

TOPIC: Insurance Requirements for External Auditors		
OFFICE: Auditor	STATE: KS	DATE: 08/03/2011
QUESTION / ISSUE: If your state contracts with external auditors to conduct your state's financial-statement audit or A-133 audit, do you require those external auditors to carry liability insurance? If so, how much liability insurance do you require them to carry? Do you require them to provide proof of such insurance?		

State	Comments
Arizona	<p>Below is the information that we include in our contracts with external auditors regarding insurance.</p> <p><u>Insurance Requirements</u> Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged including until any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees, or subcontractors.</p> <p>The <i>insurance requirements</i> herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees, or subcontractors, and the Contractor is free to purchase additional insurance.</p> <p>A. <u>Minimum Scope and Limits of Insurance</u> Contractor shall provide coverage with limits of liability not less than those stated below.</p> <ol style="list-style-type: none"> 1. Commercial General Liability – Occurrence Form Policy shall include bodily injury, property damage, personal injury, and broad form contractual liability coverage. <ul style="list-style-type: none"> • General Aggregate \$2,000,000 • Products – Completed Operations Aggregate \$1,000,000 • Personal and Advertising Injury \$1,000,000 • Blanket Contractual Liability – Written and Oral \$1,000,000 • Fire Legal Liability \$50,000 • Each Occurrence \$1,000,000 <ol style="list-style-type: none"> a. The policy shall be endorsed to include the following additional insured language: <i>“The State of Arizona and the Auditor General and employees of the Office of the Auditor General shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”</i> b. Policy shall contain a waiver of subrogation against the State of Arizona and the Auditor General and employees of the Office of the Auditor General for losses arising from work performed by or on behalf of the Contractor. 2. Business Automobile Liability Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract. Combined Single Limit (CSL) \$1,000,000

State	Comments
	<p>a. The policy shall be endorsed to include the following additional insured language: <i>"The State of Arizona and the Auditor General and employees of the Office of the Auditor General shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired, or borrowed by the Contractor."</i></p> <p>b. Policy shall contain a waiver of subrogation against the State of Arizona and the Auditor General and employees of the Office of the Auditor General for losses arising from work performed by or on behalf of the Contractor.</p> <p>3. Worker's Compensation and Employers' Liability Each Accident \$500,000 Disease – Each Employee \$500,000 Disease – Policy Limit \$1,000,000</p> <p>a. Policy shall contain a waiver of subrogation against the State of Arizona and the Auditor General and employees of the Office of the Auditor General for losses arising from work performed by or on behalf of the Contractor.</p> <p>b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.</p> <p>4. Professional Liability (Errors and Omissions Liability) Each Claim \$1,000,000 Annual Aggregate \$2,000,000</p> <p>a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.</p> <p>b. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.</p> <p>B. <u>Additional Insurance Requirements:</u> The policies shall include, or be endorsed to include, the following provisions:</p> <ol style="list-style-type: none"> 1. The State of Arizona and the Auditor General and employees of the Office of the Auditor General wherever additional insured status is required. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. 2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources. 3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract. <p>C. <u>Notice of Cancellation</u> With the exception of (10)-day notice of cancellation for nonpayment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days' written notice to the Office of the Auditor General.</p>

