
Interim Treasurer and Tax Collector

Date: April 12, 2024

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
OFFICE OF THE DIRECTOR

NUMBER 7002

CERTIFICATE OF CONSENT TO SELF-INSURE

THIS IS TO CERTIFY, That

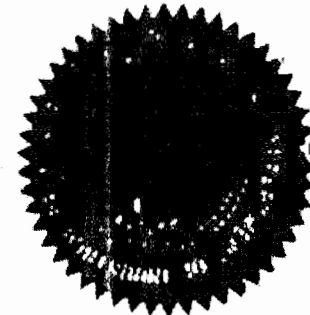
COUNTY OF LOS ANGELES

has complied with the requirements of the Director of Industrial Relations under the provisions of Sections 3700 to 3705, inclusive, of the Labor Code of the State of California and is hereby granted this Certificate of Consent to Self-Insure.

This certificate may be revoked at any time for good cause pursuant to Labor Code Section 3702.

EFFECTIVE March 1, 1993

DEPARTMENT OF INDUSTRIAL RELATIONS
OF THE STATE OF CALIFORNIA



Rogel W. Cordero

DIRECTOR

Mark B. Ashcraft

MANAGER, SELF-INSURANCE PLANS

SUPERCEDES CERTIFICATE NO. P- 0112

**DEPARTMENT OF INDUSTRIAL RELATIONS
SELF-INSURANCE PLANS**

2265 Watt Avenue, Suite 1
Sacramento, CA 95825
Phone No. (916) 574-0300
FAX (916) 483-1535



June 15, 2007

County of Los Angeles
Chief Administrative Office
Risk Management Branco
Attn: Ann Rain
3333 Wilshire Blvd. Suite 820
Los Angeles, CA 90010

Dear Ms. Rain:

This letter is to certify that the County of Los Angeles has been permissibly self insured since January 1, 1979, and it continues to be self insured.

Sincerely,

A handwritten signature in cursive script that reads "Jamie L. Meyers".

JAMIE L. MEYERS
Compliance Supervisor



Appendix A.

County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors

GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

June 14, 2000

To: Administrative Deputies

From: Sharon N. Yonashiro *Sharon Yonashiro*
Assistant Administrative Officer
Financial and Asset Management Branch

**INDEMNIFICATION AND INSURANCE REQUIREMENTS
FOR COUNTY SERVICE PROVIDERS**

The County of Los Angeles utilizes contractors to provide a wide variety of services for the benefit of departments and the public. Use of these service providers may also expose the County to liability claims and lawsuits, and therefore County policy requires contractors to indemnify the County for their activities and maintain insurance coverage sufficient to protect themselves and the County against such risk.

In 1980, the Board of Supervisors directed the Chief Administrative Office (CAO) to review department service agreements and determine appropriate indemnification and insurance requirements for County service providers. Since then, this office has reviewed and revised the requirements as needed to meet the County's needs and adjust to developments in the insurance marketplace. The present requirements, included in Attachment A, were last revised in 1997.

In 1999, the CAO initiated a comprehensive review of the County's requirements which has resulted in the revised language included in Attachment B. Departments must incorporate these updated requirements within solicitations (eg., Request for Proposals, Invitation for Bids, Invitation for Quotes) and new agreements effective immediately.

To assist departments in applying the revised requirements, the CAO also has developed a new "Insurance Manual for Service Agreements." The manual, which will soon be distributed to departments via the CAO's Risk Management Operations section, recommends methods which may be used by departments to establish appropriate coverage requirements and monitor compliance by service providers. The manual also will be incorporated within the County's "Comprehensive Contracting and Purchasing Manual" presently under development.

Administrative Deputies

June 14, 2000

Page 2

County Counsel, Auditor-Controller, Human Resources, Internal Services, Treasurer and Tax Collector, the CDC Office of Small Business, an independent risk management consulting firm, the County's Risk Management Inspector General, and members of the Los Angeles County Risk Management Advisory Committee provided extensive input in the development of the new requirements and manual. This information was valuable to ensure that the requirements adequately protect the County without placing an unreasonable burden on service providers.

