

INSURANCE REQUIREMENTS FOR FEDERAL CONTRACTORS

This document is provided to supply you with information regarding insurance requirements on Government contracts.

Please be advised that the “samples” are provided for your information only. The kinds and amounts of insurance required will be specified in each solicitation. It is possible for the solicitation to require something different; therefore, you will need to check each solicitation for the applicable insurance requirements.

See page 2, Sample No. 1

See page 3, Sample No. 2

The remainder of this document, pages 4 – 14, is extracted from the Federal Acquisition Regulations (FAR) and states insurance requirements that are effective as of 4/28/06.

You are highly encouraged to read this information and familiarize yourself with the FAR requirements. Likewise, it is important to understand the requirements of the solicitation prior to submitting your bid as these requirements may have an impact on your price. This is true for insurance as well as other requirements contained in and/or made a part of the solicitation.

Prepared by the NC Military Business Center
April 28, 2006

SAMPLE NO. 1

This is an example of the typical requirements in a Government solicitation:

INSURANCE REQUIREMENTS:

The following kinds and minimum amounts of insurance are required in accordance with FAR clause 52.228-5 entitled, "Insurance—Work on a Government Installation."

Workmen's compensation and amount required by the State in which this Occupational Disease Insurance contract is performed.

KIND	AMOUNT
Employer's Liability Insurance	\$100,000
Comprehensive General Liability Insurance for Bodily Injury	\$500,000 per occurrence
Comprehensive Automobile Liability	\$200,000
Injury and Damage	\$500,000 per occurrence for Bodily \$20,000 per occurrence for Property

(End of Clause)

CERTIFICATE OF INSURANCE REQUIRED

In accordance with the clause entitled "Insurance – Work on a Government Installation" (FAR 52.228-5), the Contractor shall furnish to the Contracting Officer, a certificate or written statement of insurance prior to commencement of work under the contract. The contract number shall be cited on the certificate. The information shall be updated annually."

SAMPLE NO. 2

This is an example of the typical requirements in a Government solicitation:

LIABILITY, AUTOMOBILE AND WORKMAN'S COMPENSATION INSURANCE

The contractor shall comply with provisions and requirements as contained herein:

Required Insurance (IAW FAR 28.306 (b): The contractor shall maintain insurance in the minimum amounts specified below and as required by FAR 52.228-05, Insurance – Work on a Government Installation”, at its own expense, procure and thereafter maintain the following kinds of insurance with respect to performance under this contract.

- a. **Workmen's Compensation and Employers Liability Insurance** as required by law except that if this contract is to be performed in a state which does not require or permit private insurance, then compliance with the statutory or administrative requirements in any such state will be satisfactory. The required Workmen's Compensation insurance shall extend to cover employer's liability for accidental bodily injury or death and for occupational disease with a minimum liability limit of \$100,000.
- b. **General Liability Insurance.** Bodily injury liability insurance, in the minimum limits of \$100,000 per person and \$500,000 per occurrence shall be required on the comprehensive form of the policy.
- c. **Automobile Liability Insurance.** This insurance shall be required on the comprehensive form of the policy and shall provide injury liability and property damage liability covering the operation of all automobiles used in connection with the performance of the contract. At least the minimum limits of \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage shall be required.

CERTIFICATE OF INSURANCE REQUIRED

In accordance with the clause entitled “Insurance – Work on a Government Installation” (FAR 52.228-5), the Contractor shall furnish to the Contracting Officer, a certificate or written statement of insurance prior to commencement of work under the contract. The contract number shall be cited on the certificate. The information shall be updated annually.”

Insurance Requirements for Federal Contractors

This is the text out of the Federal Acquisition Regulations (FAR) regarding insurance requirements for contractors as of 28 Apr 2006:

Subpart 28.3—Insurance

28.301 Policy

Contractors shall carry insurance under the following circumstances:

