

## CHECKLIST OF REQUIRED COMMERCIAL INSURANCE COVERAGE

All DHS contractors shall be required to comply with the insurance requirements of the DHS Service Contract. The following is a checklist of the type of documentation needed to verify a contractor's compliance with contract insurance requirements.

**Items numbered 1, 2 and 3 below should all appear in the Certificate of Insurance.**

- 1) Authorization to do Business in Utah and Rating:** The insurance carrier must be authorized to do business in the State of Utah and must specify in the Certificate of Insurance, Description of Operations section that the insurance company:
  - Has a rating of "A-" or better, and
  - Has a financial size category of Class VII or larger, according to the ratings and financial size categories published by A.M. Best Company **OR it must**
  - Provide documentation verifying that it (the Contractor's insurance carrier) **is reinsured** by another affiliated insurance company that **does meet** the required rating and class size requirements.
  
- 2) A Certificate of Insurance** showing compliance with the *applicable* insurance provisions of the DHS Service Contract:
  - A. General liability insurance of \$1,000,000 per occurrence and \$3,000,000 aggregate;
  - B. Automobile insurance: *Evidence of automobile insurance coverage is only required if the Contractor, or any of the Contractor's employees, or Subcontractors provide client transportation.*
    - i. Automobile insurance policies for **commercial business entities** must provide for a combined single limit, or the equivalent, of not less than of \$1,000,000;
    - ii. Automobile insurance policies for **individual residential** care homes must cover property damage, personal injury protection and liability with a combined single limit or the equivalent of not less than \$100,000 per person and \$300,000 for each accident/occurrence occurring during the course of their duties as an individual residential care home; and,
  - C. Professional liability insurance of \$1,000,000 per occurrence and \$3,000,000 aggregate. *(However, professional liability insurance is only applicable and required if the Contractor, any of the Contractor's employees and/or Subcontractors provides a client service that requires professional licensure; i.e., physicians, psychologists, nurses, counselors, therapists, etc.);*

- D. Property Insurance: If the Contractor brings its own property or equipment (collectively referred to as “property”) to a DHS facility in order to provide services pursuant to this Contract, the Contractor shall maintain a property insurance policy sufficient to cover the cost of repairs, loss or damage to its own property. Neither DHS nor its employees or volunteers shall be liable for any loss or damage to the Contractor’s property.
  
- E. Excess/Umbrella is required if any of the required insurance coverage amounts is not met. When that occurs, the Certificate of Insurance must include the Excess/Umbrella on *both* the Certificate of Liability Insurance and the Additional Insured Endorsement and *must specify to which insurance (GL, PL or Auto) the Excess/Umbrella insurance applies.*
  
- 3) Deductibles, retentions, and similar items** for the insurance policies required by this Contract may not exceed \$10,000.00 for each of the following insurance types, unless the Contractor obtains prior **written approval** of the deductibles, self-insured retentions, self-insurance costs *and similar items* (and the corresponding policy) from the DHS Deputy Director for Support Services or the Deputy Director’s designee, who may withhold approval for any reason whatsoever.
  - General liability insurance;
  - Professional liability insurance;
  - Excess/Umbrella insurance.
  
- 4) A Separate Additional Insured Endorsement** must be submitted that states: **"The State of Utah, DHS, and their officers and employees are Additional Insureds, with primary coverage (not contributory coverage) for General Liability and Professional Liability (*and the Excess/Umbrella policy, if applicable*)."** **The quoted language should also be contained in the Certificate of Insurance, but does not meet the insurance requirements without a separate "Additional Insured Endorsement" that contains the above-quoted language in this Paragraph 4.**

If the Contractor is an “individual” providing services of less than 25 hours per week, the additional insured endorsement may omit the requirement that the endorsement be primary coverage. The term individual as used in this subsection means the Contractor provides the services pursuant to this Contract him or herself and does not employ other professionals to provide such services.

**If any of the above items are not applicable, please identify the items below and explain why they are not applicable. For example, automobile insurance may not be applicable, because the contractor does not transport DHS clients.**