

Why do I need insurance?

Insurance requirements are established to protect the State from damages (bodily injury, property damage, and other potential losses) arising out of the contractor's work on behalf of the state. Think of it like carrying an umbrella in case of rain.



This is for informational purposes only. In the event of any conflict between this document and any contract or subcontract, the contract or subcontract will govern.



Excellence in the Business of Government

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**General
Information
on Insurance**



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Types of Insurance

There are many different types of insurance policies; however, at minimum a contractor performing work on behalf of the state will need to have the following insurance coverages:

- * **Commercial General Liability**
- * **Automobile Liability**
- * **Worker's Compensation**



In most cases, a contractor's insurance policies will need additional language and/or endorsements which could cause additional costs for a contractor.

Summary

- * Review the insurance requirements in the solicitation.
- * Prior to bidding or providing a quote, contact your insurance provider to ensure your insurance policies satisfy insurance requirements.
- * Upon notice of an awarded contract, send contractual insurance and endorsement(s) requirements to your insurance provider to obtain proof of coverage.
- * Send certificate of insurance and policy endorsement(s) as directed by the State representative.
- * Delays or failure to comply with insurance contractual requirements may have significant negative consequences and will cause additional delays.
- * Significant delays in providing the necessary insurance documentation may result in the loss of the contract award altogether.



Failure to provide updated insurance documents throughout the term of the contract could delay payments and, in some cases mean a breach of contract.

Typical Limits

Commercial General Liability

- * \$1,000,000 per occurrence
- * \$2,000,000 aggregate
- * Policy endorsement attachment

Automobile Liability

- * \$1,000,000 combined single limit per accident
- * Policy endorsement attachment

Workers Compensation & Employers Liability

- * \$1,000,000
- * Policy endorsement attachment

PLEASE NOTE: A statement on the certificate of insurance regarding an endorsement is **not** acceptable in lieu of the actual endorsement. In most cases, the required additional language and/or endorsements for the policies can take time for the insurance provider to produce.

