

CHECKLIST FOR INSURANCE REVIEWS

- FOR DIRECT PURCHASE ORDERS
- FOR PROFESSIONAL SERVICES CONSULTANTS

1. Determine the applicable insurance requirements as set forth in Exhibit A. If the P.O. involves a Special Risk (defined in **Exhibit A**), refer to Risk Management.
2. Complete the form letter and attach the City's general liability endorsement. Both are included in **Exhibit B** and also can be downloaded from Purchasing's Intranet website.
 - Form letter:** Enter the date, recipient address, your Department's address, your phone and fax number, and the date the insurance materials are due (the due date should be at least 10 business days before the effective date of the P.O.) on page 2 of the letter.
3. Send the completed form letter and the City's general liability endorsement directly to the vendor.
4. When you receive the insurance documents from the vendor, check the certificate (**Exhibit C** details the certificate and endorsement review process).
 - Is the certificate dated and current?
 - What are the effective dates of the policies? Are they current?
 - Has the certificate information box been properly amended?
 - Has the cancellation clause been properly amended?
 - Did you obtain an original ("wet") signature?
 - Is the Certificate Holder box filled out correctly?
 - Does the Description of Operations box accurately describe the work or services to be performed?
5. When you receive the insurance documents from the vendor, make sure you have received an additional insured endorsement to the general liability policy.
 - Is the policy number on the endorsement the same as the policy number on the certificate?
 - Are the "City of Long Beach, its officials, employees and agents" named as additional insureds?
 - Is the endorsement signed and dated by the insurer or the insurer's agent?
6. Submit a memo to Risk Management with the certificate(s) and endorsement(s) attached for review as to sufficiency. You should receive a response within 3 business days of receipt of your submission by Risk Management.
7. If a waiver of any of the insurance requirements or a reduction in limits is requested, refer to **Exhibit D**.

Exhibit A

Insurance Requirements for Purchase Orders up to \$100,000

City of Long Beach Insurance Requirements for DPOs

When a vendor does work under a City purchase order, the Department must have on file valid certificates of insurance and the required endorsements. The Department should submit the required certificates and endorsements to Risk Management for review.

REQUIRED INSURANCE COVERAGES

The vendor shall obtain and maintain at its expense, until completion of performance and acceptance by City, the following insurance placed with an insurer admitted to write insurance in California or an authorized nonadmitted insurer having a rating of or equivalent to A:VIII by A.M. Best Company:

a. **Commercial General Liability insurance**

Commercial General Liability insurance (equivalent in coverage to ISO form CG 00 01 11 85 or 88), including but not limited to broad form contractual liability, products and completed operations liability, and independent contractors liability in an amount not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate.

b. **Commercial Automobile Liability insurance**

Commercial Automobile Liability insurance (equivalent in coverage to ISO form CA 00 01 06 92) in an amount not less than \$500,000 combined single limit per accident for bodily injury and property damage covering Auto Symbol 1 (Any Auto). If the vendor does not use an automobile in connection with vendor's work, your Department can send Risk Management a memo or e-mail requesting waiver of the requirement and providing Risk Management with the Scope of Work.

c. **Professional Liability or Errors and Omissions Liability insurance**

If the vendor is providing professional or quasi-professional services to the City, or services requiring licensure, certification, or special training or expertise, Professional Liability or Errors and Omissions Liability insurance in an amount not less than \$1,000,000 per occurrence or claim. If you have any questions about whether professional liability or errors and omissions liability insurance is required, send Risk Management an inquiry by e-mail or memo with a copy of the Scope of Services.

d. **Workers' Compensation and Employer's Liability insurance**

Workers' Compensation insurance as required by the California Labor Code and Employer's Liability insurance in an amount not less than \$1,000,000 per accident. If the vendor is not subject to the State's Workers' Compensation laws, the vendor should provide you with a written reason as to why this coverage is not applicable (e.g., vendor is a sole proprietor, partnership or other organization with no employees). If Workers' Compensation laws are not applicable, Employer's Liability insurance is not required.