A series of brief presentations will be held for department contract analysts and monitors in order to review the new requirements and distribute the manuals. A presentation schedule will be distributed to departments within the next several weeks by CAO Risk Management Operations staff.

It should be noted that contracts which present unusual or severe loss exposures (potential for pollution liability, as an example), may require more detailed review and use of specialized indemnification and insurance language. We encourage departments to consult with CAO Risk Management Operations and County Counsel in these situations and when service providers request modification of the County's indemnification and/or insurance requirements.

Implementation of these requirements, when based upon the risk exposures commonly associated with the work performed by the service provider, should help to ensure that claims and lawsuits arising from work done under contract will not become the potential financial responsibility of County departments. Should you have any questions, please contact Delta Uyenoyama at (213) 974-1134.

SNY:DU

DS:lis

Attachments

c: W. Lloyd Pellman, County Counsel
Donovan Main, County Counsel
Tyler McCauley, Auditor-Controller
Michael Kranther, Auditor-Controller

Appendix B - Liability Cost Allocation Policy

8.030 Liability Cost Allocation Policy

Effective Date: 03/07/96

PURPOSE

Establishes a Countywide policy regarding the allocation of departmental liability/workers' compensation costs.

REFERENCE

March 7, 1996 Board Order, Synopsis 52

April 15, 1996 Chief Administrative Office memo, "Liability Cost Allocation Policy"

POLICY

The review process established to evaluate claims and lawsuits involving multiple departments is as follows:

The Liability/Workers' Compensation Cost Allocation Policy provides:

1. County departments will receive notice of multiple department cases from County Counsel or Third Party Administrators (TPA). Departments will be notified as soon as their potential involvement is known (in some cases, department involvement may not initially be apparent but is later revealed by County Counsel or TPA investigation). Information concerning these cases will also appear in department Liability/Workers' Compensation Claims Information reports or other reports provided by the Chief Executive Office (CEO).
2. Upon notification of their involvement, departments should initiate their own review and provide relevant information and justification supporting their position regarding their share of responsibility.
3. In the initial stages of the claims handling and/or legal defense process, County Counsel, defense counsel, TPA and/or other involved parties will, also, evaluate the case and provide their opinions and recommendations of each department's financial liability.
4. If necessary, the CEO County Risk Manager will convene a joint meeting with the involved departments and other involved parties, as needed, to review the facts and circumstances of the incident, and to evaluate if apportionment of responsibility should be revised based on department input.
5. In the event departments continue to disagree, the Chief Executive Officer or designee will make a final determination as to the settlement and cost apportionment so that funding responsibility will not delay processing of an otherwise appropriate settlement.
6. The Chief Executive Officer will meet, if requested, with the respective Department Heads to discuss the matter.
7. The Auditor-Controller shall make payment for settlements and judgments determined by the proposed dispute resolution process and charge costs back to department as appropriate.

RESPONSIBLE DEPARTMENT

Chief Executive Office

DATE ISSUED/SUNSET DATE

Issue Date: April 15, 1993	Sunset Date: April 15, 2003
Review Date: August 21, 2003	Sunset Date: August 21, 2007
Review Date: September 20, 2007	Sunset Date: August 21, 2011
Review Date: July 21, 2011	Sunset Date: August 21, 2015
Review Date: June 18, 2015	Sunset Date: August 21, 2020
Review Date: July 15, 2020	Sunset Date: August 25, 2025
Review Date: June 18, 2025	Sunset Date: August 25, 2030

**COUNTY OF LOS ANGELES:
CHIEF EXECUTIVE OFFICE**

LIABILITY COST ALLOCATION POLICY

- I. **POLICY OBJECTIVES:** To make departments aware and accountable for liability costs resulting from their operations through an allocation method that is consistently and timely applied and understood by departments, and to provide a performance measurement and incentive for departments to reduce liability exposures and costs.