State	Comments
	<p>Such notice shall be sent directly to Julie Cantrell, 2910 N. 44th Street, Suite 410, Phoenix, AZ 85018 and shall be sent by certified mail, return receipt requested.</p> <p>D. <u>Acceptability of Insurers</u> Insurance is to be placed with duly licensed or approved nonadmitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.</p> <p>E. <u>Verification of Coverage</u> Contractor shall furnish the Auditor General with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the Auditor General before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.</p> <p>All certificates required by this Contract shall be sent directly to Julie Cantrell, 2910 N. 44th Street, Suite 410, Phoenix, AZ 85018. The project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT DIVISION.</p> <p>F. <u>Subcontractors</u> Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.</p> <p>G. <u>Approval</u> Any modification or variation from the <i>insurance requirements</i> in this Contract shall be made by the Auditor General, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.</p>
Colorado	<p>Please see the following clause from our standard contract:</p> <p>13. INSURANCE Contractor and its Subcontractors shall obtain and maintain, at all times during the term of this Contract, insurance policies issued by insurance companies satisfactory to Contractor and the State, in form and amount reasonably acceptable to the State, providing coverage for Worker's Compensation Insurance as required by State statute, Employer's Liability Insurance covering all of their respective employees acting within the course and scope of their employment, Commercial General Liability Insurance, and Professional Liability/Errors & Omissions. Upon request of the State, Contractor and all Subcontractors shall provide to the State certificates showing insurance coverage required hereunder.</p>
Delaware	<p>Yes. Our State Insurance Coverage Office requires the contractor to carry insurance minimum limits, at their own expense, as follows. This language is in all our contracts.</p>

State	Comments
	<p>Commercial General Liability.....\$1 million per claim/\$3 million aggregate Professional Liability.....\$1 million per claim/\$3 million aggregate</p> <p>The contractor is required to provide proof of such insurance.</p>
Guam	Guam does not require external auditors to carry liability insurance when conducting any contract audit.
Illinois	<p>The statewide audit is performed using in-house staff. The A-133 audit is performed by a public accounting firm under contract with our office. The following provision in that contract addresses insurance requirements:</p> <p>* <u>INSURANCE:</u> * VENDOR shall, at all times during the term and any renewals, maintain and provide, upon request, a Certificate of Insurance naming the State as additional insured for the General Commercial Liability policy. VENDOR shall provide the State with advance written notice in the event insurance is modified or cancelled. VENDOR shall provide: (a) General Commercial Liability-occurrence form in the amount of \$1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto, (Combined Single Limit Bodily Injury and Property Damage) in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in amounts required by law. Insurance shall not limit VENDOR'S obligation to indemnify, defend, or settle any claims.</p> <p>Beyond making this a standard provision in our contract, we do not routinely require vendors to present their certificates of insurance.</p>
Louisiana	<p>Below is language that we have in our contracts with those external CPAs (we refer to them as ICPAs [independent CPAs]) who audit parts of our CAFR and perform A-133 audits.</p> <p>Section X. Professional Liability Insurance A. Professional Liability Insurance. The ICPA shall, at the ICPA's sole expense, procure and maintain in full force and effect during the term of this Agreement professional liability insurance; B. Copies of Policies. The ICPA shall provide a true and correct copy of the required policy, together with all endorsements, riders or other additions or attachments to the policy which in any manner limit or restrict coverage to the Auditor with ten (10) days of the date of execution of this Agreement; C. Notice Relative to Policies. The ICPA shall immediately give notice to the Auditor of the occurrence of any event affecting the required policy, including, but not limited to, any notice of cancellation, non-renewal, limitation or modification of covered persons, policy coverage or policy limits; and D. Notice of Change. Not less frequently than on the annual anniversary date of this Agreement and upon such other occasions as the Auditor may request, the ICPA shall confirm in writing that there have been no changes in the required policy other than those changes in the required policy previously reported by the ICPA in writing to the Auditor.</p>
Michigan	<p>The Michigan Office of the Auditor General has the following contract text dealing with liability insurance:</p> <p>CONTRACTOR'S LIABILITY INSURANCE. The contractor shall purchase and maintain such insurance as will protect it from claims set forth below which may arise out of or result from the contractor's operations under the contract, whether such operations be by the contractor or by anyone directly or indirectly employed by the contractor or by anyone for whose acts the contractor may be liable:</p> <p>a. Claims under worker's compensation, disability benefit, and other similar</p>