1. The Government requires any contractor subject to Cost Accounting Standard (CAS) 416 (48 CFR 9004.416 (Appendix, FAR loose leaf edition)) to obtain insurance, by purchase or self-coverage, for the perils to which the contractor is exposed, except when:
 - a. The Government, by providing in the contract in accordance with law, agrees to indemnify the contractor under specified circumstances; or
 - b. The contract specifically relieves the contractor of liability for loss of or damage to Government property.
2. The Government reserves the right to disapprove the purchase of any insurance coverage not in the Government's interest.
3. Allowability of the insurance program's cost shall be determined in accordance with the criteria in 31.205-19.
 - a. Contractors, whether or not their contracts are subject to CAS 416, are required by law and this regulation to provide insurance for certain types of perils (*e.g.*, workers' compensation). Insurance is mandatory also when commingling of property, type of operation, circumstances of ownership, or condition of the contract make it necessary for the protection of the Government. The minimum amounts of insurance required by this regulation (see 28.307-2) may be reduced when a contract is to be performed outside the United States and its outlying areas. When more than one agency is involved, the agency responsible for review and approval of a contractor's insurance program shall coordinate with other interested agencies before acting on significant insurance matters.
 - b. Contractors awarded non personal services contracts for health care services are required to maintain medical liability insurance and

indemnify the Government for liability producing acts or omissions by the contractor, its employees and agents (see 37.400).

28.302 Notice of cancellation or change.

When the Government requires the contractor to provide insurance coverage, the policies shall contain an endorsement that any cancellation or material change in the coverage adversely affecting the Government's interest shall not be effective unless the insurer or the contractor gives written notice of cancellation or change as required by the contracting officer. When the coverage is provided by self-insurance, the contractor shall not change or decrease the coverage without the administrative contracting officer's prior approval (see 28.308(c)).

28.303 Insurance against loss of or damage to Government property.

When the Government requires or approves insurance to cover loss of or damage to Government property (see 45.103, Responsibility and liability for Government property), it may be provided by specific insurance policies or by inclusion of the risks in the contractor's existing policies. The policies shall disclose the Government's interest in the property.

28.304 Risk-pooling arrangements.

Agencies may establish risk-pooling arrangements. These arrangements are designed to use the services of the insurance industry for safety engineering and the handling of claims at minimum cost to the Government. The agency responsible shall appoint a single manager or point of contact for each arrangement.

28.305 Overseas workers' compensation and war-hazard insurance.

1. "Public-work contract," as used in this subpart, means any contract for a fixed improvement or for any other project, fixed or not, for the public use of the United States or its allies, involving construction, alteration, removal, or repair, including projects or operations under service contracts and projects in connection with the national defense or with war activities, dredging, harbor improvements, dams, roadways, and housing, as well as preparatory and ancillary work in connection therewith at the site or on the project.
2. The Defense Base Act (42 U.S.C. 1651, *et seq.*) extends the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 901) to various classes of employees working outside the United States, including those engaged in performing:

- a. Public-work contracts; or
- b. Contracts approved or financed under the Foreign Assistance Act of 1961 (Pub. L. 87-195) other than:
 - Contracts approved or financed by the Development Loan Fund (unless the Secretary of Labor, acting upon the recommendation of a department or agency, determines that such contracts should be covered); or
 - Contracts exclusively for materials or supplies.
3. When the Defense Base Act applies (see 42 U.S.C. 1651, *et seq.*) to these employees, the benefits of the Longshoremen's and Harbor Workers' Compensation Act are extended through operation of the War Hazards Compensation Act (42 U.S.C. 1701, *et seq.*) to protect the employees against the risk of war hazards (injury, death, capture, or detention). When, by means of an insurance policy or a self-insurance program, the contractor provides the workers' compensation coverage required by the Defense Base Act, the contractor's employees automatically receive war-hazard risk protection.
4. When the agency head recommends a waiver to the Secretary of Labor, the Secretary may waive the applicability of the Defense Base Act to any contract, subcontract, work location, or classification of employees.
5. If the Defense Base Act is waived for some or all of the contractor's employees, the benefits of the War Hazards Compensation Act are automatically waived with respect to those employees for whom the Defense Base Act is waived. For those employees, the contractor shall provide workers' compensation coverage against the risk of work injury or death and assume liability toward the employees and their beneficiaries for war-hazard injury, death, capture, or detention. The contract shall provide either that the costs of this liability or the reasonable costs of insurance against this liability shall be allowed as a cost under the contract.

28.306 Insurance under fixed-price contracts.

1. **General.** Although the Government is not ordinarily concerned with the contractor's insurance coverage if the contract is a fixed-price contract, in special circumstances agencies may specify insurance requirements under fixed-price contracts. Examples of such circumstances include the following:

- a. The contractor is, or has a separate operation, engaged principally in Government work.
- b. Government property is involved.
- c. The work is to be performed on a Government installation.
- d. The Government elects to assume risks for which the contractor ordinarily obtains commercial insurance.