REQUIRED INSURANCE DOCUMENTATION

a. Certificate of Insurance

The vendor must provide you with a Certificate of Insurance evidencing the required insurance set forth above. The Certificate Holder must be the "City of Long Beach," and the Certificate Holder's address must be the address of your Department.

The certificate information box (top left of the ACORD certificate of liability insurance) must be amended as follows:

~~THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.~~

The cancellation clause in the Certificate of Insurance must be amended as follows:

~~SHOULD ANY OF THE ABOVE REFERENCED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS* WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.~~

b. General Liability Endorsements

The vendor must also provide the following endorsements signed and dated by the insurer:

- 1) The City's General Liability Insurance Endorsement for Purchase Orders (Exhibit B)
OR
- 2) An additional insured endorsement (equivalent in coverage to ISO form CG 20 10 11 85 or CG 20 26 11 85) naming the "City of Long Beach, its officials, employees and agents" as additional insureds under the general liability policy.
Primary coverage endorsement providing that the coverage is primary to the City, its officials, employees and agents and that any insurance or self-insurance of those additional insureds is excess and does not contribute to it.
Severability of interest endorsement providing that the coverage applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
Cross-liability endorsement providing that the naming of more than one insured under the policy shall not, for that reason alone, extinguish the right of any other insured.
Provisions regarding the insured's duties providing that any failure by the Named Insured to comply with the reporting provisions of the policy shall not affect the coverage provided to the City, its officials, employees and agents.
Cancellation notice endorsement providing that the Insurer shall provide the City with 30-days prior written notice of cancellation, nonrenewal or reduction in coverage or limits.

ADDITIONAL INSURANCE REQUIREMENTS FOR SPECIAL RISKS

Additional insurance requirements may be imposed on certain vendors. Refer to Risk Management for individual review of the following types of services or products:

- a. Accounting, actuarial, or auditing services.
- b. Aircraft-related products or services.
- c. Architectural or engineering services.

- d. Asbestos or lead paint abatement services, or services involving hazardous substances.
- e. Catering or other food or food-related services.
- f. Construction contracts.
- g. Counseling, psychological, or pastoral services.
- h. Custom manufactured products.
- i. Daycare or childcare services.
- j. Excavation, drilling, trenching or shoring services.
- k. Environmental consulting, engineering or related services or operations, including brownfields redevelopment.
- l. Marine-related products or services.
- m. Medical or nursing services, including but not limited to home health care.
- n. Products or services involving firearms, tobacco, alcohol, or controlled substances.
- o. Services involving explosives or pyrotechnics.
- p. Testing services.
- q. Any unusual or high-risk activities or operations.

WAIVER OR MODIFICATION OF THE INSURANCE REQUIREMENTS

Any waiver or modification of the insurance requirements can only be made by City's Risk Manager or designee at the City's discretion. Note: if the vendor is a sole proprietor with no employees and cannot meet the above insurance requirements, please contact Risk Management to see if any waivers or modifications are applicable.

Exhibit B

**Form Letter and
City Endorsement
to send to Vendors**

ATTN: _____

SUBJECT: REQUEST FOR INSURANCE DOCUMENTATION

Dear Sir/Madam,

This department is interested in issuing a purchase order to you to provide materials and/or services as previously discussed. Before a purchase order can be issued, you must meet the following insurance requirements:

1. **Certificate of Insurance**. A certificate of insurance, showing the City of Long Beach as the certificate holder at the address given below, must be filed with the City before the purchase order is issued. The certificate must evidence the following insurance placed with an insurer admitted to write insurance in California or a nonadmitted insurer having a rating of or equivalent to A:VIII by A.M. Best Company:
 - a. **Commercial general liability insurance** (equivalent in coverage to ISO form CG 00 01 11 85 or 88), including but not limited to broad form contractual liability, products and completed operations liability, and independent contractors liability in an amount not less than \$1,000,000 combined single limit for each occurrence and \$2,000,000 general aggregate. The "City of Long Beach, its officials, employees, and agents" must be named as additional insureds and there must be no special limitations on such coverage.
 - b. **Commercial automobile liability insurance**(equivalent in coverage to ISO form CA 00 01 06 92) in an amount not less than \$500,000 combined single limit per accident for bodily injury and property damage covering Auto Symbol 1 (Any Auto). If you do not have any owned autos, please provide me with a written statement to that effect and provide evidence of hired and nonowned auto liability insurance coverage.
 - c. **Professional liability or errors and omissions liability insurance** in an amount not less than \$1,000,000 per occurrence if you are providing professional or quasi-professional services to the City or services requiring special training or expertise.
 - d. **Workers' compensation and employer's liability insurance** in an amount not less than \$1,000,000 per accident if workers' compensation coverage is required by the California Labor Code. If you are not subject to state workers' compensation laws, please provide me with a written statement to that effect and specify your legal status (e.g., sole proprietor, partnership, limited liability company, corporation, etc.) and whether you have any employees.

