**6.1.1 Determine Minimum Insurance Requirements for Vendors**

**Policy Statement**

Units that contract with vendors must be certain those vendors meet the University of Illinois System's insurance requirements where possible and financially feasible. Vendors, including contractors, consultants, affiliates, or service providers must show evidence of satisfactory insurance coverage and, when indicated, must furnish the System certificates of insurance.

**Procedure**

Determine which Tier level the contract falls into according to the matrix below. Utilize the corresponding insurance requirement attached at the bottom of the matrix.

| **Tier 1 - High Risk** | **Tier 2 - Medium Risk** | **Tier 3 - Low Risk** |
| --- | --- | --- |
| **Mutually Executed Contract with Contract for Procurement of Supplies and Services Template Article 6 Insurance Language for Tier 1 Required;**  **Prior to Contract Execution:**  **1) obtain actual Certificate of Insurance; and**  **2) “Additional Insured” language for Tier 1 must appear on Certificate of Insurance for all liability policies except Workers’ Compensation, Automobile, and Professional.** | **Mutually Executed Contract with Contract for Procurement of Supplies and Services Template Article 6 Insurance Language for Tier 2 Required** | **Insurance language in the Purchase Order Terms & Conditions is sufficient** |
| * Services involving the sharing or transfer of personal data or sensitive data with outside entities (including data subject to European Union General Data Protection Regulation (EU GDPR), HIPAA, FERPA, etc.) (Consult Risk Management) * Construction contracts including the new construction, alteration, renovation, or maintenance of existing university buildings or structures; alteration, renovation, or maintenance of highways, roads, bridges, water lines, sewer lines, oil lines, and/or gas lines * Services where Contractor brings equipment requiring cranes, rigging, scaffolding, and/or erection equipment on university premises * All contractors providing construction services are required to have Coverage B (Employers’ Liability) limits of $1,000,000 each disease; $1,000,000 each employee; $1,000,000 policy limit.   **NOTE**: With regard to these activities, the Certificate must show a project name, building number, and/or Purchase / Contract Number.) | * Accounting services: must also have Professional/Errors & Omissions liability coverage. * Financial Services, such as investment banking, treasury, or insurance services: must also have Professional / Errors & Omissions liability coverage; * Legal services: must also have Professional / Errors & Omissions liability coverage. * Consulting services: must also have Professional / Errors & Omissions liability coverage. * Services provided by licensed medical / dental / clinical psychology / veterinarian professional(s) & ambulance services: must also have Professional Liability—Medical Malpractice coverage. * Custom Produced Art: including but not limited to art preservation or restoration (Consult Risk Management) |  |
| * Contracts involving hazardous materials for services such as abatement, hauling, use, etc. shall require vendor to carry Pollution Liability with limits of $1,000,000 per occurrence and $2,000,000 aggregate.(Consult Risk Management on contracts valued over $10M) | * Travel Agencies for Group Travel: must also have Professional / Errors & Omissions liability coverage. | * Inter-agency agreements or other agreements between state agencies, state universities, and/or political subdivisions; municipalities; school districts; and park districts |
| * Aviation-related activities, including air charters (Consult Risk Management) * Golf course manager, if applicable | * Broadcasting Services: must also have Professional Liability / Errors & Omissions liability coverage. | * “Brand name” companies with a national and/or regional name / presence (except if the services fall under Column I.) See Supplement [Fortune 500 list](https://fortune.com/fortune500/)) |
| * Catering services:\* must also have Liquor Liability coverage in the amount of $1,000,000 if liquor is being sold, served or furnished. * Concessionaires:\*\*; must also have Liquor Liability coverage in the amount of $1,000,000 if liquor is being sold, served, or furnished. * Bartending services: must have Liquor Liability coverage in the amount of $1,000,000. * Janitorial services performed on university premises * Use of university premises by outside individuals/organizations (Facility Use Agreements) * Vehicle Charters: (Can be contracted on a PO)   Bus (25+ passengers): $10,000,000  Mini-bus (16–25 passengers): $7,000,000  Shuttle bus or van (14 passengers + driver): $5,000,000  Van (8 passengers): $2,000,000  Sedan: $1,000,000 | * Mass Transit Services (Consult Risk Management) * Purchases where services require access to the System’s information technology infrastructure (Consult with Risk Management) * Facilities for storing System property: must also have Bailee liability coverage * Material Transfer Agreements |  |
| * Products that can be considered hazardous, dangerous, or high risk of causing bodily injury or damage to property. This could include, but is not limited to, pacemakers, surgical robots, explosive chemicals, biologicals, lasers, etc. Consult Risk Management to confirm if your purchase falls within this category. |  |  |
| **NOTE**: Regardless of whether the company is a “brand name,” Column I requirements shall be followed for the categories shown in Column I. |  |  |
| USE ARTICLE 6: [TIER 1 HIGH RISK insurance requirements](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=785687) | USE ARTICLE 6: [TIER 2 MEDIUM RISK insurance requirements](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=785689) | USE ARTICLE 6: [TIER 3 LOW RISK insurance requirements](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=785693) |

\* A "caterer" is a non-System entity (outside vendor) that serves food, beverages, and/or liquor at an event primarily attended by or open to the general public. Typically the vendor would provide set-up (including the use of caterer-provided equipment, food service/onsite preparation, and clean-up). An example of a “non-caterer,” and not subject to this requirement, would be a vendor that did food and/or beverage drop-off, such as a food delivery person.

\*\* A “concessionaire” is an entity that provides large scale food preparation and delivery, such as Sodexo or Aramark.

**If you have any questions, consult University Risk Management.**

**Exceptions to Minimum Insurance Requirements**

The Office of Risk Management may develop exceptions to these insurance limit requirements, in conjunction with system and university administrators, following a process of risk identification and evaluation. If they determine that little or no risk is involved, the limits may be lowered or the requirement removed. Conversely, if it is determined that additional risk is involved, the limits may be raised.

First Published: November 2010 | Last Updated: August 2023 | Last Reviewed: August 2023