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	<p>employee benefit acts. A nonresident contractor shall have insurance for benefits payable under Michigan's Worker's Disability Compensation Law for any employee who is a resident of and hired in Michigan; and, the contractor shall have insurance or participate in a mandatory state fund to cover the benefits payable to any other employee protected by worker's compensation laws of any other state.</p> <ul style="list-style-type: none"> b. Claims for damages because of bodily injury, occupational sickness or disease, or death of its employees. c. Claims for damages because of bodily injury, sickness or disease, or death of any person other than its employees, subject to the limits of liability of not less than \$300,000 each occurrence and, when applicable, \$300,000 annual aggregate for nonautomobile hazards and as required by law for automobile hazards. d. Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom, subject to a limit of liability of not less than \$50,000 each occurrence for nonautomobile hazards and as required by law for automobile hazards. e. Insurance for subparagraphs c. and d. nonautomobile hazards on a combined single limit of liability basis shall not be less than \$300,000 each occurrence and, when applicable, \$300,000 annual aggregate. <p>The insurance shall be written for not less than any limits herein specified or required by law, whichever is greater, and shall include contractual liability insurance as applicable to the contractor's obligations under the indemnification clause of the agreement. Before starting the work, the contractor must furnish to the Office of the Auditor General certificate(s) of insurance verifying liability coverage. The agreement must be acknowledged on the certificate of insurance to ensure correct filing. These certificates shall contain a provision that coverage afforded under the policies will not be canceled until at least fifteen days after written notice making reference to the contract has been given to the Auditor General.</p>
Mississippi	<p>For audits contracted to CPA Firms in the State of Mississippi, our standard contract language is as follows:</p> <p>“Firm represents that it will maintain workers’ compensation insurance which shall inure to the benefit of all Firm’s personnel provided hereunder, comprehensive general liability or professional liability, and where applicable, employee fidelity bond insurance.”</p> <p>No specific amount is mentioned in the contract and submission of proof of insurance is not required.</p>
Missouri	<p>The Office of State Auditor does not contract for external auditors to conduct the statewide financial statement and single audits.</p>
Nevada	<p>We contract with an external auditor to conduct the A-133 audit. The contract requires the auditor to maintain comprehensive public liability and property damage insurance coverage of not less than \$1,000,000 in a form and with an insurer acceptable to the Nevada Legislature. The auditor is required to provide evidence of the policy at the time of the signing of the agreement, and thereafter from time to time as reasonably requested.</p>
New Hampshire	<p>We do not require our external auditors to carry liability insurance or to provide proof of insurance. However, we contract with two of the largest firms in the country, giving us confidence coverage is in place.</p>
North Dakota	<p>We perform the state’s financial statement audit and A-133 audit. We do however contract with IPAs for several financial statement audits, some of which include A-133 audit requirements and some performance audits. We are required to follow the state’s procurement requirements. Attached you will find the state’s “Guidelines To</p>

State	Comments
	<p>Managing Contractual Risk.” Per this guidance we include in our RFPs and our contracts the appropriate insurance requirements. For our contracts we require the “MODERATE RATED RISK ANALYSIS - Professional Services Agreements Requiring On-site Services” provisions listed on page 16. This requires a certificate of insurance to be sent to us. I believe the highest risk level requires the state to be listed as an additional insured, this is time consuming, tough to get right, and should only be used when it is really needed.</p> <p>The levels are the same as our liability cap put in place when we lost our sovereign immunity.</p>
Oregon	Here is what we generally attach to our contracts. I filled in amounts that we generally require. (see attachment)
Puerto Rico	<p>The Commonwealth of Puerto Rico does not require external auditors to carry liability insurance. Deloitte Touche audits the central government’s financial statements.</p> <p>Our office (Office of the Comptroller of Puerto Rico) does require our external auditors Broad Form Comprehensive General Liability Insurance in the amount of \$1,000,000.</p>
South Carolina	The state of South Carolina does not include liability insurance as a requirement in its contracts with CPA firms.
Virginia	<p>Our contracts include an insurance clause. DPS requires all agencies to include the following whenever a contractor performs work or services in or on state facilities. Proof of insurance is required if requested by the agency. The Accounting coverage (e) is added as required for audit services.</p> <p>INSURANCE: By signing and submitting a proposal under this solicitation, the Contractor certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers’ compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The Contractor further certifies that the contractor and any subcontractors will maintain this insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.</p> <p><u>MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:</u></p> <ol style="list-style-type: none"> a. Workers’ Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers’ compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract. b. Employer’s Liability - \$100,000. c. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy. d. Automobile Liability - \$1,000,000 per occurrence. e. Accounting - \$1,000,000 per occurrence; \$3,000,000 aggregate.

