

### **3.4.1-12 Insurance** (February 2003)

(a) During the term of this contract and any extension, the contractor shall maintain at its own expense the insurance required by this clause. Insurance companies shall be acceptable to the Transportation Security Administration. Policies that apply to covered contract work shall include all terms and provisions required by the Transportation Security Administration.

(b) The contractor shall maintain and furnish evidence of the following insurance, with the stated minimum limits:

(1) Worker's Compensation and Employer's Liability. The contractor shall comply with applicable Federal and State workers' compensation and occupational disease statutes. The contractor shall maintain employer's liability coverage of at least \$100,000, except in States with exclusive or monopolistic funds that do not permit worker's compensation to be written by private carriers.

(2) General Liability. The contractor shall maintain bodily injury general liability insurance written on a comprehensive form of policy of at least \$100,000\* per person and \$500,000\* per occurrence. Property damage limits, if any, will be set forth elsewhere in the "Schedule."

(3) Automobile Liability. For automobiles used in connection with performance of this contract, the contractor shall maintain automobile liability insurance written on a comprehensive form of policy with coverage of at least \$200,000\* per person and \$500,000\* per occurrence for bodily injury and \$20,000\* per occurrence for property damage, unless higher limits are required by airport management and state law.

(4) Aircraft Liability. If aircraft will be used in connection with performance of this contract, the contractor shall maintain aircraft public and passenger liability insurance with coverage of at least \$200,000\* per person and \$500,000\* per occurrence for bodily injury other than passenger liability, and \$200,000\* per occurrence for property damage. Coverage for passenger liability bodily injury shall be at least \$200,000\* multiplied by the number of seats or passengers, whichever is greater.

(5) Watercraft Liability. When watercraft will be used in connection with performing the contract, the contractor shall provide watercraft liability insurance. Limits shall be at least \$1,000,000\* per occurrence. The policy shall include coverage for owned, non-owned and hired watercraft.

(6) Environmental Impairment Liability. When the contract involves hazardous wastes, the contractor shall provide environmental impairment liability insurance with coverage of at least \$1,000,000\* bodily injury per occurrence and \$1,000,000\* property damage per occurrence. Such insurance shall include coverage for the clean up, removal, storage, disposal, transportation, and use of pollutants and hazardous waste.

(7) Medical Malpractice. When the contract will involve health care services, the contractor shall maintain medical malpractice liability insurance with coverage of at least \$500,000\* per occurrence.

(c) Each policy shall substantially include the following provision:

"It is a condition of this policy that the issuing company furnish written notice to the Transportation Security Administration 30 days in advance of the effective date of any reduction in or cancellation of this policy."

(d) The contractor shall furnish a certificate of insurance or, if required by the Contracting Officer, true copies of liability policies and manually countersigned endorsements of any changes, including the TSA's contract number to ensure proper filing of documents. Insurance shall be effective, and evidence of acceptable insurance furnished, before beginning performance under this contract. Evidence of renewal shall be furnished not later than five days before a policy expires.

(e) The maintenance of insurance coverage as required by this clause is a continuing obligation. The lapse or termination of insurance coverage without replacement coverage being obtained will be grounds for termination for default.

\*Unless modified in the "Schedule"

**(End of clause)**

**PRESCRIPTION**

Shall be used in RFI/RFPs and contracts if other than fixed price, or in other contracts where it is in the best interest of the TSA to have this insurance coverage on the Contractor.