



# Insurance Requirements for Government Contractors



# What is Insurance?

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- Insurance protects your business
- Insurance transfers risk away from you and your business



# What Type of Insurance Do I Need?

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- Depends on your business and the contracts you win the work you perform
- Flow down Insurance requirements to subcontractors

# Commercial General Liability (CGL)

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- Broad in scope to protect your assets.
- Protects you from damage caused to another party.
- Typically shows a limit of liability
- Industry standard is minimum limit of \$1m per occurrence / \$2m aggregate

# Automotive Liability

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- Any Auto vs Scheduled Auto
- Ask about coverage of the liability of employees driving their own vehicles on job sites or for company business
- Ask about hauling hazardous material and Environmental Liability Policy

# Environmental Liability / Pollution Liability

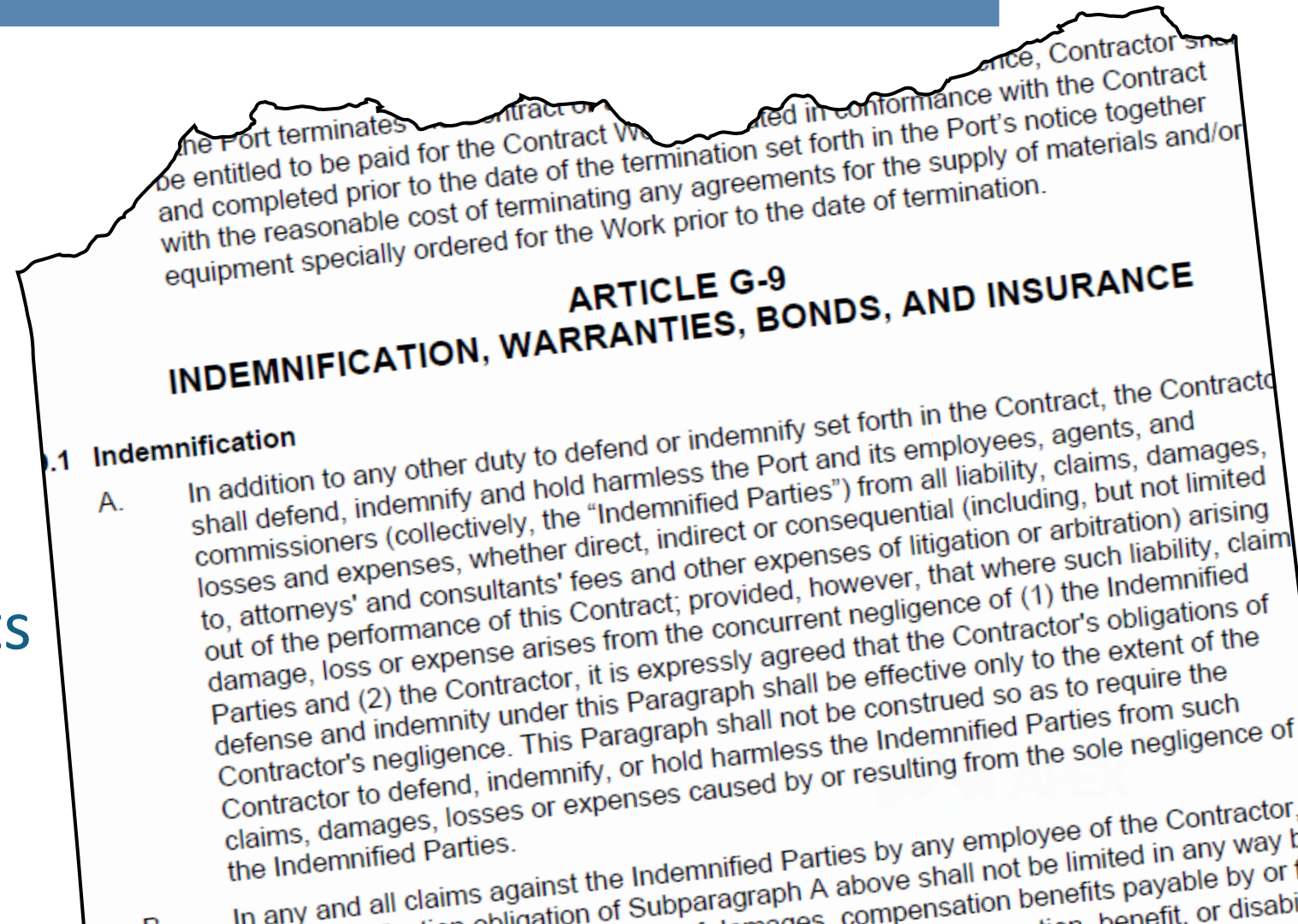
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- Protects contractors against pollution conditions caused by their work.



