# Fact Sheet: Insurance Requirements for Goods & Services

When the University purchases goods and services, it must obtain proof of insurance from its vendors. The limits of insurance that are required correspond to the risk exposure that is created by the business the University does with the vendor. This chart shows the insurance requirements, including coverage limits, that vendors must meet based on the types of goods and services that they provide. This Fact Sheet is designed to give a quick overview of the University’s insurance requirements when it obtains goods and services from outside vendors; for specific coverage requirements consult with the campus risk management office (tel: (805) 893-2860; email: lea.mudrick@ehs.ucsb.edu) or view the UC’s BUS-63 Vendor Insurance Matrix at [http://www.ucop.gov/ucophome/policies/bfb/bus63.html](http://www.ucop.gov/ucophome/policies/bfb/bus63.html).

<table>
<thead>
<tr>
<th>LOW RISK EXPOSURE</th>
<th>MODERATE RISK EXPOSURE</th>
<th>HIGH RISK EXPOSURE*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods &amp; Services</td>
<td>Goods &amp; Services</td>
<td>Goods &amp; Services</td>
</tr>
<tr>
<td>General Liability Insurance</td>
<td>• Per Occ. $0</td>
<td>General Liability Insurance</td>
</tr>
<tr>
<td>• Per Occ. $0</td>
<td>• Pros. &amp; Com. Ops. $0</td>
<td>• Per Occ. varies</td>
</tr>
<tr>
<td>• Pros. &amp; Adv. Inj. $0</td>
<td>• Pers. &amp; Adv. Inj. $1,000,000</td>
<td>• Pros. &amp; Com. Ops. varies</td>
</tr>
<tr>
<td>• Gen. Agg. $0</td>
<td>• Gen. Agg. $2,000,000</td>
<td>• Pers. &amp; Adv. Inj. varies</td>
</tr>
<tr>
<td>Auto Liability Insurance varies Workers’ Comp. statutory reqs.</td>
<td>Auto Liability Insurance $1,000,000 Workers’ Comp. statutory reqs.</td>
<td>Auto Liability Insurance varies Workers’ Comp. statutory reqs.</td>
</tr>
<tr>
<td>Clothing repair</td>
<td>Air conditioning $1,000,000 Furniture repair Depression</td>
<td></td>
</tr>
<tr>
<td>Data entry</td>
<td>Appliances/repair $2,000,000 Gardening Depression</td>
<td></td>
</tr>
<tr>
<td>Editing</td>
<td>Art Janitorial suppl. Depression</td>
<td></td>
</tr>
<tr>
<td>Interpreters</td>
<td>Athletic equip. Janitorial servs. Depression</td>
<td></td>
</tr>
<tr>
<td>Note taking</td>
<td>Audio equip. Laundry Depression</td>
<td></td>
</tr>
<tr>
<td>Transcription</td>
<td>Automobiles Moving servs. Depression</td>
<td></td>
</tr>
<tr>
<td>Translation</td>
<td>Bedding/soft goods Nonhazard, mat’s Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Beverage equip. Pavement striping Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Botsa/bosf maint. Fence servs. Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building equip. Plumbing equip. Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building supplies Plumbing suppl. Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Catering Program mngmt. Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cell phones Project mngmt. Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Computer/Info sys. Pumps Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Copiers Sec. serv-authorized Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Delivery servs. Waste recycling Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electrical Telcom equip. Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electronic Telcom servs. Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electrical Towing Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exhibitions Trailers Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Filming Tree trimming Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fire equip. Valves &amp; fittings Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fire suppl. Vending machines Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Floor coverings Vehicles/repair Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Food equip. Water serv. Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Food services Water treatment Depression</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Furniture Window cleaning Depression</td>
<td></td>
</tr>
</tbody>
</table>

### SPEAKING ENGAGEMENTS

Speaking engagements by coaches and trainers (non-athletic), lecturers, facilitators, speakers, group leaders, team building trainers/facilitators, instructors that take place in a classroom or lecture hall setting may be exempt from UC insurance requirements. The following criteria must be met at a minimum:

- Primary activity speaking/listening.
- No professional training in the use of lifesaving or technical equipment.
- No physical activities or lab activities.
- No field trips or driving.
- On UC owned, leased or rented property.
- UC owned & controlled equipment.
- No controversial social or political issues.

### RISK EXPOSURE

Insurance limits are based on UC’s exposure to risk when it obtains goods and services from outside vendors. Insurance protects the University by reducing its exposure to the liability of vendors. Risk exposure is dependent upon the specific goods and services, not their cost. Exposure to risk arises from the possibility of loss and the probable severity of injuries or property damage if a loss occurs. Risk exposure assessment is based on experience, case law, common sense, and intuition.