2. Work on a Government installation.

- a. When the clause at 52.228-5, Insurance—Work on a Government Installation, is required to be included in a fixed-price contract by 28.310, the coverage specified in 28.307 is the minimum insurance required and shall be included in the contract Schedule or elsewhere in the contract. The contracting officer may require additional coverage and higher limits.
- b. When the clause at 52.228-5, Insurance—Work on a Government Installation, is not required by 28.310 but is included because the contracting officer considers it to be in the Government's interest to do so, any of the types of insurance specified in 28.307 may be omitted or the limits may be lowered, if appropriate.

28.307 Insurance under cost-reimbursement contracts.

Cost-reimbursement contracts (and subcontracts, if the terms of the prime contract are extended to the subcontract) ordinarily require the types of insurance listed in 28.307-2, with the minimum amounts of liability indicated. (See 28.308 for self-insurance.)

28.307-1 Group insurance plans.

1. Prior approval requirement. Under cost-reimbursement contracts, before buying insurance under a group insurance plan, the contractor must submit the plan for approval, in accordance with agency regulations. Any change in benefits provided under an approved plan that can reasonably be expected to increase significantly the cost to the Government requires similar approval.
2. Premium refunds or credits. The plan shall provide for the Government to share in any premium refunds or credits paid or otherwise allowed to the contractor. In determining the extent of the Government's share in any premium refunds or credits, any special reserves and other refunds to which the contractor may be entitled in the future shall be taken into account.

28.307-2 Liability

1. **Workers' compensation and employer's liability.** Contractors are required to comply with applicable Federal and State workers' compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so commingled with a contractor's commercial operations that it would not be practical to require this coverage. Employer's liability coverage of at least \$100,000 shall be required, except in States with exclusive or monopolistic funds that do not permit workers' compensation to be written by private carriers. (See 28.305(c) for treatment of contracts subject to the Defense Base Act.)

2. **General liability.**
 - a. The contracting officer shall require bodily injury liability insurance coverage written on the comprehensive form of policy of at least \$500,000 per occurrence.
 - b. Property damage liability insurance shall be required only in special circumstances as determined by the agency.

3. **Automobile liability.** The contracting officer shall require automobile liability insurance written on the comprehensive form of policy. The policy shall provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performing the contract. Policies covering automobiles operated in the United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage. The amount of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

4. **Aircraft public and passenger liability.** When aircraft are used in connection with performing the contract, the contracting officer shall require aircraft public and passenger liability insurance. Coverage shall be at least \$200,000 per person and \$500,000 per occurrence for bodily injury, other than passenger liability, and \$200,000 per occurrence for property damage. Coverage for passenger liability bodily injury shall be at least \$200,000 multiplied by the number of seats or passengers, whichever is greater.

5. **Vessel liability.** When contract performance involves use of vessels, the contracting officer shall require, as determined by the agency, vessel collision liability and protection and indemnity liability insurance.

28.308 Self-insurance.

1. When it is anticipated that 50 percent or more of the self-insurance costs to be incurred at a segment of a contractor's business will be allocable to negotiated Government contracts, and the self-insurance costs at the segment for the contractor's fiscal year are expected to be \$200,000 or more, the contractor shall submit, in writing, information on its proposed self-insurance program to the administrative contracting officer and obtain that official's approval of the program. The submission shall be by segment or segments of the contractor's business to which the program applies and shall include:
 - a. A complete description of the program, including any resolution of the board of directors authorizing and adopting coverage, including types of risks, limits of coverage, assignments of safety and loss control, and legal service responsibilities;
 - b. If available, the corporate insurance manual and organization chart detailing fiscal responsibilities for insurance;
 - c. The terms regarding insurance coverage for any Government property;
 - d. The contractor's latest financial statements;
 - e. Any self-insurance feasibility studies or insurance market surveys reporting comparative alternatives;
 - f. Loss history, premiums history, and industry ratios;
 - g. A formula for establishing reserves, including percentage variations between losses paid and losses reserved;
 - h. Claims administration policy, practices, and procedures;
 - i. The method of calculating the projected average loss; and
 - j. A disclosure of all captive insurance company and reinsurance agreements, including methods of computing cost.
2. Programs of self-insurance covering a contractor's insurable risks, including the deductible portion of purchased insurance, may be approved when examination of a program indicates that its application is in the Government's interest. Agencies shall not approve a program of self-insurance for workers' compensation in a jurisdiction where workers' compensation does not completely cover the employer's liability to employees, unless the contractor:

- a. Maintains an approved program of self-insurance for any employer's liability not so covered; or
 - b. Shows that the combined cost to the Government of self-insurance for workers' compensation and commercial insurance for employer's liability will not exceed the cost of covering both kinds of risk by commercial insurance.
3. Once the administrative contracting officer has approved a program, the contractor must submit to that official for approval any major proposed changes to the program. Any program approval may be withdrawn if a contracting officer finds that either:
 - a. Any part of a program does not comply with the requirements of this subpart and/or the criteria at 31.205-19; or
 - b. Conditions or situations existing at the time of approval that were a basis for original approval of the program have changed to the extent that a program change is necessary.
4. To qualify for a self-insurance program, a contractor must demonstrate ability to sustain the potential losses involved. In making the determination, the contracting officer shall consider the following factors:
 - a. The soundness of the contractor's financial condition, including available lines of credit.
 - b. The geographic dispersion of assets, so that the potential of a single loss depleting all the assets is unlikely.
 - c. The history of previous losses, including frequency of occurrence and the financial impact of each loss.
 - d. The type and magnitude of risk, such as minor coverage for the deductible portion of purchased insurance or major coverage for hazardous risks.
 - e. The contractor's compliance with Federal and State laws and regulations.
5. Agencies shall not approve a program of self-insurance for catastrophic risks (*e.g.*, see 50.403, Special procedures for unusually hazardous or nuclear risks). Should performance of Government contracts create the risk of catastrophic losses, the Government may, to the extent authorized by law, agree to indemnify the contractor or recognize an appropriate share of premiums for purchased insurance, or both.

6. Self-insurance programs to protect a contractor against the costs of correcting its own defects in materials or workmanship shall not be approved. For these purposes, normal rework estimates and warranty costs will not be considered self-insurance.

28.309 Contract clauses for workers' compensation insurance.

1. The contracting officer shall insert the clause at 52.228-3, Workers' Compensation Insurance (Defense Base Act), in solicitations and contracts when the Defense Base Act applies (see 28.305) and—
 - a. The contract will be a public-work contract performed outside the United States; or
 - b. The contract will be approved or financed under the Foreign Assistance Act of 1961 (Pub. L. 87-195) and is not excluded by 28.305(b)(2).
2. The contracting officer shall insert the clause at 52.228-4, Worker's Compensation and War-Hazard Insurance Overseas, in solicitations and contracts when the contract will be a public-work contract performed outside the United States and the Secretary of Labor waives the applicability of the Defense Base Act (see 28.305(d)).

28.310 Contract clause for work on a Government installation.

1. Insert the clause at 52.228-5, Insurance—Work on a Government Installation, in solicitations and contracts if a fixed-price contract is contemplated, the contract amount is expected to exceed the simplified acquisition threshold, and the contract will require work on a Government installation, unless—
 - a. Only a small amount of work is required on the Government installation (e.g., a few brief visits per month); or
 - b. All work on the Government installation will be performed outside the United States and its outlying areas.
2. The contracting officer may insert the clause at 52.228-5 in solicitations and contracts described in paragraphs (a)(1) and (2) of this section if it is in the Government's interest to do so.

28.311 Solicitation provision and contract clause on liability insurance under cost-reimbursement contracts.

28.311-1 Contract clause.

In accordance with agency acquisition regulations, the contracting officer shall insert the clause at 52.228-7, Insurance—Liability to Third Persons, in solicitations and contracts, other than those for construction contracts and those for architect-engineer services, when a cost-reimbursement contract is contemplated.

28.311-2 Agency solicitation provisions and contract clauses.

Agencies may prescribe their own solicitation provisions and contract clauses to implement the basic policies contained in this Subpart 28.3.

28.312 Contract clause for insurance of leased motor vehicles.

The contracting officer shall insert the clause at 52.228-8, Liability and Insurance—Leased Motor Vehicles, in solicitations and contracts for the leasing of motor vehicles (see Subpart 8.11).