Please advise your insurance broker/agent that the certificate information box (at the top left of the ACORD certificate of liability insurance) must be amended as follows:

~~THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.~~

The cancellation clause in the certificate of insurance must be amended as follows:

~~SHOULD ANY OF THE ABOVE REFERENCED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS* WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.~~

2. **General Liability Endorsement**

City's general liability endorsement (copy attached)

OR

An additional insured endorsement to your general liability insurance policy (City's attached endorsement for Purchase Orders or an endorsement equivalent in coverage to ISO form CG 20 10 11 85 or CG 20 26 11 85) naming "The City of Long Beach, its officials, employees and agents" as additional insureds. Failure to comply with this requirement will prevent the City from issuing a purchase order.

b. If the City's endorsement form is not used, we also need:

- 1) An endorsement providing that the policy shall not be canceled, nonrenewed, or reduced in coverage except after thirty (30) days prior written notice to City.
- 2) An endorsement providing that the policy shall apply on a primary non-contributing basis in relation to any insurance or self-insurance, primary or excess, maintained by or available to City or any employee or agent of City.
- 3) An endorsement providing that the policy applies separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, subject to the Company's limit of liability.
- 4) An endorsement providing that the naming of more than one insured under the policy does not, for that reason alone, extinguish any rights of one insured against another, subject to the Company's limit of liability.

3. **Special Risks.** Additional insurance requirements may be imposed on certain risks:

- a. Accounting, actuarial, or auditing services.
- b. Aircraft-related products or services.
- c. Architectural or engineering services.
- d. Asbestos or lead paint abatement services, or services involving hazardous substances.
- e. Catering or other food or food-related services.
- f. Construction contracts.
- g. Counseling, psychological, or pastoral services.
- h. Custom manufactured products.
- i. Daycare or childcare services.
- j. Excavation, drilling, trenching or shoring services.
- k. Environmental consulting, engineering or related services or operations, including brownfields redevelopment.
- l. Marine-related products or services.
- m. Medical or nursing services, including but not limited to home health care.
- n. Products or services involving firearms, tobacco, alcohol, or controlled substances.
- o. Services involving explosives or pyrotechnics.
- p. Testing services.
- q. Any unusual or high-risk activities or operations.

Any waiver or modification of the insurance requirements can only be made by the City's Purchasing Agent or City's Risk Manager or designee at City's discretion.

The original certificate and any applicable endorsements should be mailed to me at the following address:

City of Long Beach
Attn: _____

Long Beach CA _____

Please have your agent fax me a copy of the certificate and applicable endorsements. My fax number is 562/_____. I should have the certificate in my office no later than the close of business on _____. If you have questions, please contact me at 562/_____.

Sincerely,

Exhibit C

Checklist for Review of Insurance Certificates and Endorsements for Purchase Orders

CHECKLIST FOR REVIEW OF INSURANCE CERTIFICATES AND ENDORSEMENTS FOR PURCHASE ORDERS

These are general guidelines only. If a risk does not fit within these guidelines or a question arises which is not addressed below, please consult Risk Management.