### RISK EXPOSURE FACTORS

High: Moderate chance of loss; severe injuries and property damage could occur.

Contact w/non-UC persons. Activities in public realm. Services to minors.

Moderate: Low to moderate chance of loss; moderate injuries or property damage could occur. Contact with non-UC persons. Activities in public realm.

Low: The likelihood of an accident is negligible.

- The likelihood of injury or damage is negligible if an accident occurs.
- The likelihood that an accident will result in a lawsuit is negligible.
- No work performed more than 6-0 off the ground.
- No construction work, no electrical or plumbing work.
- In general, does not occur in “public realm”.
- Products are standard, “off the shelf” products.

### PROFESSIONAL SERVICES*

Professional services create a completely different category of high-risk exposures. The University requires businesses that provide professional services to carry professional liability insurance. Professional liability insurance is required to cover the exposure to the possibility of bodily injury and property damage that arise when a provider of professional services is negligent in the performance of their professional duties. Professional liability insurance can also include coverage for exposures such as infringement of intellectual property, slander, libel, release of confidential personal or financial information, invasion of privacy, etc. See BUS-63 Vendor Insurance Matrix or contact UCSB Risk Management about required limits of professional liability insurance for specific professions.

- Advertising
- Analytical chemists
- Architects
- Appraisers
- Athletic trainers
- Attorneys
- Auditors
- Counselors
- Credit card servs.
- Dentists
- Doctors
- Engineering
- Medical servs.

### Fact Sheet: Insurance Requirements for Goods & Services • rev. 07/11

[http://www.riskmanagement.ucsb.edu](http://www.riskmanagement.ucsb.edu)
Exemptions to UC Insurance Requirements

REFERENCE
1) Business & Finance Bulletin BUS-63
2) BUS-63 Vendor Insurance Matrix
3) Fact Sheet - UC Vendor/Contractor Insurance Program
4) Fact Sheet - UC Request for Waiver of UC Insurance Requirements

POLICY
Business & Finance Bulletin BUS-63 allows campus risk managers to make exceptions to published insurance requirements in consultation with campus administrators subject to a risk identification analysis. The campus Risk Management Office may conclude, based on the risk attached to a specific contract, that coverage requirements may be lowered or eliminated.

DISCUSSION
Insurance protects the University by reducing its exposure to the liability of providers from whom it obtains goods and services. Insurance limits are based on UC’s exposure to risk when it obtains good and services from outside providers. Risk exposure is dependent upon the specific goods and services that the University is obtaining from the provider, not their cost. Exposure to risk arises from the possibility of loss and the probable severity of injuries or property damage if loss occurs.

Policy allows exceptions to be made to the insurance requirements if the possibility of loss arising from a provider’s liability is negligible. At UCSB, departments can obtain certain low risk goods and services without requiring the provider to show evidence of insurance in the form of a certificate of insurance.

However, if a provider is uninsured or under insured, and they are not providing services or goods that have been exempted from UC insurance requirements, the provider must obtain the required coverage from a broker of their own choice or from UC’s Vendor/Contractor Insurance Program (see Fact Sheet - UC Vendor/Contractor Insurance Program). If the provider cannot obtain insurance, the department must obtain the services or goods from another provider.

EXEMPTION CRITERIA
- The likelihood of an accident is negligible.
- The likelihood of injury or damage is negligible if an accident does occur.
- The likelihood that an accident will result in a lawsuit is negligible.
- No work is performed more than 6'0" off the ground.
- No construction work, no electrical or plumbing work.
- In general does not occur in the ‘public realm’.
- Products or commodities must be standard ‘off the shelf’ items.

EXEMPTION CATEGORIES
The following provider categories are exempt from UC insurance requirements:
- Clothing repair
- Data entry
- Editing
- Interpreters (including American Sign Language)
- Note takers
- Transcription
- Translation

Speaking engagements by coaches and trainers (non-athletic), lecturers, facilitators, speakers, group leaders, team building trainers/facilitators, instructors that take place in a classroom or lecture hall setting MAY be exempt from UC insurance requirements. At a minimum, the following criteria must be met:
- Primary activity speaking/listening.
- No professional training in the use of lifesaving or technical equipment.
- No physical activities or lab activities.
- No field trips or driving.
- Takes place on UC owned, leased, or rented property.
- UC owned and controlled equipment.
- No controversial social or political issues.
Fact Sheet
UC Vendor/Contractor Insurance Program

WEB REFERENCE
1) University of California Vendor/Contractor Insurance Program
2) UC BUS-63 Vendor Insurance Matrix

DISCUSSION
UC requires providers of goods and services to carry insurance to protect itself from exposure to liability arising from the provision of such goods and services. Insurance requirements vary depending upon the potential the goods and services have to create exposure to liability. Exposure arises from the possibility of loss and the probable severity of injuries or property damage if a loss occurs. See UC BUS-63 Vendor Insurance Matrix for the types and limits of insurance that the University requires of different kinds of vendors and contractors.