- II. **SCOPE OF ALLOCATION:** This plan allocates liability costs on an actual basis except for costs that are not identifiable to a specific department or for services that benefit the overall program.

The allocation plan will apply to auto, general and medical malpractice cases. Liability costs are financed through the General Fund, Special Districts and Trust Funds, and Hospital Enterprise Funds.

- III. **POLICY ADMINISTRATOR:** This policy will be administered and monitored by the Chief Executive Office (CEO) to determine if it is consistently and timely applied in accordance with the procedures listed below.

IV. BACKGROUND:

The Judgments & Damages/Insurance (unit) is a combination of two budgets: the Judgments & Damages (J&D) budget-administered by County Counsel and the Insurance budget-administered by the Chief Executive Office - **Risk Management Branch** (RMO). The auto and general liability, and medical malpractice programs are administered by RMO. RMO is also responsible for administering the Contract Cities and Special Districts Trust Funds.

V. BILLING METHODOLOGY AND PRACTICE

In general, the County categorizes liability claims and lawsuits in the following manner:

Auto liability

Includes accidents involving a County vehicle or permittee vehicle, such as: intersection, backing or rearend collisions; emergency response and pedestrian related accidents.

General liability	Broad category which includes but is not limited to slips and falls/premises liability, employment related, civil rights or other liability associated with department operations or program administration.
Medical malpractice	Includes hospital liability.

Liability costs include expenses incurred by the County to investigate, defend, and resolve claims and lawsuits associated with the above accident categories. To ensure accounting and billing consistency, liability costs are grouped in the following categories:

Indemnity	Settlements, Judgments, Structured Annuities, and Interest Costs.
Legal Fees & Expenses	Legal Defense Fees, Allocated Expenses (i.e., court reporter, witness fees, examinations, copy services, etc.), Sanctions/Penalties.
Claims Administration	Third-Party Claims Administrators (TPAs), contract counsel.
Overhead	County Program Administrators (CEO and County Counsel). Also included will be costs for the following: Corporate Systems, Internal Services Department (ISO) - Information Technology Services, Urban Research, Death Certificates, and those costs associated with liability cases which are not associated with a specific County department or its operations.
Special Projects	Claims and Performance Audits, Actuarial Studies

Indemnity and Legal Fees & Expenses costs will be billed on an actual cost basis, while Overhead, Claims Administration and Special Projects costs related to TPAs will be distributed Countywide based on the average percentage of each department's case count and reserves in relation to all case counts and reserves..

Liability costs for cases involving multiple departments will be billed to the respective department based on an assessment of each department's liability. Costs for cases associated with services provided by one department for the benefit of another department will be charged to the provider department, unless the service agreement provides that the client department will assume responsibility for liability which arises out of the scope of the agreed upon services.

V. **PROCEDURES:**

Below are the policy guidelines for Judgments & Damages/Insurance:

- 1) Expenditures incurred by RMO related to program administration of the Insurance budget will be billed to the Insurance budget and then expensed to departments.
- 2) Judgments/Settlements and expenditures incurred by County Counsel associated with case preparation and defense such as attorney fees, expert witnesses, and other related costs will be billed to departments/districts unless costs cannot be identified to a case associated with a department/district for billing.

Programs involving third party administrators will be self-supporting in that all costs are to be billed to departments/districts. RMO will review indemnity and administration costs for appropriateness. All liability costs to be paid from the Contract Cities and Special District Trust Funds will be processed through RMO.

- 3) Department/District should be billed all judgments/settlements including associated litigation costs for which they are directly responsible. Costs on cases involving multiple departments will continue to be billed based on an assessment of each department's liability. This includes auto liability, medical malpractice, and general liability costs. Billings to general fund departments will include departmental overhead costs. Departments must absorb costs above their budgeted amounts for both the J&D and Insurance budgets.

