

**A Vendor Guide to FPR Agreements  
Insurance Guidance**

**Overview**

This document outlines insurance requirements for all grantees. These requirements are also detailed in attachment C-1 of the grant agreement; a copy of this attachment is included in this packet.

The vendor may wish to forward this document along to the vendor’s insurance carrier. Prior to executing the Agreement and starting work the vendor must provide certificates of insurance to show that minimum required coverages are in effect. It is the responsibility of the vendor to maintain current certificates of insurance on file with the State through the term of the State Agreement.

Certificate Holder:

The State of Vermont, its agencies, departments, officers and employees shall be named as additional insured. The certificate holder is:

State of Vermont, Officers and Employees  
Department of Forests, Parks and Recreation  
1 National Life Drive, Davis 2,  
Montpelier, VT 05620-3801

**State Attachment C Insurance Requirements:**

Workers Compensation: With respect to all operations performed, the Party shall carry workers’ compensation insurance in accordance with the laws of the State of Vermont. Vermont will accept an out-of-state employer's workers’ compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers’ compensation policy, if necessary to comply with Vermont law.

If the vendor is a sole-proprietor and not required, by law, to carry workers, compensation please notify the Administrator, in writing.

Vermont law permits corporate officers or LLC members to exclude up to four (4) officers or members from protection under the Vermont Workers’ Compensation Act. Corporate officer refers to the President, Vice President, Secretary of the Corporation, Clerk or Treasurer. A Limited Liability Company may exclude up to four (4) managers or members. Vermont law permits a corporation or LLC to be wholly excluded from workers’ compensation coverage requirements when all of the corporate officers or members are excluded and the corporation or LLC has no workers. If the vendor is a corporation and are permitted, by law, to exclude officers or LLC members Form 29 will need to be completed and submitted to the Department of Labor (DOL). An approved and signed form 29 needs to be returned for your file prior to the execution of your Agreement. Form 29 is included in this packet.

Please be sure that your COI clearly indicates that your workers’ compensation policy meets the statute.

Example 1:

	<input checked="" type="checkbox"/>	PER STATUTE	<input type="checkbox"/>	OTH- ER
1/2023		E.L. EACH ACCIDENT		\$ 1,
		E.L. DISEASE - EA EMPLOYEE		\$ 1,

Example 2:

<b>Workers Compensation</b>	01/01/2024 - 01/01/2025	<b>Statutory</b>
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General Liability and Property Damage: With respect to all operations performed under this Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- Premises - Operations
- Products and Completed Operations
- Personal Injury Liability
- Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

- \$1,000,000 Each Occurrence
- \$2,000,000 General Aggregate
- \$1,000,000 Products/Completed Operations Aggregate
- \$1,000,000 Personal & Advertising Injury

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than \$500,000 combined single limit. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, limits of coverage shall not be less than \$1,000,000 combined single limit. *Proof of automotive insurance is not required for grant projects that do not involve any motor vehicle travel.*

Additional Insured: The General Liability and Property Damage coverages required for performance of this Agreement shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Notice of Cancellation or Change: There shall be no cancellation, change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written prior written notice to the State.

#### **Notices:**

No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

This document was prepared by staff of the Department of Forests, Parks and Recreation in an effort to communicate insurance requirements to vendors. While all enclosed information is believed to be accurate if any discrepancies exist between this document and insurance requirements conveyed in the State Agreement the Agreement between the State and the contractor/grantee takes precedence.

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**ATTACHMENT C-1**  
**VERMONT STATE INSURANCE SPECIFICATION**  
**REVISED NOVEMBER 1, 2023**

**1. Applicability and Definitions.**

- a. This Specification applies to providers of goods or services under a contract or grant (either is “the Agreement”) for the State of Vermont and is incorporated, whether directly or by reference, into the Agreement.
- b. “Party” shall mean the Contractor or Grantee as stated in the Agreement.

**2. Operation of this Specification.**

- a. Before commencing work under the Agreement, the Party must provide certificates of insurance to show that each and all of the minimum insurance coverages listed below, which are or may be applicable, are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the State throughout the term of this Agreement.
- b. The State does not warrant that the coverages and limits listed in this document or otherwise required for the Agreement are adequate to cover and protect the interests of the Party for the Party’s operations. These are solely minimums that have been established to protect the interests of the State.
- c. It is the Party’s responsibility to timely ask the State and seek clarification if Party is uncertain of any particular application of any provision.

**3. Additional coverages or amounts required although not stated in this Specification.**

In many circumstances, the Party is required by the State to have insurance coverages in addition to those stated in this Specification, or to have higher limits or terms for listed coverages beyond what is required in this Specification. Those additional requirements may be stated in the Agreement or in other attachments or exhibits to the Agreement. It is the Party’s responsibility to meet such additional requirements in the manner and according to the terms stated for coverages listed in this Specification.