28.313 Contract clauses for insurance of transportation or transportation-related services.

1. The contracting officer shall insert the clause at 52.228-9, Cargo Insurance, in solicitations and contracts for transportation or for transportation-related services, except when freight is shipped under rates subject to released or declared value.
2. The contracting officer shall insert a clause substantially the same as that at 52.228-10, Vehicular and General Public Liability Insurance, in solicitations and contracts for transportation or for transportation-related services when the contracting officer determines that vehicular liability or general public liability insurance required by law is not sufficient.

52.228-5 Insurance—Work on a Government Installation.

As prescribed in 28.310, insert the following clause:

INSURANCE—WORK ON A GOVERNMENT INSTALLATION (JAN 1997)

1. The Contractor shall, at its own expense, provide and maintain during the entire performance of this contract, at least the kinds and minimum amounts of insurance required in the Schedule or elsewhere in the contract.
2. Before commencing work under this contract, the Contractor shall notify the Contracting Officer in writing that the required insurance has been obtained. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or any material change adversely affecting the Government's interest shall not be effective:
 - a. For such period as the laws of the State in which this contract is to be performed prescribe; or
 - b. Until 30 days after the insurer or the Contractor gives written notice to the Contracting Officer, whichever period is longer.
3. The Contractor shall insert the substance of this clause, including this paragraph (c), in subcontracts under this contract that require work on a Government installation and shall require subcontractors to provide and maintain the insurance required in the Schedule or elsewhere in the contract. The Contractor shall maintain a copy of all subcontractors' proofs of required insurance, and shall make copies available to the Contracting Officer upon request.

(End of clause)

52.228-6 [Reserved]

52.228-7 Insurance—Liability to Third Persons.

As prescribed in 28.311-1, insert the following clause:

INSURANCE—LIABILITY TO THIRD PERSONS (MAR 1996)

- a.
 1. Except as provided in paragraph (a)(2) of this clause, the Contractor shall provide and maintain workers' compensation, employer's liability, comprehensive general liability (bodily injury), comprehensive automobile liability (bodily injury and property damage) insurance, and such other insurance as the Contracting Officer may require under this contract.
 2. The Contractor may, with the approval of the Contracting Officer, maintain a self-insurance program, provided that, with respect to

workers' compensation, the Contractor is qualified pursuant to statutory authority.

3. All insurance required by this paragraph shall be in a form and amount and for those periods as the Contracting Officer may require or approve and with insurers approved by the Contracting Officer.
- b. The Contractor agrees to submit for the Contracting Officer's approval, to the extent and in the manner required by the Contracting Officer, any other insurance that is maintained by the Contractor in connection with the performance of this contract and for which the Contractor seeks reimbursement.
 - c. The Contractor shall be reimbursed:
 - I. For that portion:
 - Of the reasonable cost of insurance allocable to this contract;
 - Required or approved under this clause; and
 - II. For certain liabilities (and expenses incidental to such liabilities) to third persons not compensated by insurance or otherwise without regard to and as an exception to the limitation of cost or the limitation of funds clause of this contract. These liabilities must arise out of the performance of this contract, whether or not caused by the negligence of the Contractor or of the Contractor's agents, servants, or employees, and must be represented by final judgments or settlements approved in writing by the Government. These liabilities are for:
 - Loss of or damage to property (other than property owned, occupied, or used by the Contractor, rented to the Contractor, or in the care, custody, or control of the Contractor); or
 - Death or bodily injury.
 - d. The Government's liability under paragraph (c) of this clause is subject to the availability of appropriated funds at the time a contingency occurs. Nothing in this contract shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies.
 - e. The Contractor shall not be reimbursed for liabilities (and expenses incidental to such liabilities):

- I. For which the Contractor is otherwise responsible under the express terms of any clause specified in the Schedule or elsewhere in the contract;
 - II. For which the Contractor has failed to insure or to maintain insurance as required by the Contracting Officer; or
 - III. That result from willful misconduct or lack of good faith on the part of any of the Contractor's directors, officers, managers, superintendents, or other representatives who have supervision or direction of:
 - All or substantially all of the Contractor's business;
 - All or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed; or
 - A separate and complete major industrial operation in connection with the performance of this contract.
- f. The provisions of paragraph (e) of this clause shall not restrict the right of the Contractor to be reimbursed for the cost of insurance maintained by the Contractor in connection with the performance of this contract, other than insurance required in accordance with this clause; *provided*, that such cost is allowable under the Allowable Cost and Payment clause of this contract.
- g. If any suit or action is filed or any claim is made against the Contractor, the cost and expense of which may be reimbursable to the Contractor under this contract, and the risk of which is then uninsured or is insured for less than the amount claimed, the Contractor shall:
- I. Immediately notify the Contracting Officer and promptly furnish copies of all pertinent papers received;
 - II. Authorize Government representatives to collaborate with counsel for the insurance carrier in settling or defending the claim when the amount of the liability claimed exceeds the amount of coverage; and
 - III. Authorize Government representatives to settle or defend the claim and to represent the Contractor in or to take charge of any litigation, if required by the Government, when the liability is not insured or covered by bond. The Contractor may, at its own expense, be associated with the Government representatives in any such claim or litigation.