If a department indicates absorption of costs above their budgeted amounts in the J&D budget is not realistically possible, the department needs to contact its CEO budget analyst to discuss alternative solutions. Any requested use of the J&D central reserve requires the Chief Executive Officer's or designee's approval. This provision will not apply to the Insurance budget.

- 4) Internal Services Department (ISO) will be billed for judgments/settlements and associated litigation costs on TPA administered cases for which they are responsible.

If a case (such as slip and falls) involves maintenance services provided by ISO, the client department will be billed unless ISO is determined to be the responsible department.

- 5) Judgments/settlements and associated litigation costs relating to Capital Projects will be evaluated on a case-by-case basis by the Chief Executive Office to determine how these costs will be billed.
- 6) Expenditures from the J&D central reserve require the Chief Executive Officer's or the Assistant Chief Executive Officer's (or designee) approval.

The J&D central reserve has been established to pay for the following:

All judgments/settlements for cases of a countywide nature. This includes all costs associated with defense of the case.

Examples: Redistricting or Search and Rescue Operations.

Costs for special circumstance issues where the Board orders payment from the J&D budget.

The J&D central reserve may be used to cover one-time costs and/or departmental expenditures above the budgeted amounts for judgments/settlements and associated litigation costs at the Chief Executive Officer's discretion.

The review process established to evaluate claims and lawsuits involving multiple departments is as follows:

- 1) County departments will receive notice of multiple department cases from County Counsel or TPA's. Departments will be notified as soon as their potential involvement is known (in some cases, department involvement may not initially be apparent but is later revealed by County Counsel or TPA investigation). Information concerning these cases will

also appear in department Liability Claims Information reports provided by the CEO.

- 2) Upon notification of their involvement, departments should initiate their own review and provide relevant information and justification supporting their position regarding their share of responsibility.
- 3) In the initial stages of the claims handling and/or legal defense process, County Counsel, defense counsel and the TPA will also evaluate the case and provide their opinions and recommendations of each department's liability.

If necessary, the Chief Executive Office will convene a joint meeting with the involved departments, County Counsel, defense counsel and TPA to review the facts and circumstances of the incident, and to evaluate if apportionment of responsibility should be revised based on department input.

- 4) In the event departments continue to disagree, the Chief Executive Officer or designee will make a final determination as to the settlement and cost apportionment so that funding responsibility will not delay submission of an otherwise appropriate settlement to the Claims Board and, as appropriate, to the Board of Supervisors for approval.
- 5) The Chief Executive Officer will meet, if requested, with the respective Department Head to discuss the matter.

VI. IMPLEMENTATION: This policy is effective April 11, 1996.

Prepared by:

Chief Executive Office
Risk Management Branch
Revised **November** 2023

CLAIMSIALLOCATE.GD2



COUNTY OF LOS ANGELES

RIMA CHIEF ADMINISTRATIVE OFFICE
RISK & INSURANCE MANAGEMENT AGENCY

1436 GOODRICH BOULEVARD, COMMERCE, CALIFORNIA 90022 (213) 887-6482

RICHARD B. DIXON
Chief Administrative Officer

EDWARD BARRIOS
Director

October 24, 1991

To: All Department Heads
From: 
Edward Barrios, Director
Risk and Insurance Management Agency
Subject: **SERVICE AGREEMENT PERFORMANCE SECURITY GUIDELINES**

We are forwarding a copy of the newly established guidelines on performance bonds and other performance security instruments for purchases of supplies, equipment, and contracts for services. These guidelines should be implemented immediately in accordance with the attached memorandum.

The new guidelines emphasize the inappropriateness of performance bonds for most purchases and contracts. Even if a determination is made that security is required to protect the County's interest, certificates of deposit and letters of credit are more suitable instruments in most situations than performance bonds. Under no circumstances may a performance security be required if the contract cost is less than \$50,000.