INSURANCE CERTIFICATES

1. **Check the following dates:**
 - Date of the certificate of insurance. *Is it current?*
 - Date of the insurance policies. *Are the policies shown in effect? Will they expire before the P.O. ends -- if so, you need to ensure that you receive a certificate and any appropriate endorsements for the renewal policies.*
2. **Check the policy amounts.** *If this is a Special Risk (as defined in Exhibit A), refer to Risk Management*
 - Commercial general liability insurance in an amount not less than \$1 million per occurrence, \$2 million general aggregate.
 - Professional liability insurance in an amount not less than \$1 million per occurrence.
 - Automobile liability insurance in an amount not less than \$500,000 per accident (construction and towing contracts require \$1 million per accident).
 - Workers' compensation insurance as required by the CA Labor Code.
 - Employer's liability insurance in an amount not less than \$1 million per occurrence if worker's compensation insurance is required by law.
3. **Make sure that you have received an original signature.**
4. **Make sure that the cancellation clause has been amended as follow:**

~~SHOULD ANY OF THE ABOVE REFERENCED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS* WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.~~

**The broker/agent can include a qualifier stating "10 days notice for nonpayment of premium."*
5. **Make sure the Certificate Holder box is correct.**

City of Long Beach
Attn: [Your Name and Department]
[Your Department's Address]
6. **Make sure the Description of Operations box is correct.** *The description should accurately reflect the scope of services under the P.O. or, alternatively, may apply to all work vendor does for City.*

GENERAL LIABILITY INSURANCE ENDORSEMENT(S)

The City requires that its vendors provide an additional insured endorsement to the vendor's general liability policy naming "City of Long Beach, its officials, employees and agents" as additional insureds.

1. **If the vendor submits the City's General Liability Endorsement for Purchase Orders.**
 - Check Section A against the information on the Certificate of Insurance. *Is the information consistent?*
 - Check Sections C and D. *Make sure that all the terms have been completed.*

2. **If the vendor submits standard industry form CG 20 10 (Additional Insured - Owners, Lessees or Contractors) or CG 20 26 (Additional Insured - Designated Person or Organization).**
 - Is the policy number on the endorsement?.
 - Is the endorsement signed and dated by the insurer or the insurer's authorized representative?
 - Is the additional insured specified as "City of Long Beach, its officials, agents and employees"?
 - If the endorsement does not have added language stating that the insurer will provide the City with 30 days written notice of cancellation, nonrenewal, or reduction in coverage and that this insurance is primary to any insurance or self-insurance maintained by the City, its officials, employees and agents, you need to obtain separate endorsements.

3. **If the vendor submits the insurance company's custom additional insured endorsement or a multicover/blanket additional insured endorsement.**
 - Is the policy number on the endorsement?.
 - Is the endorsement signed and dated by the insurer or the insurer's authorized representative?
 - If the endorsement does not have added language stating that the insurer will provide the City with 30 days written notice of cancellation, nonrenewal, or reduction in coverage and that this insurance is primary to any insurance or self-insurance maintained by the City, its officials, employees and agents, you need to obtain separate endorsements.

Exhibit D

Checklist for Obtaining Insurance Waivers for P.O. Vendors

CHECKLIST FOR OBTAINING WAIVERS FOR P.O. VENDORS

WORKERS COMPENSATION

- Workers' Compensation Insurance is not required.** Workers compensation is not required by the California Labor Code when the vendor is a sole proprietor or a partnership, company, or other organization with no employees (e.g., partners, members, or owners only).
 - Provide City's Risk Manager or City's Purchasing Agent with a letter from your vendor stating the reason why the vendor is not subject to state workers' compensation laws. Include the scope of work.

AUTOMOBILE LIABILITY

- Requesting a waiver of the automobile liability insurance requirement.** If the scope of work does not involve, directly or indirectly, your vendor's use of a vehicle and the vendor does not drive on City property (other than to park in a public parking lot), you can seek a waiver of the automobile liability insurance requirement.
 - Submit your Department's request for waiver of the automobile liability insurance requirement for the vendor, with the reasons for the request, in a memo to City's Risk Manager or City's Purchasing Agent. Include the scope of work.
- Requesting a reduction in the required automobile liability insurance limits.** If the vendor will be driving an automobile in connection with the vendor's scope of work, automobile liability insurance is required. If the vendor requests a reduction in the limits required:
 - Submit your Department's request for reduction of automobile liability insurance limits with the reasons for the request in a memo to City's Risk Manager or City's Purchasing Agent. Include the scope of work.
 - Provide City's Risk Manager or City's Purchasing Agent with a letter from vendor stating the reason(s) supporting the vendor's request for reduction in automobile liability insurance.
 - Specify the amount of the P.O. If the P.O. is for services, also provide the hourly rate.

