

Insurance Requirements and Processes (Questions? Email risk@berkeley.edu)

BEFORE THE FACT			AFTER THE FACT
<p>Option 1 (Best): Provide Certificate of Insurance</p> <ul style="list-style-type: none"> In accordance with Regents' Business and Finance Bulletin BUS-63, independent contractors, consultants, vendors, or other service providers providing goods or services under a contract, purchase order, or other written agreement with the University must include as part of their contractual obligation a provision to defend, indemnify, and hold the University harmless from any loss, injury, or damage occurring as a result of their work. Insurance provides the funding source in case independent contractors, consultants, vendors, or other service providers need to make good on this obligation. Under the terms and conditions of any purchase order, contract, or other agreement, the non-University entity is required to show evidence of adequate insurance coverage by furnishing a Certificate of Insurance indicating compliance with the required coverages. Certificates of insurance must be on file <i>before</i> work begins. Certificates of insurance must name "The Regents of the University of California" as additional insured. Supplier shall use the following address in the Certificate Holder location: The Regents of the University of California University of California, Berkeley Supply Chain Management – Insurance Desk 1608 4th Street, Suite 217 Berkeley, CA 94710-7600 <p><u>Minimum Levels of Coverage (General):</u></p> <ul style="list-style-type: none"> Commercial General Liability: \$1MM Each Occurrence \$2MM Aggregate \$2MM Products & Completed Operations Aggregate \$1MM Personal & Advertising Injury \$100K Fire Damage (Any One Fire) \$5K Medical Expense (Any One Person) Commercial Auto Liability: <i>(Required if driving on University-owned property or driving University personnel)</i> \$1MM Combined Single Limit Workers' Compensation: <i>(Required if vendor has employees; not required if Sole Proprietor)</i> Statutory Limits Plus \$1MM/\$1MM/\$1MM Minimum Employers Liability Limits Professional Liability/Errors & Omissions: \$1MM Each Occurrence \$1MM Aggregate <p>Go to http://www.ucop.edu/risk-services/risk-financing-claims/certificates-of-insurance.html for guidance on health, transportation, and construction insurance requirements.</p>	<p>Option 2 (Next-Best): Purchase Insurance</p> <ul style="list-style-type: none"> Purchase through UC broker: http://uc.marshcampusconnexions.com/Constituencies/VendorsContractors.aspx \$500 per contract term (one year) Good for one year for all work the contractor does with the University Department's discretion to add some or all of insurance cost to the total value of the contract 	<p>Option 3 (Not Encouraged): Request Waiver</p> <p>Option 3a: Waiver under \$5k</p> <p>Risk Services hereby delegates to campus purchasing officers the authority to reduce or waive insurance requirements for certain minimum-risk contracts IF THE CONTRACT WITH THE SERVICE PROVIDER MEETS ALL THE FOLLOWING CONDITIONS:</p> <ol style="list-style-type: none"> 1. The service has not yet been provided. 2. The contract is between an academic/research/administrative unit/department and the service provider. 3. The service provider is EITHER speaking at a campus event where the department is providing direct on-site supervision by an employee acting within the course and scope of employment OR is providing one or more of the following services under the direct supervision of an employee acting within the course and scope of employment: copy editing, assistance to a disabled individual, or translating presentations in real time. 4. The service provided does not include a demonstration, physical activity, transportation, interaction with minors, or other element that may create liability. 5. The services provided cost less than \$4,999. 6. The service provider has not contracted with the campus for a total of \$4,999 or more during the current calendar year. 7. All other standard University requirements for executing a contract of this type are met. 8. The following indemnification clause is included in the contract and accepted by the service provider without modification: <p>[NAME OF SERVICE PROVIDER] shall defend, indemnify and hold THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of [NAME OF SERVICE PROVIDER], its officers, agents or employees.</p> <p><i>(Source: http://riskservices.berkeley.edu/resources/contract-review)</i></p> <p>Option 3b: Waiver for All \$</p> <ul style="list-style-type: none"> Submit request for waiver to Risk Services: <ul style="list-style-type: none"> Email to: risk@berkeley.edu Provide copy of Statement of Work Work cannot commence until waiver approved Waiver only applies to single project 	<p>Only Option: Exceptional Approval for Payment</p> <ul style="list-style-type: none"> Regents' Business & Finance Bulletin BUS-63 requires that insurance and indemnification requirements be met before the commencement date of a contract, purchase order, or other agreement. Because Risk Services cannot possibly review every campus contract prior to commencement, it enforces this Regental requirement after-the-fact. If a department fails to properly address insurance and/or indemnification terms prior to commencement of a contract, Risk Services requires the department to write an Exceptional Payment Request to its dean or vice chancellor before payment is processed. The Exceptional Payment Request (aka After-the-Fact Justification) includes the following: <ul style="list-style-type: none"> An explanation that the department is submitting the request because it failed to address insurance/indemnification requirements prior to the commencement date of the contract. An explanation of what the department is doing to make sure the mistake is not repeated. A line for the dean or vice chancellor's signature indicating acceptance of the explanation and granting approval of the Exceptional Payment Request. The department does not need to obtain insurance from the vendor for any work done prior to the date of the Exceptional Payment Request.