# Government Contract Terms & Conditions

- Control – F in Solicitation Documents for Insurance Section
- Send full requirements to your Insurance Professional



# Government Contract Terms & Conditions

Contractor shall maintain automobile liability insurance through national primary and umbrella or excess insurance. Excess and coverage insurance must include the specific components of the underlying required coverage identified below. Any insurance the Port carries will apply strictly on an excess and noncontributory basis over any applicable insurance the Contractor carries.

- B. Contractor shall procure and maintain insurance in the following minimum form and limits.
- 1 Commercial General Liability insurance on ISO Form CG 00 01 10 01 (or equivalent) for third party property damage, bodily injury, personal and advertising injury, and medical payments in an amount which is not less than **\$2 million per occurrence**. If the policy contains an annual general aggregate limit, this limit shall be no less than **\$2 million per year**. The insurance shall cover liability arising from premises, operations, independent Contractors, products completed operations, personal and advertising injury, and liability assumed under an insured contract. The Contractor's insurance shall be **primary and non-contributory** with respect to any insurance the Port carries and apply separately to each insured. **The Port shall be named as an additional insured** for all work arising out of Contractors Work, including "on-going" and "completed operations" using ISO Endorsement Form CG 20 26 11 85 or an equivalent endorsement approved by the Port.



# Government Contract Terms & Conditions

ii. Primary and Non- contributory

iii. Waiver of Subrogation

2 Automobile Liability Insurance. Contractor shall provide business automobile insurance for all owned, non-owned, hired, leased, borrowed, or rented vehicles, including trailers, in an amount not less than **\$1 million per occurrence**.

a. At Seattle-Tacoma International Airport, **the amount shall be not less than \$5 million per occurrence** for all driving on the ramp of the (AOA) air operations area, aircraft non-movement area. **No driving is permitted on the Airport Movement Area (AMA)**.

b. The Port shall be included on the policy form as an insured; or an additional insured endorsement shall be provided.

C. Employers Liability Insurance (Washington Stop Gap Liability). The Contractor shall provide Washington State Stop Gap employers' liability insurance. This shall be in an amount of **one million per accident and \$1 million per disease** using ISO CG 04 42 11 03 or equivalent. This coverage may be provided by endorsing the primary commercial general liability policy. An endorsement evidencing this coverage must be submitted to the Port, along with other insurance documentation.



# Other Insurance Types

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- Excess / Umbrella Liability
- Errors & Omissions Insurance
- Cyber Risk Liability Insurance
- Workers Comp
- Longshore Workers Comp

# Choosing an Agent

- Understands your industry
- Provides the best coverage at the best price, no coverage gaps
- Reputable- <https://web.ambest.com/home>
- Responsive and Courteous



# Calculating Rates

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- Risk Factors determine your rate
  - Business experience
  - Location
  - Gross Sales
  - Other



# Next Steps?

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- Find an insurance professional before you start bidding or signing contracts
- Include costs of coverage in your bid prices
- Never assume your insurance is adequate
- Know how long you need to retain the policy



# Resources

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Washington APEX Accelerator – No-Cost Advising

<https://washingtonapex.org/port-of-seattle-advanced-portgen/>

Learn more at [www.washingtonapex.org](http://www.washingtonapex.org) or [info@washingtonapex.org](mailto:info@washingtonapex.org)

