PROFESSIONAL/TECHNICAL CONTRACTS
GENERAL INSURANCE REQUIREMENTS

[All contracts require insurance. The insurance requirements below generally represent the
minimums. Depending upon the type of work and the risk involved, other types of insurance may be
necessary (e.g. – cyber insurance). Contact the Department of Administration’s Risk Management
Office, 651-201-2591, with any questions you may have.]

Insurance Requirements

A. Contractor shall not commence work under the contract until they have obtained all the insurance
described below and the State of Minnesota has approved such insurance. Contractor shall
maintain such insurance in force and effect throughout the term of the contract.

B. Contractor is required to maintain and furnish satisfactory evidence of the following insurance
policies:

1. **Workers’ Compensation Insurance:** Except as provided below, Contractor must provide
Workers’ Compensation insurance for all its employees and, in case any work is
subcontracted, Contractor will require the subcontractor to provide Workers’ Compensation
insurance in accordance with the statutory requirements of the State of Minnesota, including
Coverage B, Employer’s Liability. Insurance minimum limits are as follows:

   - $100,000 – Bodily Injury by Disease per employee
   - $500,000 – Bodily Injury by Disease aggregate
   - $100,000 – Bodily Injury by Accident

   If Minnesota Statute 176.041 exempts Contractor from Workers’ Compensation insurance or
   if the Contractor has no employees in the State of Minnesota, Contractor must provide a
   written statement, signed by an authorized representative, indicating the qualifying exemption
   that excludes Contractor from the Minnesota Workers’ Compensation requirements.

   If during the course of the contract the Contractor becomes eligible for Workers’
   Compensation, the Contractor must comply with the Workers’ Compensation Insurance
   requirements herein and provide the State of Minnesota with a certificate of insurance.

2. **Commercial General Liability Insurance:** Contractor is required to maintain insurance
protecting it from claims for damages for bodily injury, including sickness or disease, death,
and for care and loss of services as well as from claims for property damage, including loss of
use which may arise from operations under the Contract whether the operations are by the
Contractor or by a subcontractor or by anyone directly or indirectly employed by the
Contractor under the contract. Insurance minimum limits are as follows:

   - $2,000,000 – per occurrence
   - $2,000,000 – annual aggregate
   - $2,000,000 – annual aggregate – Products/Completed Operations

   The following coverages shall be included:

   Premises and Operations Bodily Injury and Property Damage
   Personal and Advertising Injury
Blanket Contractual Liability
Products and Completed Operations Liability
Other; if applicable, please list
State of Minnesota named as an Additional Insured, to the extent permitted by law

3. **Commercial Automobile Liability Insurance:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the contractor will require the subcontractor to maintain Commercial Automobile Liability insurance. Insurance **minimum** limits are as follows:

$2,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

Owned, Hired, and Non-owned Automobile

4. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance**

   **NOTE TO AGENCIES:** Your agency will need to determine whether to include or exclude provision B. 4. based on the nature of the contract. A professional is someone who possesses expertise on a certain subject and performs work for the state related to that expertise, such as design work. Service and maintenance work are typically not considered professional work even though they may entail some level of expertise. If professional work will not be performed, remove provision B.4. and also amend the fifth bullet in the Additional Insurance Conditions to read: “Include legal defense fees in addition to its liability policy limits.” For assistance with determining if provision B. 4. should be included or excluded, please contact the Department of Administration’s Risk Management Office at (651) 201-2591.

This policy will provide coverage for all claims the contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor’s professional services required under the contract.

Contractor is required to carry the following **minimum** limits:

$2,000,000 – per claim or event  
$2,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed $50,000 without the written approval of the State. If the Contractor desires authority from the State to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that the State can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract and Contractor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If such insurance is discontinued, extended reporting period coverage must be obtained by Contractor to fulfill this requirement.
C. Additional Insurance Conditions:

- Contractor’s policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Contractor’s performance under this contract;

- If Contractor receives a cancellation notice from an insurance carrier affording coverage herein, Contractor agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless Contractor’s policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota;

- Contractor is responsible for payment of Contract related insurance premiums and deductibles;

- If Contractor is self-insured, a Certificate of Self-Insurance must be attached;

- Contractor’s policy(ies) shall include legal defense fees in addition to its liability policy limits, with the exception of B.4 above;

- Contractor shall obtain insurance policy(ies) from insurance company(ies) having an “AM BEST” rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and

- An Umbrella or Excess Liability insurance policy may be used to supplement the Contractor’s policy limits to satisfy the full policy limits required by the Contract.

D. The State reserves the right to immediately terminate the contract if the contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State’s authorized representative upon written request.

E. The successful responder is required to submit Certificates of Insurance acceptable to the State of MN as evidence of insurance coverage requirements prior to commencing work under the contract.