

## Insurance Requirements for Grants

The Office of the State Controller (OSC) grant agreement templates include various insurance clauses in the terms and conditions of each award. This guidance document is intended to provide additional information on each clause.

### Worker's Compensation

**Grant Provision:** Workers' compensation insurance as required by state statute, and employers' liability insurance covering all Grantee or Subcontractor employees acting within the course and scope of their employment.

**Additional Details:** This is critical for all grantees and any subgrantees that will perform work related to the grant.

**Required?** If the grantee is a sole proprietor, it is not required but if the sole proprietor has subcontractors it is recommended.

### General Liability

**Grant Provision:** Commercial general liability insurance covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows:

- i. \$1,000,000 each occurrence;
- ii. \$1,000,000 general aggregate;
- iii. \$1,000,000 products and completed operations aggregate; and
- iv. \$50,000 any one fire.

**Additional Details:** In high risk situations we may consider requiring a higher minimum amount. This would include construction contracts.

**Required:** Yes, general liability should not be waived.

### Automobile Liability

**Grant Provision:** Automobile liability insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.

**Additional Details:** This can be removed if the grantee or subcontractors are not driving for any purpose related to this contract, and will not drive to a State facility for any purpose. The grantee



can carry hired or non-owned coverage on the general liability policy that will cover their employees when driving.

**Required:** Yes, see Additional Details for explanation.

### **Cyber/Network Security and Privacy Liability**

**Grant Provision:** Liability insurance covering civil, regulatory, and statutory damages, contractual damages, data breach management exposure, and any loss of income or extra expense as a result of actual or alleged breach, violation, or infringement of right to privacy, consumer data protection law, confidentiality or other legal protection for personal information, as well as State Confidential Information with minimum limits as follows:

- i. \$1,000,000 each occurrence; and
- ii. \$2,000,000 general aggregate.

**Additional Details:** This can be removed if the Grantee will have no access to any protected information. However, if the grantee will collect/store any sensitive data this clause is required.

**Required:** Yes, see Additional Details for explanation.

### **Professional Liability**

**General Provision:** Professional liability insurance covering any damages caused by an error, omission or any negligent act with minimum limits as follows:

- i. \$1,000,000 each occurrence; and
- ii. \$1,000,000 general aggregate.

**Additional Details:** This clause is only required of licensed professionals, architects, engineers, medical providers, etc. It also may not apply to subcontractors.

**Required:** Yes, if subrecipients are working with professionals required to maintain licensure.

### **Crime Insurance**

**General Provision:** Crime insurance including employee dishonesty coverage with minimum limits as follows:

- i. \$1,000,000 each occurrence; and
- ii. \$1,000,000 general aggregate.

**Additional Details:** This clause is only required of the grantee if the funds are being passed through to another entity, such as a grant or loan. This does not apply to payments made to subcontractors.



**Required?:** Subcontractors: No, Pass-thru Entities: Yes

The following requirements remain in place for all grantees and must not be removed:

- Additional Insured
- Primacy of Coverage
- Cancellation
- Subrogation Waiver
- Public Entities
- Certificate

NOTE: If questions remain as to whether a specific insurance clause applies, departments must reach out to the State's Risk Manager. Clauses should not be removed unless departments are sure they do not apply.

