

Summary of Insurance Requirements for Global Contractor Agreements

All contractors, vendors or service providers coming on to an ASU premises to perform work or provide services to or on behalf of ASU are required to have insurance. Coverages and limits can vary on global basis. This document details the typical coverages ASU requires and what the insurance policies will cover.

As with all contracts, it is important to note that as part of the contract review process, limits may adjusted and in some cases higher limits may be necessary based on the nature of the work being performed. Depending on the Scope of Work, additional insurance such as Fidelity, Media or other specialized insurance coverages may be required. Please keep in mind that insurance limits are not related to the \$ value of the contract. Insurance is directly tied to the risk and should be addressed upfront with your contractors and ASU Risk Management to ensure a smooth process.

Below are some common insurance requirements:

1. **General Liability**, also called Public Liability or Civil Liability is insurance that protects against liability claims for bodily injury (BI) and property damage (PD) arising out of premises, operations, products, and completed operations; and advertising and personal injury (PI) liability. This is one of the most basic insurance coverages and is widely available in most countries. ASU's standard limit is \$1MM per occurrence.
2. **Auto Liability**: If the contractor is driving on ASU property or is driving in connection with an ASU let project, then in most countries, this insurance is compulsory. It covers bodily injury and property damage. ASU typically requires a limit of \$1MM but this can be adjusted depending on the country where the work is being performed. With that said, if the contractor will be operating large vehicles or buses, Risk Management should review to ensure the risk and limits are appropriate
3. **Worker's Compensation Coverage**: This coverage is usually associated with US workplace injuries and is required by law. Workers Compensation coverage requirements and availability varies in other countries therefore, you would need to consult with Risk Management to confirm if this exposure exists and if there is an alternative coverage available. In certain countries, Employer's Liability or Health insurance can fulfill this contractor requirement.
4. **Defense Based Act Coverage (DBA)**: This coverage is a form of workers' compensation that provides disability and medical benefits including death benefits to civilian employees working outside the United States on US military bases or under a contract with the U.S. government for public works. If coverage is required, it will be stipulated in the Agreement and must be secured before the trips take place. Foreign Nationals fall under the DBA coverage as DBA benefits are payable regardless of nationality. Please note for Cooperative Agreements, ASU is not required to procure coverage. Agreements with USAID typically require ASU to procure DBA insurance via their insurance broker AON and should be secured via ASU Risk Management.
5. **Professional Liability**: This insurance applies when a contractor has a professional designation or license and/or is providing various kinds of professional or consulting services to or on behalf of ASU. This can range from legal services to HR recruitment and teaching. This policy covers financial losses sustained by ASU should the contractor commit an error or omission or wrongful act in connection with their services. This insurance is not available in all countries but suggest requiring it upfront and then adjusting accordingly. The standard limit is \$1MM.
6. **Cyber and/or Technology Errors and Omissions Coverage**: This insurance applies when a contractor will be using, storing or accessing private, confidential or protected information. This includes data such as Social Security numbers, sensitive financial or any other personally identifiable information. One key question to ask is will the contractor have or be responsible for ASU sensitive data or have systems that integrate with ASU systems that could be exposed to hackers and criminals who have gained access as a result of their work. Further, if a contractor is developing technology for ASU which may or may not be implemented in the ASU environment, this could be a potential risk that needs to be addressed. Cyber coverage typically insures against privacy violations, information theft, damage to or destruction of electronic information, intentional or unintentional release of private information, alteration of electronic information, extortion and network security. The coverage varies greatly by country but is a hot topic in Europe where new privacy legislation has passed making this coverage especially important. Insurance limits depend on the types of data and number of records but starts at \$1MM.