



COUNTY OF SAN DIEGO CONTRACT INSURANCE REQUIREMENTS



COMMON INSURANCE REQUIREMENTS

Insurance requirements are established for each contract to ensure both the County and contractor are adequately protected. While actual requirements may vary, the County’s standard and common additional coverages are as follows:

INSURANCE TYPE		REQUIREMENT	DESCRIPTION
STANDARD COVERAGE	Commercial General Liability	\$2M/\$4M	The policy provides protection if you, your employees, or your products or services cause or are alleged to have caused Bodily Injury or Property Damage to a third party.
	Commercial Auto Liability	\$1M	Commercial auto insurance provides protection for all owned, non-owned, and hired autos. You can protect vehicles that carry employees, products, or equipment. If you do not have company owned vehicles but employees drive their own cars on company business you should have non-owned auto liability to protect in case the employee does not have insurance or has inadequate coverage.
	Workers Compensation	\$1M with Waiver of Subrogation	Worker's compensation provides insurance for employees who are injured on the job. California law requires you to have workers compensation if you have W2 employees. This type of insurance provides wage replacement and medical benefits to those who are injured while working. In exchange for these benefits, the employee gives up his rights to sue his employer for the incident.
COMMON ADDITIONAL COVERAGES	Professional Liability	\$2M/\$4M	This type of insurance is also known as Errors and Omissions Insurance. The policy provides protection for failure to or improperly rendering professional services. Your general liability policy does not provide this protection, so it is important to understand the difference. Professional liability insurance is applicable to any professional service provided by, but not limited to, consultants, mental health providers, counselors, and hair salons to name a few.
	Cyber/Info Security Liability	\$2M/\$2M	If the business stores sensitive or non-public information about employees or clients on their computers, servers, or in paper files they are responsible for protecting that information. If a breach occurs either electronically or from a paper file a Data Breach policy will provide protection against the loss.
	Sexual Abuse or Misconduct	\$1M/\$2M	The policy is designed to provide protection against allegations of sexual misconduct and molestation.

COMMERCIAL INSURANCE RATES

All carriers have different rates and rating factors. It is important to obtain multiple quotes from agents specializing in commercial or business insurance (your personal insurance agent may not be able to offer all types of coverage needed or competitive rates).

Common Commercial Rating Factors:

- Years in business
- Type of operations
- Annual revenue/sales
- Loss history
- Amount of coverage being requested
- Safety measures in place
- Lapses in coverage
- Experience in the field coverage is being requested
- Current and prior financial state
- Location

- A proportional share of the cost of insurance should be allocated to the County and reflected in your bid or proposed price.
- Local resources are available to small businesses at no cost to help navigate the public procurement process and understand insurance requirements:
 - **Procurement Technical Assistance Center (PTAC):** <http://www.ptac-sandiego.org/>
 - **Small Business Development Center (SBDC):** <https://www.sdivsbdc.org/>
- For questions regarding the County’s insurance requirements, please contact the Department of Purchasing and Contracting at cosd_procurement@sdcounty.ca.gov or (858) 505-6367.