

PROPERTY SUPPORT GUIDELINES #6

TITLE: CONTRACTOR INSURANCE REQUIREMENTS

The congregation is the steward of the buildings it needs for its ministries. This stewardship is a necessary part of its overall ministry. The Book of Order G-10.0102o (see below) defines this responsibility of the session. To provide for the management of the property of the church, including determination of the appropriate use of church buildings and facilities, and to obtain property and liability insurance coverage to protect the facilities, programs, and officers, including member of the session, staff, board of trustees, and deacons.

THE PURPOSE OF THIS GUIDE

The purpose of this guide is to establish general guidelines for the church for insurance protection in its relationship to engaging outside individuals and/or contractors for service relating to maintenance, repairs and capital improvements to its facilities.

Injuries to persons including third parties and damage to property are matters of serious liability for any church, large or small, struggling or well-established. Such injuries or damage are not uncommon in connection with work done in connection with church facilities. Whenever the church hires or renews the contract of a contractor for the purpose(s) of construction, remodeling, installation or service of equipment of any kind, or purposes of maintenance or custodial work for their building or their grounds, the church should review with its insurance consultant/broker the coverage that they carry as the owner (the church) and that they should require of each contractor.

It is strongly recommended that all contractors, regardless of size, have insurance coverage. The church assumes responsibility and liability for uninsured employed contractors. A small contractor can cause a significant claim as well as a larger contractor, particularly if he carries no insurance at all.

CHURCH INSURANCE (general)

Book of Order G-10.0102o: "The session is responsible for the mission and government of the particular church. It therefore has the responsibility and power... to provide for the management of the property of the church, including determination of the appropriate use of church buildings and facilities, and to obtain property and liability insurance coverage to protect the facilities, programs, and officers, including member of the session, staff, board of trustees, and deacons.

CHURCH INSURANCE ((in connection with construction)

Since special contingencies may arise in connection with construction and the hiring of contractors to work in or on the building or grounds, the church should consult its insurance consultant/broker about coverage addressing these contingencies.

CONTRACTOR AND SUBCONTRACTOR INSURANCE

The church should procure from each contractor (have the contractor instruct its insurance company to transmit directly to the church and Presbytery) Certificates of Liability Insurance showing the contractor's insurance coverage and showing in the box labeled Certificate Holder (named Additional Insured) the names and addresses of the church and of the Presbytery. The SAMPLE FORM (see Guide #6A) is an industry standard. Again, consulting with the church's agent is important since

insurance requirements will vary depending on factors including, but not limited to the client, the contractor, the state in which work is being performed and the issuing insurance agency.

TYPES OF COVERAGE (REFER TO Sample Form Guide #6A)

General Liability: Generally, these policies have limits of liability that are in effect *per occurrence* rather than *per claim* (like a professional liability policy, for example). The limits of insurance required will vary as will any additional insured wording (see further notes below). The church should consult with its insurance agent regarding the differences in coverage for the church and cost to the contractor of these limits of liability.

Auto Liability: When auto liability coverage is required, the basic minimum required is generally *hired and non-owned auto coverage*. Again limits and additional insured wording may vary.

Excess Umbrella Liability: This policy generally provides excess limits over the limits of the general liability policy. Depending on the insurance company issuing the excess umbrella policy, limits can also apply over the limits of the auto and workers compensation policies as well.

Workers Compensation: Generally, the bare minimum limits accepted are the statutory limits required by the state. Statutory limits will vary state-to-state.

Additional Insured Wording (Certificate Holders: church and Presbytery of New York City): Some contracts may require additional insured status, usually with respect to general liability coverage. Sometimes, additional insured wording is requested with respect to general liability and automobile liability as well. Additional insured wording is not applicable to workers compensation or professional liability coverage's. Generally, the additional insured wording requirements are spelled out in a written contract between the client and the contractor.

THE BARE MINIMUM: To repeat: the church should discuss with its insurance consultant the kinds and amounts of coverage it should require of the contractor. In the absence of any other advice, the church should at least require policies for Worker Compensation (a state requirement) and for Commercial Liability in the amount of \$1,000,000 (one million dollars). These policies should be current, should not expire during the expected duration of their work or new certificates be received at the times of expiration and renewal, and should cover all workers issued to be employed by the contractor or its subcontractors for the work. Certificates should be issued to the church and to the Presbytery of New York City (see address below) as Certificate Holders by the contractor's insurance agent.

Address: Presbytery of New York City
475 Riverside Drive, Suite 1600
New York, NY 10115
Attn: Property Support Manager

SAMPLE

ACORD CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) / /
PRODUCER () -		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURERS AFFORDING COVERAGE		
INSURED		NAIC #
		INSURER A:
		INSURER B:
		INSURER C:
		INSURER D:
		INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR/ADD'L LTR/INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS								
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		/ /	/ /	EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$								
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		/ /	/ /	COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$								
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO		/ /	/ /	AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$								
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$		/ /	/ /	EACH OCCURRENCE \$ AGGREGATE \$ \$ \$								
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below		/ /	/ /	<table border="1"> <tr> <td>WC STATU-TORY LIMITS</td> <td>OTH-ER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$</td> </tr> </table>	WC STATU-TORY LIMITS	OTH-ER	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$
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E.L. DISEASE - EA EMPLOYEE	\$												
E.L. DISEASE - POLICY LIMIT	\$												
	OTHER		/ /	/ /									

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CERTIFICATE HOLDER

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CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

SAMPLE

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.