

Independent Contractor Insurance Requirements
Sample provided by Paul Hanson Partners Specialty Insurance Solutions
This document should be reviewed with your broker and attorney and
modifications for your particular risk management needs must be made

INSURANCE: CONTRACTOR shall at his expense, obtain and maintain the following insurance covering all operations and transportation services to be provided under this Independent Contractor's Agreement. These policies will not be qualified as acceptable or in compliance with these requirements unless the insurance company issuing the policies containing all provisions noted below is rated by Best's as A- or higher and has an adjusted policyholder's surplus of \$20,000,000 or higher. Copies of all policies, certified to be true and complete by an insurance company employee, must be sent to and kept on file with the Finance Department COMPANY. If acceptable evidence of insurance as outlined below is not provided to COMPANY within thirty (30) days of effective date, COMPANY will procure the required coverage and collect the applicable premiums through deduction from the CONTRACTOR statement account and remit to the insurance carrier from which such coverage was obtained:

A. Workers' Compensation Insurance/Employer's Liability

Workers' Compensation Insurance shall be provided as required by state law or by any other applicable Workers' Compensation law or regulation and shall cover, in accordance with the law, injury sustained by or benefits due the CONTRACTOR and CONTRACTOR'S employees. Employer's Liability insurance shall be provided in an amount not less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 policy limit for bodily injury by disease, and \$1,000,000 each employee for bodily injury by disease. COMPANY must be granted 30 days' notice of cancellation or nonrenewal; such notice is to be sent to COMPANY ADDRESS. Coverage for all employees must be provided in all states, in addition to providing the statutory coverage of the CONTRACTOR'S state of domicile. All coverage will be endorsed to reflect that coverage applies to the independent owner/operator (sole proprietor) in addition to his employees (including casual labor). Policy will be endorsed with Alternate Employer Endorsement naming COMPANY.

(You may consider allowing the contractor exclude coverage on himself and procure occupational accident coverage, this should not be allowed for helpers, co drivers, casuals or fleet drivers, however) In the event you make this business decision then the above paragraph can be modified to:

A. Workers' Compensation Insurance/Employer's Liability

Workers' Compensation Insurance shall be provided as required by state law or by any other applicable Workers' Compensation law or regulation and shall cover, in accordance with the law, injury sustained by or benefits due the CONTRACTOR'S employees. Employer's Liability insurance shall be provided in an amount not less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 policy limit for bodily injury by disease, and \$1,000,000 each employee for bodily injury by disease. COMPANY must be granted 30 days' notice of cancellation or nonrenewal; such notice is to be sent to COMPANY ADDRESS. Coverage for all employees must be provided in all states, in addition to providing the statutory coverage of the CONTRACTOR'S state of domicile. All coverage will be endorsed to reflect that coverage applies employees of the CONTRACTOR (sole proprietor) in addition to his employees (including casual labor). Policy will be endorsed with Alternate Employer Endorsement naming COMPANY. Should the contractor elect to exclude himself for coverage under any applicable and allowable state statute for sole proprietors, partners, or corporate officers CONTRACTOR will procure occupational accident coverage for himself with a minimum limit of \$1,000,000 Medical, \$450 per week TTD and TD and \$250,000 death benefit.

B. Auto Liability Insurance

Such insurance shall include coverage for bodily injury and property damage, liability and auto contractual liability covering all motor vehicles and trailers or semi-trailers (including company's trailers or semi-trailers) used or operated by or for the CONTRACTOR under this Independent CONTRACTOR'S Agreement.

The limit of liability shall not be less than \$1,000,000 each accident for bodily injury and property damage combined for intrastate operations and \$1,000,000 each accident for bodily injury and property damage combined for interstate operations. Policies must contain no mileage limitations to any vehicles insured and must provide "fleet automatic" coverage. Uninsured motorist coverage equal to the minimum requirements of the CONTRACTOR'S state of domicile must be carried. All no-fault coverages required of the CONTRACTOR'S state of

domicile, including but not limited to Personal Injury Protection (PIP) and Personal Property insurance (PPI), must be carried.

Additional Insured: Company, its officers and employees shall be named as additional insured under CONTRACTOR'S Auto Liability insurance policy; such coverage must apply to all operations of the CONTRACTOR , including situations where the CONTRACTOR is hauling under the operating authority of COMPANY. Such notice is to be sent to COMPANY ADDRESS.

Notice of Cancellation: COMPANY must be granted 30 days' notice of cancellation or non-renewal, such notice is to be sent to COMPANY ADDRESS.

C. Trailer Interchange Coverage

Trailer Interchange Coverage providing physical damage coverage for Company's trailers or semi-trailers shall be provided for a limit not less than \$17,500.

Additional Insured: Company, its officers and employees shall be named as additional insured under CONTRACTOR'S Auto Physical insurance policy; such coverage must apply to all operations of the CONTRACTOR, including situations where the CONTRACTOR is hauling under the operating authority of COMPANY. Such notice is to be sent to COMPANY ADDRESS.

Notice of Cancellation: COMPANY must be granted 30 days' notice of cancellation or non-renewal, such notice is to be sent to COMPANY ADDRESS.

D. Cargo Liability Insurance

Cargo insurance shall be provided in an amount no less than \$50,000 each truck or each shipment.

Additional Insured: Company, its officers and employees shall be named as additional insured under CONTRACTOR'S Cargo liability insurance policy; such coverage must apply to all operations of the CONTRACTOR , including situations where the CONTRACTOR is hauling under the operating authority of COMPANY. Such notice is to be sent COMPANY ADDRESS.

Notice of Cancellation: COMPANY must be granted 30 days' notice of cancellation or non-renewal, such notice is to be sent to COMPANY ADDRESS.

E. General Liability Insurance

CONTRACTOR shall carry General Liability insurance including coverage for:

1. Premises and Operations
2. Products and Completed Operations
3. Contractual Liability insuring the obligations assumed by Contractor in this Agreement.

The Limit of Liability: shall not be less than a combined single limit for bodily injury and property damage of :

\$1,000,000 each occurrence

\$1,000,000 aggregate

Additional Insured: Company, its officers and employees shall be named as additional insured under Contractor's General liability insurance policy; such coverage must apply to all operations of the Contractor, including situations where the Contractor COMPANY ADDRESS.

Notice of Cancellation: COMPANY must be granted 30 days' notice of cancellation or non-renewal, such notice is to be sent COMPANY ADDRESS.

F. Off-dispatch/Non trucking Liability (Bobtail)

CONTRACTOR shall carry a minimum limit of \$1,000,000 CSL for off-dispatch/Non trucking Liability (Bobtail). Uninsured motorist coverage equal to the minimum requirements of the driver's state of jurisdiction must be carried. All no fault coverages required of the driver's state of jurisdiction, including but not limited to Personal Injury Protection (PIP) and Personal Property Insurance (PPI), must be carried.

Additional Insured: Company, its officers and employees shall be named as additional insured under CONTRACTOR 'S off-dispatch/Non trucking liability insurance policy; such coverage must apply to all operations of the CONTRACTOR, including situations where the CONTRACTOR is hauling under the operating authority of COMPANY. Such notice is to be sent COMPANY.

Notice of Cancellation: COMPANY must be granted 30 days' notice of cancellation or non-renewal, such notice is to be sent COMPANY ADDRESS.

Contractor Signature

Printed Name

Date