IMPORTANT: WAIVER OF THE CITY'S INSURANCE REQUIREMENTS DOES NOT WAIVE VENDOR'S LIABILITY TO THE CITY OR THIRD PARTIES.

GENERAL LIABILITY INSURANCE

- Requesting a waiver of the general liability insurance requirement.**
 - Submit your Department's request for waiver of the general liability insurance requirement in a memo to the City's Risk Manager. Include your Department's reasons as to why the insurance should be waived. Some examples (but not all) are: there is no general liability exposure (must be accompanied by a written explanation as to why there is no exposure) or that there is no coverage available on the market at a commercially reasonable rate (vendor must have its insurance broker provide three written quotes).
 - Provide City's Risk Manager with a letter from vendor requesting the waiver and setting forth the reasons for the request.
 - Provide City's Risk Manager with the scope of work.
 - Specify the amount and duration of the P.O. If the P.O. is for services, also provide the hourly rate.

- Requesting a reduction in the general liability insurance limits required.**
 - Submit your Department's request for a reduction in limits in a memo to City's Risk Manager. Include your Department's reasons as to why the limits should be reduced. Risk Management rarely reduces the general liability insurance limits, but will consider your Department's arguments as the vendor's arguments for the reduction. Some factors (but not all) that might be considered are: the type of work being done, the scope of work being done, whether work is done on City property, and the cost of available insurance (vendor must have its insurance broker provide three written quotes when claiming rates are commercially unreasonable).
 - Provide Risk Management with a letter from vendor requesting the waiver and setting forth the reasons for the request.
 - Provide Risk Management with a description of the scope of work.
 - Specify the amount and duration of the P.O. If the P.O. is for services, also provide the hourly rate.

IMPORTANT: WAIVER OF THE CITY'S INSURANCE REQUIREMENTS DOES NOT WAIVE VENDOR'S LIABILITY TO THE CITY OR THIRD PARTIES.

PROFESSIONAL LIABILITY INSURANCE

Requesting a waiver of the professional liability insurance requirement.

- Submit your Department's request for waiver of the professional insurance requirement in a memo to City's Risk Manager. Include your Department's reasons as to why the insurance should be waived. Some examples (but not all) are: there is no professional liability exposure; the requirement has been waived by the City Attorney; or all work is reviewed and approved by a City employee with the same professional qualifications prior to use, distribution, or publication.
- If the vendor has any professional licenses or certifications, please include this information in your request.
- Provide City's Risk Manager with a letter from vendor requesting the waiver and setting forth the vendor's reasons for the request.
- Provide City's Risk Manager with the scope of services.
- Specify the amount of the P.O and provide the hourly rate.

Requesting a reduction in the professional liability insurance limits required.

- Submit your Department's request for a reduction in limits in a memo to City's Risk Manager. Include your Department's reasons as to why the limits should be reduced. Some factors (but not all) that might be considered are: the type of work being done and the cost for additional limits (the vendor must provide three insurance quotes).
- If the vendor has any professional licenses or certifications, please include this information in your request.
- Provide Risk Management with a letter from vendor requesting the waiver and setting forth the reasons for the request.
- Provide Risk Management with the scope of services.
- Specify the amount of the P.O. and the hourly rate.

You should receive a reply to e-mail within 3 business days. You should receive a reply to an interoffice memo within 3 business days of receipt of the memo by Risk Management. If we need more information or clarification, the waiver process can be delayed. Therefore, submit the request for waiver at least 10 business days before the P.O. is to be submitted.

IMPORTANT: WAIVER OF THE CITY'S INSURANCE REQUIREMENTS DOES NOT WAIVE VENDOR'S LIABILITY TO THE CITY OR THIRD PARTIES.