Department heads are required to pre-screen and evaluate proposers and proposals to minimize the potential risk of loss to the County, approve the imposition of a performance security requirement, and to provide a quarterly report to the Chief Administrative Office on contractors who have been required to post security. We request the initial report be produced covering the months of October, November, and December 1991 and submitted to the CAO-Risk and Insurance Management Agency by January 15, 1992. Future quarterly reports should be sent within 15 days after the close of the quarter.

Please call me at (213) 887-6301 if you have any questions or require assistance in implementing these new guidelines.

RBD:EB
RA:al
Attachment

c: Mary Jung

perfbon1/raw3



**COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE**

213 HALL OF ADMINISTRATION, LOS ANGELES, CALIFORNIA 90012
974-1101

RICHARD B. DIXON
CHIEF ADMINISTRATIVE OFFICER

October 10, 1991

To: Each Supervisor
From: Richard B. Dixon
Chief Administrative Officer

Subject: ELIMINATION OF BARRIERS TO MWBE CONTRACTING

On July 30, 1991, the Board adopted a County Minority and Women-Owned Business Enterprise (MWBE) program which included as one of its major elements the identification and elimination of barriers to contracting. Supervisor Molina called for aggressive action in remedying barriers that are already known to create obstacles, such as performance bond requirements.

Revised Performance Bond Requirements

I am pleased to inform you that as a result of personally pressing for action, a revised policy on performance bond requirements has been established which is intended for immediate implementation. The policy, a copy of which is attached, eliminates the performance bond requirement for most contracts other than construction, which are governed by State law. Under no circumstances will performance securities be required for contracts under \$50,000.

The policy emphasizes that for contracts involving the purchasing or contracting for supplies, equipment, and services, the County's interest is better protected by thorough pre-screening and evaluation techniques which establish the performance capabilities of prospective bidders. In those rare instances when a performance bond is deemed necessary, added flexibility is provided by advocating the use of certificates of deposit or letters of credit payable to the County as alternatives to surety bonding. This reduces the cost to the contractor and the County, allows the contractor to collect interest if the contract is performed satisfactorily, and protects the County against default.

Significance

This revision in policy is an important milestone for increasing opportunities of small minority and women-owned firms to contract with the County.

Under a requirement to post a performance bond, firms are often required to assign financial securities to the bonding company as collateral. This requirement can be as high as 40% of the contract price, which is prohibitive for smaller organizations. Since performance bonds are, for the contractor, a direct cost of doing business, it is passed on to the County by at least the bonding company's fee. Unnecessary bonding is thus an unnecessary expense to the public. And, since most commercial firms do not require performance bonds, their cost to do business is less than the County's for the same goods and services.

The revised policy represents very little risk to the County as the vast majority of County contracts require satisfactory delivery of the product or service prior to payment. Risk to the County is generally confined to large dollar contracts that provide for pre-payments or progress payments, such as with construction projects or the development of major automated systems, where satisfactory fulfillment of a contract may not be determined for an extended period of time. In these cases, letters of credit or certificates of deposit or, if warranted, performance bonds could continue to be required, providing the department head has approved its use. Quarterly reports to the Chief Administrative Office on contractors required to post security would ensure oversight of the policy's implementation and the cost-effective application of its use.

Communicating Policy Changes

Because performance bonding is viewed by minority and women-owned companies as a major barrier to contracting with the County, it is very important that special efforts be undertaken to disseminate information on the revised policy. In this regard, the following activities have been completed or are underway:

- The Contract Managers Network hosted a discussion of performance bonding for departments on October 4, 1991.
- On October 18, 1991, departments will meet with a small group of MWBE representatives to jointly review the performance bond policy and to determine whether additional modifications are in order.

Each Supervisor
October 10, 1991
Page 3

The Board may wish to assist in publicizing the revised policy and the County's intent to increase access of minority and women-owned businesses to County contracting. If you wish, my office is prepared to assist in the preparation of press releases.