State	Comments
Wyoming	<p>The state of Wyoming contracts with a CPA firm to do the annual statewide CAFR and A-133 audits. Currently, we do not require the firm to provide evidence of liability insurance. However, the request for proposal and the contract do address certain insurance and liability requirements. These are listed below.</p> <p>Request for Proposal contains:</p> <p>2. <u>INSURANCE:</u> 2.1 The contractor shall indemnify and save harmless the State, its officers, and employees from all suits, actions, or claims of any character brought because of injuries or damage received or sustained by any person, persons, or property; on account of the operations of the said contractor or on account of or in consequence of any neglect in safeguarding the work; or because of any act or omission, neglect, or misconduct of said contractor or from any claims or amounts arising or recovered under the Workers' Compensation Act, or any other law, ordinance, order or decree.</p> <p>3. <u>LAWS TO BE OBSERVED:</u> 3.1 The contractor shall keep fully informed on all federal and state laws, all local bylaws, regulations and all orders and decrees of bodies or tribunals having any jurisdiction or authority which in any manner affect those engaged or employed on the work or which in any way affect the conduct of the work. The contractor shall at all times observe and comply with all such laws, bylaws, ordinances, regulations, orders and decrees in force at the time of award. The contractor shall protect and indemnify the State and its representatives against any claim or liability arising from or based on the violation of any such law, bylaw, ordinance, regulation, order or decree whether by himself or his/their employees. No extension of time or additional payment will be made for loss of time or disruption of work caused by any actions against the provider for any of the above reasons.</p> <p>4. <u>TAXES:</u> 4.1 The contractor shall pay all taxes and other such amounts required by federal, state, and local law, including but not limited to federal and Social Security taxes, workers' compensation, unemployment insurance and sales taxes.</p> <p>The Contract includes the following language:</p> <p>G. Certificate of Good Standing. Contractor shall provide Certificate of Good Standing verifying compliance with the unemployment insurance and workers' compensation programs prior to performing work under this Contract.</p> <p>N. Indemnification. The Contractor shall indemnify, defend and hold harmless the State, the Agency, and their officers, agents, employees, successors and assignees from any and all claims, lawsuits, losses and liability arising out of Contractor's failure to perform any of Contractor's duties and obligations hereunder or in connection with the negligent performance of Contractor's duties or obligations, including but not limited to any claims, lawsuits, losses or liability arising out of Contractor's malpractice.</p>

Commercial General Liability. Commercial General Liability Insurance covering bodily injury, death and property damage in a form and with coverages that are satisfactory to the State. This insurance shall include personal injury liability, products and completed operations. Coverage shall be written on an occurrence basis. Contractor shall provide proof of insurance of not less than the following amounts as determined by the Agency:

Bodily Injury/Death:

- \$(Agency to enter amount) Per occurrence limit for any single claimant: and
- \$500,000** Per occurrence limit for any number of claimants:

OR

Per occurrence limit for any single claimant:
 From commencement of the Contract term to June 30, 2010: \$1,500,000.
 July 1, 2010 to June 30, 2011: \$1,600,000.
 July 1, 2011 to June 30, 2012: \$1,700,000.
 July 1, 2012 to June 30, 2013: \$1,800,000.
 July 1, 2013 to June 30, 2014: \$1,900,000.
 July 1, 2014 to June 30, 2015: \$2,000,000.
 July 1, 2015 and thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).
Per occurrence limit for any number of claimants:
 From commencement of the Contract term to June 30, 2010: \$3,000,000.
 July 1, 2010 to June 30, 2011: \$3,200,000.
 July 1, 2011 to June 30, 2012: \$3,400,000.
 July 1, 2012 to June 30, 2013: \$3,600,000.
 July 1, 2013 to June 30, 2014: \$3,800,000.
 July 1, 2014 to June 30, 2015: \$4,000,000.
 July 1, 2015 and thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).

