

# Insurance Requirements

## Outdoor Business Facility License Agreement

As part of the consideration of this Outdoor Business Facility License Agreement, Licensee shall procure and maintain, for the duration of the license period, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the installation, possession, occupancy, operation, or use of, and/or obstruction by the Outdoor Business Facility by the Licensee, their guests, agents, representatives, employees, or subcontractors.

### MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

- A. **Commercial General Liability (CGL)**: Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, property damage, bodily injury, and personal & advertising injury with limits no less than One Million Dollars (\$1,000,000) per occurrence. If a general aggregate limit applies, either the aggregate limit shall apply separately to this project or location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
- B. **Workers' Compensation**: As required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limits no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

If the Licensee maintains higher coverage limits than the amounts shown above, then the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Licensee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

### ***Liquor Liability***

If Licensee will be supplying alcoholic beverages, the CGL policy shall include host liquor liability coverage. If Licensee is using a caterer or other vendor to supply alcohol that vendor must have liquor liability coverage. If Licensee intends to sell alcohol either the Licensee or vendor providing the alcohol for sale must have a valid liquor sales license and liquor liability insurance covering the sale of alcohol.

### ***Self-Insured Retentions***

Self-insured retentions (SIR) must be declared to and approved by the City. The City may require the Licensee to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the SIR may be satisfied by either the named insured or City. Any and all deductibles and SIRs shall be the sole responsibility of Licensee or subcontractor who procured such insurance and shall not apply to the Indemnified

Additional Insured Parties. The City may deduct from any amounts otherwise due Licensee to fund the SIR/deductible. Policies shall NOT contain any SIR provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

## **OTHER INSURANCE PROVISIONS**

Each insurance policy shall contain, or be endorsed to contain, the following provisions:

### ***Additional Insured Status***

The City of Santa Barbara, its officers, officials, employees, volunteers, and agents, shall be covered as additional insureds on the CGL policy with respect to liability arising out of the installation and ongoing operation of the Outdoor Business Facility performed by or on behalf of the Licensee including materials, parts, or equipment furnished in connection with such work or operations. Additional Insured coverage shall be provided in the form of an endorsement to the Licensee's insurance (at least as broad as Insurance Services Office Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later edition is used). A copy of the endorsement evidencing that the City of Santa Barbara has been added as an additional insured on the policy, must be attached to the certificate of insurance.

### ***Primary Coverage***

For any claims related to this contract, the Licensee's insurance coverage shall be primary and non-contributory at least as broad as Insurance Services Office Form CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Licensee's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

### ***Notice of Cancellation***

Each insurance policy required above shall provide that coverage shall not be cancelled or subject to reduction without written notice provided to the City Clerk, addressed to P.O. Box 1990, Santa Barbara, California 93102-1990.

### ***Waiver of Subrogation***

Licensee hereby grants to the City a waiver of any right to subrogation which any insurer of Licensee may acquire against the City by virtue of the payment of any loss under such insurance. Licensee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Licensee, its employees, agents, and subcontractors.

### ***Umbrella or Excess Policy***

The Licensee may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying CGL insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Licensee's primary and excess liability policies are exhausted.

### ***Verification of Coverage***

Licensee shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Licensee's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. The City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

### ***Maintenance/Licensee Improvements***

Licensee shall require and verify that all contractors hired by the Licensee maintain CGL with limits no less than One Million Dollars (\$1,000,000) per occurrence and comply with the insurance requirements stated herein for all installation, maintenance, repair, and Licensee improvements performed on the Outside Business Facility. Licensee shall ensure that the City is an additional insured on insurance required from hired contractors.

### ***Special Risks or Circumstances***

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

### ***Coverage Limits Specifications***

Approval of the insurance by City or acceptance of the certificate of insurance by City shall not relieve or decrease the extent to which the Licensee may be held responsible for payment of damages resulting from Licensee's services or operation pursuant to this Agreement, nor shall it be deemed a waiver of City's rights to insurance coverage hereunder.

If, for any reason, Licensee fails to maintain insurance coverage which is required pursuant to this Agreement, the same shall be deemed a material breach of contract. City, at its sole option, may terminate this Agreement and obtain damages from the Licensee resulting from said breach. Alternately, City may purchase such required insurance coverage, and without further notice to Licensee, City may deduct from sums due to Licensee any premium costs advanced by City for such insurance.