Additional Actions Underway

- Examination of vendor payment issues by the Internal Services Department is targeted for the latter part of October.
- An outreach program to Latin firms is being arranged by the Internal Services Department and the Department of Health Services in cooperation with the Latin Business Association for the latter part of October.

If you have any questions or need additional information, please let me know.

RBD:LMJ
RJP:mmg4

Attachment

c: Affirmative Action Compliance Officer
Auditor-Controller
Department of Health Services
Internal Services Department

bondage.vsb

PERFORMANCE BONDS AND OTHER PERFORMANCE SECURITY INSTRUMENTS FOR PURCHASES OF SUPPLIES, EQUIPMENT, AND CONTRACTS FOR SERVICES

These performance security guidelines are applicable to purchases of supplies and equipment and to contracts for services. They do not apply to construction contracts which are governed by applicable State laws and/or regulations.

I. INTRODUCTION

The purpose for requiring that a contractor deposit performance securities with the County is to protect the County's interest in the event of contractor's failure to perform.

Generally, it is not necessary to require a bond of any type for most purchases or contracts. Since the cost of bonds is passed on to the County, unnecessary bonding is an unnecessary expense to the public. Also, requirements for bonding often present difficulties for small and disadvantaged businesses, and otherwise can be impediments to competition.

The County's interest is better protected by thorough pre-screening and evaluation techniques throughout the purchasing and contracting process concerning the performance capabilities of prospective bidders. Risk to the County is minimized to the extent that contracts include statements of work that are clearly defined and are awarded only to bidders deemed to be responsible. Once a contract is awarded, a program of vendor evaluation affords the best grounds for ensuring that contract terms are met and that performance is proceeding satisfactorily.

A bond should be required only if, after a review of all factors, the Contract Administrator determines that the risk of loss to the County will be significant if the contractor fails to perform. These situations are rare and should be the exception. Risk to the County is primarily restricted to contracts that provide for progress payments, such as construction projects or the development of major automated systems, where satisfactory fulfillment of a contract may not be determined for an extended period of time.

If a determination is made that security is required to protect the County's interests, it is not necessary that the security instrument take the form of a performance bond. Other instruments, especially certificates of deposit and letters of credit are more suitable in most situations.

II. POLICY

A. A performance security is not required if:

1. the purchase or contract is less than \$50,000.
2. the contractor has demonstrated a strong financial position.
3. the contractor has a history of successfully completing similar contract obligations.

4. the contractor will be paid only after service is satisfactorily performed.
5. the contractor could be replaced with another contractor and work completed without undue delay or additional cost.

The cumulative added cost to the County resulting from the performance bond requirement and the barrier it creates to contracting with minority and women-owned businesses dictate prudence in its application. Department heads, therefore, are required to approve the imposition of a performance security requirement on contractors. Additionally, departments are to provide quarterly reports to the Chief Administrative Office of contractors required to post security.

B. Analysis of Risk

A determination that performance security is necessary should be based on findings that the risk of financial loss to the County is significant. It is contemplated that except in rare instances, performance security is not indicated. It may be justified for contracts that require prepayment, progress payments, or aggregate payments where satisfactory performance cannot be determined for an extended period of time or where such payments are sufficiently high in dollar value as to warrant the added cost to the County to require security.

Added care must be taken in the analysis of risk for smaller, innovative minority or women-owned businesses. Often, a performance security is required because the business has not been established long enough to fully affirm a strong financial record or extensive history of successfully completed contracts. These elements alone should not mandate a requirement for performance security. Instead, the amount of the contract, the terms of payment, and the potential cost to the County in the event of default should dictate whether a performance security is warranted. If the amounts are modest and the terms of payment are predicated on performance, then security requirements should not be imposed. Under no circumstances may a performance security be required for purchases or contracts under \$50,000.

