



POLICY

SUBJECT: Contractor Insurance Requirements

POLICY: It shall be the policy of the Cooperative to require consultants, contractors or other third-parties that the Cooperative may retain for any purpose, to provide proof of required insurance in an amount and under terms acceptable to the Cooperative. The Cooperative shall include the requirements of such insurance in the purchase order issued to contractors.

For projects financed or guaranteed, in whole or in part, by the U.S. Department of Agriculture (USDA) Rural Utilities Service¹ (RUS), contracts with contractors shall contain the following provisions, which satisfy or exceed 7 CFR Part 1788, Subpart B:

- A. Contractors shall be required to take out and maintain throughout the period of the agreement insurance of the following minimum types and amounts:
 1. Worker's compensation and employer's liability insurance as required by law;
 2. Public liability insurance with limits of not less than \$1 million each occurrence and \$1 million aggregate.
 3. Automobile liability insurance on a motor vehicle used in connection with the agreement, with limits of not less than \$1 million per person and \$1 million each occurrence, and property damage of \$1 million for each occurrence.

- B. The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to the Cooperative. The contractor shall furnish the Cooperative a certificate evidencing compliance with the foregoing requirements and shall provide not less than 30 days prior written notice to the Cooperative of any cancellation or material change in the insurance. The Cooperative shall be named as an additional insured on all policies required above.

¹ Projects financed or guaranteed by the RUS are those projects included on a duly completed and approved RUS Form 219, Inventory of Work Orders, which makes the projects subject to RUS-administered loan draw-down.



- C. Agreements with attorneys, architects and engineers shall have Errors and Omissions (Professional Liability) Insurance in an amount at least as large as the value of the services being provided, but in no case less than \$1,000,000.

When the goods or services provided to the Cooperative by consultants, contractors or other third-parties is not financed or guaranteed, in whole or in part, by the USDA RUS, the amounts and terms of required insurance shall reflect the size and complexity of the project, and the attendant risks. However, in no case shall the amount of liability insurance be less than the value of the services being provided, or \$500,000, whichever is more.

The Cooperative, with the assistance of the Cooperative's attorney, shall periodically review the type and amount of insurance that the Cooperative requires for contracts and shall revise such terms and conditions accordingly.

PROCEDURE: The CEO/General Manager and the Cooperative attorney shall periodically review the Cooperative's required insurance coverages for contractors and advise the Board of any recommended changes. The CEO/General Manager shall ensure that such insurance requirements are included in purchase orders issued to contractors.

RESPONSIBILITY: The Board of Directors, Attorney and CEO/General Manager

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors	Mar 30, 1961
Reviewed by Board of Directors	Jul 21, 1971
Reviewed by Board of Directors	Oct 24, 1989
Revised by Board of Directors	Aug 22, 1995
Revised by Board of Directors	Jun 26, 2012
Reviewed by Board of Directors	Jun 23, 2015
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Revised by Board of Directors	Nov 27, 2018
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