

Procurement Insurance Standards

Where the Town's insurance requirements are incorporated into a procurement instrument, the text below is deemed included in any resulting contract, except as may be otherwise explicitly provided by the Town in writing:

During the term of this contract, the contractor shall procure and maintain insurance coverages with insurance companies rated by A. M. Best Company as A- or better. The company(ies) shall be authorized to do business under the laws of the Commonwealth of Virginia and be acceptable to the Town and shall provide the following minimum types of insurance:

1. The contractor will maintain a general liability policy with at least \$1,000,000 combined single limits on an occurrence basis. If contractor shows a general aggregate limit, either the general aggregate limit shall apply separately per project/location or the general aggregate limit shall be twice the required occurrence limit. The contractor's insurer must list the Town as an additional insured. The endorsement must be issued by the insurance company. A notation on the certificate of insurance is not sufficient.
2. The contractor will maintain workers' compensation coverage in compliance with the laws of the Commonwealth of Virginia. As an alternative, it is acceptable for the contractor to be insured by a group self-insurance association that is licensed by the Virginia Bureau of Insurance. The contractor will also carry employers' liability insurance with at least a
 - \$100,000 bodily-injury-by-accident policy limit,
 - \$500,000 bodily-injury-by-disease policy limit, and

- \$100,000 bodily-injury-by-disease (each employee) limit.
3. The contractor will maintain automobile liability insurance with limits of at least \$1,000,000. The coverage is to be written with a symbol "1."
 4. If the contractor is providing engineering or other professional services, it will maintain professional liability insurance with a limit of at least \$1,000,000. If the professional liability insurance is on a claims-made basis, contractor must maintain such insurance for at least three years beyond the expiration date of the policy in force at the time of this contract.
 5. When a new facility is being constructed, the contractor will maintain builders risk coverage on all-risk/special-form basis at replacement cost of the building and/or structures under construction for duration of the contract.
 6. The contractor will maintain Cyber Liability Insurance with limits not less than \$1,000,000 per occurrence or each claim. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by vendor/contractor in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, cyber extortion, social engineering, infringement of intellectual property, including but not limited to invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information. The policy shall provide coverage for breach response costs, regulatory fines and penalties as well as credit monitoring expenses.
 7. The contractor will maintain Pollution Legal Liability or pollution/environmental liability coverage with a limit of \$1,000,000. This insurance may be provided through a stand-alone policy or as part

of a professional liability coverage combined policy. The policy will cover third-party injury and property damage, including cleanup costs as a result of pollution conditions arising from the contractor's operations and completed operations. This insurance must be maintained for no less than three years after final completion. This coverage should be required for work at certain sites where pollution exposures are likely or anticipated, including locations that have or have had ground fuel storage tanks, fueling or refueling operations or have been exposed to chemical spills or other pollutants.

With all policies listed above, the insurer or agent of the insurer must issue a certificate of insurance to show evidence of coverage. Any wording limiting the insurer responsibility to notify the Town of any cancellation or non-renewal of the coverage must be removed.

The Town gratefully acknowledges the Virginia Risk Sharing Association for developing this language.