

Meeting Sound Transit's Contract Insurance Requirements

Sound Transit's Risk Management reviews all artist insurance policies when artist contracts are being activated.

Artists must comply with all provisions in the Insurance Requirements section of the artist contract. Here are some notes that may help with procuring liability insurance:

1. GENERAL LIABILITY (GL) insurance is required to contract with Sound Transit. GL with minimum limits of \$1M each occurrence and \$2M in the aggregate; and Automobile Liability (AL) coverage with Combined Single Limits (CSL) of \$1M.
2. EMPLOYERS LIABILITY is required, only if you have non-owner employees.
3. PROPERTY INSURANCE is not required in the design phase, but is required for fabrication and installation by the artist.
4. RAILROAD PROTECTIVE Liability coverage may be required if working within 50 feet of a live railroad during fabrication and installation.

Many GL policies in the U.S. exclude coverage for the policy holder on work performed within 50 feet of a live railroad. If Railroad Protective Liability coverage is deemed necessary, an "exemption to the exclusion" in many GL's can be obtained by:

- A. Adding a CG 2417 or CG2427 Endorsement -- or a substitute form providing equivalent coverage -- which provides an Exemption to the Exclusion.
- B. Procuring an additional Rail Work insurance policy.

5. ADDITIONAL INSURED - Sound Transit, its Officers, Directors, agents, and employees must be named additional insureds on the General Liability (GL) and Automobile Liability (AL) coverages; the artist's GL and AL coverages must be primary and Sound Transit's coverages will not contribute with the artist's coverages; and a waiver of subrogation must apply.

A waiver of subrogation clause is placed in the professional services contract to minimize lawsuits and claims among the parties. The result is that the risk of loss is agreed among the parties to lie with the insurers, and the cost of the insurance coverage is contractually allocated among the parties as they may agree. The risk, once assigned to the insurers by the parties, is determined to stop there, without allowing the insurer to seek redress from the party "at fault."

- Standard additional insured language:

Sound Transit, its officers, directors, agents and employees as additional insured with respect to the work, including completed operations, under this agreement.

6. AUTO LIABILITY coverage is required if the artist's business owns a vehicle. If the artist's business does not own any vehicles, the artist is required to carry "Non-Owned Autos" and "Hired Autos"

coverage. This is commonly obtained through the General Liability policy and is relatively inexpensive.

7. CERTIFICATE OF LIABILITY - Eventually, after issuance of the policy and before NTP, the artist must provide Sound Transit with a Certificate of Liability Insurance (COI) showing all the required coverages; that the coverages are primary and Sound Transit's policies will not contribute with artists' coverages; and that waiver of subrogation applies. In addition to the COI, the artist must provide copies of the additional insured and primary/non-contributory coverages, and waiver of subrogation endorsements or policy provisions.
8. RISK MANAGEMENT's review of proposals like this, COIs, endorsements, and policy provisions and their comparison with Sound Transit's insurance requirements are solely for the benefit of Sound Transit, and not the artist. Pursuant to the terms in the artist's contract with Sound Transit, it is the artist's obligation to obtain and maintain the required insurance coverages. It is suggested that the artist work with their agent or broker to ensure the artist has the required coverages.