III. **PERFORMANCE SECURITY INSTRUMENT ALTERNATIVES**

A. Irrevocable Letters of Credit, Certificates of Deposit or Cash Deposits.

If it is determined that a performance security is indicated, a form of protection which can reduce costs to the contractor and the County is to allow the contractor to post a certificate of deposit or letter of credit payable to the jurisdiction and on which he/she collects interest if the contract is performed satisfactorily. It is preferable to performance bonds and should be considered in lieu of bonding to especially assist small minority and women-owned businesses.

The amount of a letter of credit or certificate of deposit may be considerably less than the contract sum, because irrevocable letters of credit and certificates of deposit are immediately accessible by County. The County also has immediate access to any cash deposits a contractor wishes to make.

The cost passed on to the County for these security instruments should be substantially lower than performance bonds, since no premiums are paid, and the instruments may be revenue generating in the form of interest/dividends.

B. Performance Bonds

Performance Bonds are reserved for large dollar contracts that involve pre, aggregate, or progress payments where, in the event of default, the cost to the county could be substantial. The surety assumes responsibility for ensuring that the contract is completed in the event of contractor failure, or that damages are paid up to the financial limits of the bond.

Often, these contracts are for highly specialized services and require the County's careful review of any replacement contractor proposed by the surety. For this reason, contract language should include the right of County to approve any proposed replacement contractor.

Performance bonds should usually be equal to the contract price. The costs passed on to the County will be greater than for certificates of deposit, letters of credit, or cash deposits.

C. Maintaining Integrity of Performance Security Instruments

Departments should store performance security instruments, other than cash, in a safe. Alternatively, departments may choose to utilize the services of the Treasurer and Tax Collector. In either event, storage should be sufficient to maintain integrity of the instruments. Cash must be deposited with the Treasurer and Tax Collector in all cases.

IV. ADVANCE PAYMENTS

In general, contracts should only provide for payment upon value received; however, advances may be deemed appropriate under certain circumstances. Such advance financial allocations to contractors are separate business decisions, distinct from a determination that the contractor can perform. Any decision to advance start up funds in the form of advance deliverable payments, loans, advance payments for goods, etc., should be made only after the basic business decision that the contractor can perform has been made.

Departments should establish that the advance will be protected against loss through commercial crime insurance or through a self-insurance plan consisting of collateralized security. This can be in the form of a cash deposit, a letter of credit or a certificate of deposit.

Effective Date: 07/19/94

Appendix D

(See also 5.010)

PURPOSE

Establishes standardized language and requirements to be incorporated in Board letters requesting approval of service contracts, to ensure that Community Business Enterprise (CBE) firms are given an opportunity to fully participate in County contracts.

For the purpose of this policy, CBE firms include minority and women-owned businesses, disadvantaged/disabled veteran-owned, and Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning-owned business.

REFERENCE

March 26, 1991, Board Order 71

April 9, 1991, Board Order 50

April 16, 1991, Chief Administrative Office memo to all Department Heads, "Contracting With Minority/Women-Owned Firms."

November 15, 1994, Board Order 47

August 13, 2019, Board Order 27

POLICY

Departments are required to include the following information in all Board letters requesting Board approval of service contracts:

- The process used to identify and include minority vendors/women/disadvantaged/ disabled veterans/Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning vendors;
- A summary (Board letter attachment) of the CBE information collected from all vendors that submitted proposals/bids, including:
 - Minority/women/disadvantaged/disabled veterans/Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning participation (i.e., partners, associate partners, staff, etc.) and percentage of minority/women/disadvantaged/ disabled veterans/or Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning ownership in each firm.
- Stipulation that on final analysis and consideration of award, vendor was selected without regard to race, creed, color or sex.

