

## Typical Insurance Concession Contract Language

**Note: All insurance requirements are dependent on the type of concession. Some insurance requirements may not be relevant or necessary for your concession.**

### **INSURANCE**

- A. Concessionaire shall provide before entering the Premises and shall maintain in force throughout the term of this Contract the following:
- 1) **Commercial General Liability Insurance:** Concessionaire shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of Premises, operations, independent contractors, products, completed operations, personal and advertising injury. **If Concessionaire occupies a portion of a State structure, liability insurance shall specify fire coverage (damage to rented premises) in an amount equal to the replacement value of the occupied part of the structure estimated to be \$.**
  - 2) **Liquor Liability:** **Where alcohol sales are permitted, Concessionaire shall include liquor liability with limits no less than \$1,000,000.**
  - 3) **Automobile Liability:** Concessionaire shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of motor vehicles including owned, hired and non-owned motor vehicles used by Concessionaire in the conduct of business under this Contract.
  - 4) **Watercraft Liability:** **If Concessionaire uses any watercraft in the conduct of business under this contract the Concessionaire shall maintain watercraft liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of watercraft used by Concessionaire in the conduct of business under this Contract.**
  - 5) **Workers' Compensation Insurance:** Concessionaire shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of this Contract. Employer's liability limits of \$1,000,000 are required. The workers' compensation policy shall contain a waiver of subrogation in favor of the State of California on a form acceptable to State. **The workers' compensation policy shall contain an additional waiver of subrogation in favor of (other property owner).**
  - 6) **Property Insurance:**

**Comment [A1]:** Require in lieu of Property Insurance when facility structures are shared between State and Concessionaire or used intermittently by both parties.

**Comment [P2]:** If concessionaire transports or shuttles multiple people, the limits should be increased accordingly.

**Comment [P3]:** Require Watercraft Liability Insurance if concessionaire uses watercraft to carry out operations, including marina slip rentals. It may be appropriate to increase liability to \$2,000,000.

**Comment [A4]:** Include when there are additional non-State property owners, such as U.S. Bureau of Reclamation.

**Comment [P5]:** Require when concessionaire has sole control and use of Premises consisting of building structures. District to provide a replacement value amount based on private industry construction.

Concessionaire shall provide Special Form building coverage on a replacement cost basis limits based on the estimated replacement value of facilities occupied by Concessionaire. Replacement value effective XXXX is \$XXX,XXX. Property insurance shall include Business Interruption coverage on a Special Form basis with limits equal to the actual loss sustained for up to one (1) year.

- B. The State shall be named as “loss payee” for any Property Insurance claim related to the destruction, loss, or damage of State-owned buildings. In the event of destruction, loss, or damage of any of the State-owned buildings, improvements, or fixtures located on the Premises that the State determines (1) to be essential to the continued operation of the Contract and (2) cannot be repaired within one-hundred-eighty (180) days of the occurrence, the State may terminate this Contract. A decision by the State to terminate the Contract under this provision shall be communicated in writing to Concessionaire as soon as practicable. If the Contract is so terminated, State shall be entitled to the proceeds payable under any applicable insurance policies pertaining to the loss as its interest may appear. Receipt of such proceeds by State shall be in addition to the right of State to pursue whatever other remedies it may have to recover any losses due to the occurrence. If the State determines not to terminate the Contract, then, in State’s discretion, any buildings, improvements, or fixtures built in replacement of any damaged or destroyed property shall be subject to the terms and provisions of this Contract as if they had existed at the onset. In no event shall the provisions of this Section be deemed or construed to relieve Concessionaire from the requirement to repair or replace any damaged or destroyed property except as specifically excepted by express terms of this Contract.
- C. Each policy of liability insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Concessionaire’s limit of liability. The policy must include **the State of California, Department of Parks and Recreation, its officers, agents, and employees, [and other property owner] as additional insured[s]**. These endorsements must be supplied under form acceptable to State. Any subcontractors shall be included under Concessionaire’s policy or provide evidence of coverage equal to limits and policies required of Concessionaire.
- D. Concessionaire is responsible to provide the State within five (5) business days following receipt by Concessionaire a copy of any cancellation or non-renewal of insurance required by this Contract. In the event Concessionaire fails to keep in effect at all times the specified insurance coverage, State may, in addition to other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.

**Comment [A6]:** Include when there is substantial revenue impact to the State to provide for ability to continue minimum rent obligations during a closure.

**Comment [A7]:** Subsection B references to insurance payments to State only applies if there is a requirement for Concessionaire to provide property insurance. Otherwise remove.

**Comment [P8]:** Include property owner if other than Parks. Also include parties who provide easements.

- E. Each policy shall be underwritten to the satisfaction of the State. Concessionaire shall submit to State a signed and complete certificate of insurance with all endorsements required by this Section, showing to the satisfaction of State that such insurance coverage has been renewed or extended. Within fifteen (15) days of State's request, Concessionaire shall furnish State with a signed and complete copy of the required policy.