If a provider does not have general liability or professional liability insurance, and they are not providing services or goods that have been exempted from UC insurance requirements (see Fact Sheet - Exemptions to UC Insurance Requirements) the provider must obtain these required coverages from a broker of their own choice or, in some cases, they can now obtain general and professional liability insurance from UC's Vendor/Contractor Insurance Program http://ucsb.marshcampusconnexion.com/. (UC's Vendor/Contractor Insurance Program does not provide auto liability insurance or workers' compensation insurance).

COVERAGE DESCRIPTION
1) Small business insurance for businesses who want to work for UC but who do not have insurance.
2) Provides protection against claims of bodily injury and property damage.
3) Provides E & O coverage for professionals negligent in the performance of their professional duties.
4) Provides coverage for the cost to investigate and defend claims.

COVERAGE LIMITS
1) General Liability: $1,000,000 per occ/$2,000,000 gen agg
2) Miscellaneous Professional Liability: $2,000,000 per occ
3) Approved vendors are listed as additional insured on master policy issued to UC
4) Vendors will be provided with a certificate of insurance.

SECURING COVERAGE
Vendors must complete and submit application along with $500 (check or credit card) via mail, fax, or email to:

Marsh Consumer
PO Box 14521
Des Moines, IA 50306
Tel: 1-866-836-6536 ((6AM-5PM CST)
Fax: 1-515-365-3005
Email: plsdsteam@marshpm.com

The Application Form can be found at http://ucsb.marshcampusconnexion.com/Constituencies/VendorsContractors/VendorContractorInsuranceProgram.aspx.

COST OF INSURANCE
For approved vendors a policy will cost $500 and provide coverage for a 12-month period on all UC projects

REPORTING CLAIMS
Contact Chartis (1-877-399-6442) to report a claim. Claims can also be reported via email to westempconnewloss@chartisinsurance.com or be faxed to 1-866-854-48256.

OPTIONAL COVERAGE
For vendors who do not qualify for coverage under the Chartis program, General, Auto, Professional Liability and Workers Compensation Insurance can be obtained via an online application through the CampusConnexions Program Affinity Vendor, Business Insurance Now (BIN). Call 1-800-656-1714 or go online to http://www.businessinsurance.com/ucf/

FORMS
Vendor/Contractor Insurance Program Application Form
Fact Sheet
Request for Waiver of UC Insurance Requirements

REFERENCE
1) Business & Finance Bulletin BUS-63
2) BUS-63, Vendor Insurance Matrix
3) Fact Sheet - Exemptions to UC Insurance Requirements
4) Fact Sheet - UC Vendor/Contractor Insurance Program

POLICY
Business & Finance Bulletin BUS-63 allows campus risk managers to make exceptions to published insurance requirements in consultation with campus administrators subject to a risk identification analysis. The campus Risk Management Office may conclude that coverage requirements may be waived if the associated risk is negligible.

DISCUSSION
UC requires providers of goods and services to carry insurance to protect against exposure to liability caused by these goods and services. Insurance requirements vary depending upon their potential to create exposure to liability. Exposure arises from the possibility of loss and the probable severity of injuries or property damage if a loss occurs. See BUS-63, Vendor Insurance Matrix.

If a provider is uninsured or under insured, and they are not providing services or goods that have been exempted from UC insurance requirements (see Fact Sheet - Exemptions to UC Insurance Requirements) the provider must obtain the required coverage from a broker of their own choice or from UC's Vendor/Contractor Insurance Program (see Fact Sheet - UC Vendor/Contractor Insurance Program). The department can also obtain the required services or goods from another provider. In rare instances, and on a case by case basis, UC insurance requirements may be waived if the risk is negligible and there is virtually no potential for loss.

RISK EXPOSURES
• High: moderate chance of loss; risk of severe injuries and property damage; contact w/non-UC persons; activities in public realm.
• Moderate: low to moderate chance of loss; risk of moderate injuries or property damage; contact w/non-UC persons; activities in public realm.
• Low: small chance of loss; risk of minor injuries, property damage; contact w/UC persons; not in public realm.
• Professional services: chance of loss if professional is negligent in performance of professional duties.

PROCEDURE TO REQUEST A WAIVER
• Complete, sign, and submit Request for Waiver of UC Insurance Requirements to Risk Management.
• Complete and submit copy of Contracts & Property Request for Services to Risk Management.
• Submit Contract, Agreement, PO, or other relevant documentation if available.
• Risk Management will review Request for Waiver and determine if one time waiver is appropriate.
• The turnaround time for a Request for Waiver can be one to two weeks.
• If submittal is incomplete, it will be returned with an explanation of what is missing; turnaround time will commence from the time the Request for Waiver is resubmitted.
• If the scope of work upon which a waiver is approved is changed in subsequent iterations of the contract the waiver will be voided.