RESPONSIBLE DEPARTMENTS

Internal Services Department (ISD)

Department of Economic Opportunity (DEO)

DATE ISSUED/SUNSET DATE

Issue Date: April 16, 1991	Sunset Review Date: April 16, 2003
Review Date: March 20, 2003	Sunset Review Date: November 15, 2003
Review Date: December 18, 2003	Sunset Review Date: November 15, 2007
Review Date: April 29, 2008	Sunset Review Date: April 29, 2013
Review Date: April 19, 2012	Sunset Review Date: April 29, 2014
Review Date: February 19, 2014	Sunset Review Date: April 29, 2018

Review Date: February 21, 2018	Sunset Review Date: April 29, 2022
Review Date: February 16, 2022	Sunset Review Date: April 29, 2026
Review Date: January 21, 2026	Sunset Review Date: April 29, 2030

GOVERNMENT CODE - GOV**TITLE 1. GENERAL [100 - 7931.000]** (*Title 1 enacted by Stats. 1943, Ch. 134.*)**DIVISION 3.6. CLAIMS AND ACTIONS AGAINST PUBLIC ENTITIES AND PUBLIC EMPLOYEES [810 - 998.3]** (*Division 3.6 added by Stats. 1963, Ch. 1681.*)**PART 2. LIABILITY OF PUBLIC ENTITIES AND PUBLIC EMPLOYEES [814 - 895.8]** (*Part 2 added by Stats. 1963, Ch. 1681.*)**CHAPTER 21. Tort Liability Under Agreements Between Public Entities [895 - 895.8]** (*Chapter 21 added by Stats. 1963, Ch. 1681.*)

895. As used in this chapter "agreement" means a joint powers agreement entered into pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, an agreement to transfer the functions of a public entity or an employee thereof to another public entity pursuant to Part 2 (commencing with Section 51300) of Division 1 of Title 5 of the Government Code, and any other agreement under which a public entity undertakes to perform any function, service or act with or for any other public entity or employee thereof with its consent, whether such agreement is expressed by resolution, contract, ordinance or in any other manner provided by law; but "agreement" does not include an agreement between public entities which is designed to implement the disbursement or subvention of public funds from one of the public entities to the other, whether or not it provides standards or controls governing the expenditure of such funds.

(*Added by Stats. 1963, Ch. 1681.*)

895.2. Whenever any public entities enter into an agreement, they are jointly and severally liable upon any liability which is imposed by any law other than this chapter upon any one of the entities or upon any entity created by the agreement for injury caused by a negligent or wrongful act or omission occurring in the performance of such agreement.

Notwithstanding any other law, if a judgment is recovered against a public entity for injury caused in the performance of an agreement, the time within which a claim for such injury may be presented or an action commenced against any other public entity that is subject to the liability determined by the judgment under the provisions of this section begins to run when the judgment is rendered.

(*Added by Stats. 1963, Ch. 1681.*)

895.4. As part of any agreement, the public entities may provide for contribution or indemnification by any or all of the public entities that are parties to the agreement upon any liability arising out of the performance of the agreement.

(*Added by Stats. 1963, Ch. 1681.*)

895.6. Unless the public entities that are parties to an agreement otherwise provide in the agreement, if a public entity is held liable upon any judgment for damages caused by a negligent or wrongful act or omission occurring in the performance of the agreement and pays in excess of its pro rata share in satisfaction of such judgment, such public entity is entitled to contribution from each of the other public entities that are parties to the agreement. The pro rata share of each public entity is determined by dividing the total amount of the judgment by the number of public entities that are parties to the agreement. The right of contribution is limited to the amount paid in satisfaction of the judgment in excess of the pro rata share of the public entity so paying. No public entity may be compelled to make contribution beyond its own pro rata share of the entire judgment.

(*Added by Stats. 1963, Ch. 1681.*)

895.8. Except for Section 895.6, this chapter applies to any agreement between public entities, whether entered into before or after the effective date of this chapter. Section 895.6 applies to any agreement between public entities entered into, or renewed, modified, or extended, after the effective date of this chapter.

(Added by Stats. 1963, Ch. 1681.)