AND

Property Damage:

- \$(Agency to enter amount) Per occurrence limit for any single claimant: and
- \$500,000** Per occurrence limit for any number of claimants

OR

Per occurrence limit for any single claimant:
 From commencement of the Contract term to January 1, 2010: \$100,000.
 From January 1, 2010, and every year thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 5 (Senate Bill 311).
Per occurrence limit for any number of claimants:
 From commencement of the Contract term to January 1, 2010: \$500,000.
 From January 1, 2010, and every year thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 5 (Senate Bill 311).

iv. AUTOMOBILE LIABILITY INSURANCE: AUTOMOBILE LIABILITY.

- Required by Agency** **Not required by Agency.**

Automobile Liability. Automobile Liability Insurance covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for “Commercial General Liability” and “Automobile Liability”). Contractor shall provide proof of insurance of not less than the following amounts as determined by the Agency:

Bodily Injury/Death:

- \$1,500,000** Per occurrence limit for any single claimant; and
 \$3,000,000 Per occurrence limit for any number of claimants

OR

- Per occurrence limit for any single claimant:

From commencement of the Contract term to June 30, 2010:	\$1,500,000.
July 1, 2010 to June 30, 2011:	\$1,600,000.
July 1, 2011 to June 30, 2012:	\$1,700,000.
July 1, 2012 to June 30, 2013:	\$1,800,000.
July 1, 2013 to June 30, 2014:	\$1,900,000.
July 1, 2014 to June 30, 2015:	\$2,000,000.
July 1, 2015 and thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).	

Per occurrence limit for any number of claimants:

From commencement of the Contract term to June 30, 2010:	\$3,000,000.
July 1, 2010 to June 30, 2011:	\$3,200,000.
July 1, 2011 to June 30, 2012:	\$3,400,000.
July 1, 2012 to June 30, 2013:	\$3,600,000.
July 1, 2013 to June 30, 2014:	\$3,800,000.
July 1, 2014 to June 30, 2015:	\$4,000,000.
July 1, 2015 and thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).	

AND

Property Damage:

- \$(Agency to enter amount) Per occurrence limit for any single claimant; and
 \$100,000 Per occurrence limit for any number of claimants

OR

- Per occurrence limit for any single claimant:

From commencement of the Contract term to January 1, 2010:	\$100,000.
From January 1, 2010, and every year thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 5 (Senate Bill 311).	

Per occurrence limit for any number of claimants:

From commencement of the Contract term to January 1, 2010:	\$500,000.
From January 1, 2010, and every year thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 5 (Senate Bill 311).	

[Optional for Auto Liability if Contractor is transporting any commodity that could cause environmental damage, ranging from fuel oil to radioactive materials:]

AUTOMOBILE LIABILITY. Automobile Liability Insurance, including MCS-90 endorsement, with a combined single limit of no less than \$ [If applicable, contact DAS Risk

Management]or equal to the U.S. Department of Transportation requirements, whichever is greater. The policy shall insure against bodily injury, property damage, or environmental damage arising out of the use (including loading, transporting and unloading) by or on behalf of Contractor, its agents and employees of owned, non-owned or hired vehicles.]

[Optional – If Contractor is a subject employer, as defined in ORS 656.023 use the following provision:

v. EMPLOYERS' LIABILITY.