(End of clause)

52.228-8 Liability and Insurance—Leased Motor Vehicles.

As prescribed in 28.312, insert the following clause:

LIABILITY AND INSURANCE—LEASED MOTOR VEHICLES (MAY 1999)

- a. The Government shall be responsible for loss of or damage to—
 - I. Leased vehicles, except for:
 - Normal wear and tear; and
 - Loss or damage caused by the negligence of the Contractor, its agents, or employees; and
 - Property of third persons, or the injury or death of third persons, if the Government is liable for such loss, damage, injury, or death under the Federal Tort Claims Act (28 U.S.C. 2671-2680).
- b. The Contractor shall be liable for, and shall indemnify and hold harmless the Government against, all actions or claims for loss of or damage to property or the injury or death of persons, resulting from the fault, negligence, or wrongful act or omission of the Contractor, its agents, or employees.
- c. The Contractor shall provide and maintain insurance covering its liabilities under paragraph (b) of this clause, in amounts of at least \$200,000 per person and \$500,000 per occurrence for death or bodily injury and \$20,000 per occurrence for property damage or loss.
- d. Before commencing work under this contract, the Contractor shall notify the Contracting Officer in writing that the required insurance has been obtained. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or any material change adversely affecting the interests of the Government shall not be effective (1) for such period as the laws of the State in which this contract is to be performed prescribe or (2) until 30 days after written notice to the Contracting Officer, whichever period is longer. The policies shall exclude any claim by the insurer for subrogation against the Government by reason of any payment under the policies.

- e. The contract price shall not include any costs for insurance or contingency to cover losses, damage, injury, or death for which the Government is responsible under paragraph (a) of this clause.

(End of clause)

52.228-9 Cargo Insurance.

As prescribed in 28.313(a), insert the following clause:

CARGO INSURANCE (MAY 1999)

- a. The Contractor, at the Contractor's expense, shall provide and maintain, during the continuance of this contract, cargo insurance of \$_____ per vehicle to cover the value of property on each vehicle and of \$_____ to cover the total value of the property in the shipment.
- b. All insurance shall be written on companies acceptable to _____ [*insert name of contracting agency*], and policies shall include such terms and conditions as required by _____ [*insert name of contracting agency*]. The Contractor shall provide evidence of acceptable cargo insurance to _____ [*insert name of contracting agency*] before commencing operations under this contract.
- c. Each cargo insurance policy shall include the following statement:

"It is a condition of this policy that the Company shall furnish:

- I. *Written notice to _____ [insert name and address of contracting agency], 30 days in advance of the effective date of any reduction in, or cancellation of, this policy; and*
- II. *Evidence of any renewal policy to the address specified in paragraph (1) of this statement, not less than 15 days prior to the expiration of any current policy on file with _____ [insert name of contracting agency]."*

(End of clause)

52.228-10 Vehicular and General Public Liability Insurance.

As prescribed in 28.313(b), insert a clause substantially the same as the following in solicitations and contracts for transportation or for transportation-related services when the contracting officer determines that vehicular liability or general public liability insurance required by law is not sufficient:

VEHICULAR AND GENERAL PUBLIC LIABILITY INSURANCE (APR 1984)

- a. The Contractor, at the Contractor's expense, agrees to maintain, during the continuance of this contract, vehicular liability and general public liability insurance with limits of liability for:
 - I. Bodily injury of not less than \$_____ for each person and \$_____ for each occurrence; and
 - II. Property damage of not less than \$_____ for each accident and \$_____ in the aggregate.

- b. The Contractor also agrees to maintain workers' compensation and other legally required insurance with respect to the Contractor's own employees and agents.

(End of clause)