REQUIRED INFORMATION
It is critical that the Request for Waiver of UC Insurance Requirements form and supporting documentation provide a complete, detailed and accurate description of the scope of work, i.e. what the provider is going to do and what the end product will be. The scope of work should be described in lay terms. Whether or not a waiver is approved depends upon the scope of work; if the submittal does not contain a complete, detailed and accurate explanation of the scope of work that is easily understood, it will be returned to the department. Answer the following questions with particular care:
• When will work be performed? Over what time period? Provide schedule showing activities and dates.
• What are the exact activities the provider must perform to produce the contract end product? List them all. Provide a step-by-step description of every work action the provider will engage in to complete the scope of work.
• What is the end product that the provider has been contracted to provide? Describe in detail.

WHO WILL BEAR COSTS OF CLAIMS IF INSURANCE IS WAIVED
The University expects departments to contract with providers that meet the University's insurance requirements. When a provider's insurance has been waived, losses caused by such a provider, and the ensuing claims and lawsuits, are not covered and UC might have to pay for the costs of the loss itself. For this reason it is campus practice that departments that ask that University insurance requirements be waived pay any costs attributable to the waiver.

FORM
Request for Waiver of UC Insurance Requirements

Fact Sheet: Request for Waiver of UC Insurance Requirements • rev. 07/11

Risk Management, UC Santa Barbara
http://www риск management. ucsb.edu
Request for Waiver of UC Insurance Requirements
for Consultants, Contractors, or Vendors Providing Goods & Services to UCSB

INSTRUCTIONS TO DEPARTMENT:
Use the Request for Waiver to request a reduction or waiver of the insurance requirements for consultants, contractors, or vendors supplying goods and/or services to UCSB. Submit the completed form to UCSB Risk Management for review and approval. If the scope of work changes during the Agreement period, after a reduction or waiver has been approved, it is the responsibility of the department to confer again with Risk Management or obtain the required limits of insurance.

CONTRACTING DEPARTMENT:
Submitted by: ___________________________ Dept: ___________________________ Email: ___________________________ Ph: ___________________________
UCSB Contact Person: ___________________________ Email: ___________________________ Ph: ___________________________

VENDOR, CONTRACTOR, CONSULTANT:
Name: ___________________________
Address: ___________________________
City, State, Zip Code: ___________________________
Phone & Fax: ___________________________
Contact Person & Email: ___________________________

AGREEMENT, PO, CONTRACT INFORMATION:
Type of Agreement: □ Vendor □ Contractor □ Consultant □ Other:
Start Date: __________ Finish Date: __________ Attached: □ Proposal □ Req. for Servs. □ PO Req./PO □ Agrmnt./Contract

SCOPE OF WORK, GOODS OR SERVICES:
Does Provider have employees: □ Yes □ No Will Provider come to campus: □ Yes □ No How Often: ___________________________
Where will work be performed: ___________________________

Provide a detailed, complete, and accurate description of all the activities that the Provider will engage in to complete the contract scope of work (use attachment if more space required). Please attach the proposal or statement of work if it is available.

Provide a detailed, complete and accurate description of the goods or services (the contract end product) that the department will obtain from Provider (use attachment if more space required). Please attach the proposal or statement of work if it is available.

REQUEST FOR REDUCTION OR WAIVER OF UC INSURANCE REQUIREMENTS:
Describe insurance requirements to be reduced or waived: ___________________________

Explain why increased risk exposure is justified: ___________________________

Describe actions taken to reduce risks: ___________________________

DEPARTMENT SIGNATURE AND AGREEMENT TO BEAR ALL COSTS:
When a provider's insurance has been waived, UCSB may have to pay for losses caused by the provider. For this reason it is campus practice that departments pay for any costs attributable to claims or lawsuits that are not covered by insurance that they have asked be waived. A department control point with budget authority must sign this Request for a Waiver. By so doing the control point acknowledges that his/her department will bear any risk of financial or physical loss.

Print Name & Title ___________________________ Signature ___________________________ Date __________

UCSB RISK MANAGEMENT APPROVAL:
Request approved? □ Yes □ No ___________________________
Print Name ___________________________ Signature ___________________________ Date __________

Request for Waiver of Insurance Requirements - rev. 07/11
for Consultants, Contractors, & Vendors Providing Goods & Services to UCSB

Risk Management, UC Santa Barbara
http://www.riskmanagement.ucsb.edu