Required by Agency **Not required by Agency.**

If Contractor is a subject employer, as defined in ORS 656.023, Contractor shall obtain employers' liability insurance coverage. Contractor shall provide proof of insurance of not less than the following amounts as determined by the Agency:

\$(Agency to enter amount) Per occurrence limit for any single claimant; and
 \$(Agency to enter amount) Per occurrence limit for any number of claimants

OR

Per occurrence limit for any single claimant:

From commencement of the Contract term to June 30, 2010:	\$1,500,000.
July 1, 2010 to June 30, 2011:	\$1,600,000.
July 1, 2011 to June 30, 2012:	\$1,700,000.
July 1, 2012 to June 30, 2013:	\$1,800,000.
July 1, 2013 to June 30, 2014:	\$1,900,000.
July 1, 2014 to June 30, 2015:	\$2,000,000.
July 1, 2015 and thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).	

Per occurrence limit for any number of claimants:

From commencement of the Contract term to June 30, 2010:	\$3,000,000.
July 1, 2010 to June 30, 2011:	\$3,200,000.
July 1, 2011 to June 30, 2012:	\$3,400,000.
July 1, 2012 to June 30, 2013:	\$3,600,000.
July 1, 2013 to June 30, 2014:	\$3,800,000.
July 1, 2014 to June 30, 2015:	\$4,000,000.
July 1, 2015 and thereafter the adjusted limitation as determined by the State Court Administrator pursuant to Oregon Laws 2009, chapter 67, section 3 (Senate Bill 311).	

[Optional – use the following provision below if there is a possibility of sudden or accidental pollution:

vi. POLLUTION LIABILITY.

Required by Agency **Not required by Agency.**

Pollution Liability Insurance covering Contractor's liability for bodily injury, property damage and environmental damage resulting from either sudden or gradual accidental pollution and related cleanup costs incurred by Contractor, all arising out of the Goods delivered or Services (including transportation risk) performed under this Contract. Combined single limit per occurrence shall not be less than \$ [If applicable, contact DAS Risk Management]. Annual aggregate limit shall not be less than \$ [If applicable, contact DAS Risk Management].]

[Note: If applicable, contact DAS Risk Management] Other type of coverage may be available if, different coverage is advisable to address the risks associated with the purchase of Goods and Services under this contract. Consider whether any of the following insurance coverages may be necessary: Garagekeepers' Legal Liability, Aircraft Liability, Aircraft/Aerial Application Liability, Marine Protection and Indemnity, Employee Dishonesty and (when applicable) Money and Securities, Inland Marine Insurance.]

B. ADDITIONAL INSURED.

The Commercial General Liability insurance and Automobile Liability insurance required under this Contract shall include the State of Oregon, its officers, employees and agents as Additional Insureds but only with respect to Contractor's activities to be performed under this Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

C. "TAIL" COVERAGE.

If any of the required liability insurance is on a "claims made" basis, Contractor shall either maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of this Contract, for a minimum of 24 months following the later of (i) Contractor's completion and Agency's acceptance of all Services required under this Contract, or, (ii) The expiration of all warranty periods provided under this Contract. Notwithstanding the foregoing 24-month requirement, if Contractor elects to maintain "tail" coverage and if the maximum time period "tail" coverage reasonably available in the marketplace is less than the 24-month period described above, then Contractor shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace for the coverage required under this Contract. Contractor shall provide to Agency, upon Agency's request, certification of the coverage required under this section 4.C.

D. NOTICE OF CANCELLATION OR CHANGE.

There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without sixty (60) days' written notice from this Contractor or its insurer(s) to Agency. Any failure to comply with the reporting provisions of this clause shall constitute a material breach of Contract and shall be grounds for immediate termination of this Contract by Agency.

E. CERTIFICATE(S) OF INSURANCE.

Contractor shall provide to Agency Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) must specify all entities and individuals who are endorsed on the policy as Additional Insured (or Loss Payees). Contractor shall pay for all deductibles, self-insured retention and self-insurance, if any.