**4. *General Liability and Property Damage:*** With respect to all operations performed under the Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- a. Premises - Operations
- b. Products and Completed Operations
- c. Personal Injury Liability
- d. Contractual Liability
- e. The policy shall be on an occurrence form and limits shall not be less than:
  - i. \$1,000,000 Each Occurrence
  - ii. \$2,000,000 General Aggregate
  - iii. \$1,000,000 Products/Completed Operations Aggregate
  - iv. \$1,000,000 Personal & Advertising Injury
- f. If the performance of the Agreement involves construction, then:
  - i. a “per project” aggregate endorsement is required; and
  - ii. completed operations coverage must be carried for three years post project completion.

5. **Automotive Liability:** If motor vehicles will be or are used in connection with the Agreement, the Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than \$500,000 combined single limit. For Contracts involving construction or when performance under the Contract would require a commercial or other specialized driver's license, limits shall not be less than \$1,000,000. When performance includes interstate commerce or transport of hazardous products or materials regulated by the Federal Motor Carrier Administration and set forth in 49 C.F.R. § 387.9, the coverage shall include the MCS-90 endorsement.
6. **Umbrella or Excess Liability:** For Contracts involving construction, or when performance under the Contract would require a commercial or other specialized driver's license, the Party shall carry umbrella or excess liability insurance covering over the underlying general and automotive liability policies. Coverage shall be on an occurrence form and limits shall not be less than \$1,000,000 per occurrence, \$1,000,000 general aggregate, unless higher limits are required by the State of Vermont. This requirement need not be met if the Party's applicable underlying coverages meet or exceed \$2,000,000.
7. **Additional Insured:**
  - a. The General Liability, Property Damage, and Umbrella/Excess coverages required for performance of the Agreement shall include the State of Vermont and its agencies, departments, officers, and employees as Additional Insureds using ISO forms CG2010 and CG2037 or their equivalents.
  - b. If performance of the Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers, and employees as Additional Insureds.
  - c. If third-party cyber liability coverage is required, such coverage shall include the State of Vermont and its agencies, departments, officers, and employees as Additional Insureds.
  - d. Additional Insured coverage shall be primary and non-contributory with any other insurance and self-insurance and shall include a waiver of subrogation in favor of the State of Vermont.
8. **Workers Compensation:**

With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont. The State will accept an out-of-state employer's workers' compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers' compensation policy if necessary to comply with Vermont law.

For work involving construction, workers compensation coverage shall include a waiver of subrogation in favor of the State of Vermont.

9. **Professional Liability Insurance:**

Whenever the performance of the Agreement is to involve any of: (a) licensed professional services,

such as, but not limited to, attorneys, medical providers, financial professionals like accountants or actuaries, architects, engineers, management consultants, and providers of services requiring occupational licenses; (b) technology professional services; or (c) when otherwise required by the Agreement, the Party shall procure and maintain professional liability insurance for any and all services performed under the Agreement, with minimum coverage of \$1,000,000 per claim, or such higher minimum so provided.

Party shall maintain such professional liability insurance for a period of two years following completion of services under the Agreement.

10. ***Cyber Liability and Breach Response Insurance Coverage:***

**When the Party's performance involves hosting confidential State data, or services in or on State information technology systems where confidential State data may reside, the Party shall have and maintain cyber liability and breach response insurance coverage at no less than \$1,000,000 per claim, \$2,000,000 aggregate. Such policy shall expressly provide, but not be limited to, coverage for losses arising from the following:**

- a. unauthorized use of or access to: computer systems (including mobile devices), servers, client's data, or software;
- b. defense of any regulatory action involving a breach of privacy;
- c. failure to protect the confidential or proprietary information (personal and commercial information) and intellectual property from unauthorized disclosure or unauthorized access;
- d. failure to adequately protect physical security of servers and systems including from cyber terrorism;
- e. the costs for: notification (whether or not required by statute), credit file or identity monitoring, identity restoration, public relations, or legal experts;
- f. third-party liability;
- g. cyber extortion and cyber terrorism; and
- h. no exclusion for actual or alleged breaches of professional services agreements associated with the above.

11. ***Notice of Cancellation or Change:*** With respect to all required coverage, there shall be no cancellation, change, potential exhaustion of aggregate limits, or non-renewal of insurance coverage(s) without thirty (30) days prior written notice to the State.

(End of Standard Provisions)



State of Vermont
Department of Labor
PO Box 488
Montpelier, VT 05601-0488
(802) 828-2286

Form 29 - Rev. 2/13

Application To Exclude Corporate Officers or LLC Members From Workers' Compensation Coverage

- Officer/Member Exclusion. Vermont law permits corporate officers or LLC members to exclude up to four (4) officers or members from protection under the Vermont Workers' Compensation Act.
Corporation/LLC Exclusion. Vermont law permits a corporation or LLC to be wholly excluded from workers' compensation coverage requirements when all of the corporate officers or members are excluded and the corporation or LLC has no workers.

Legal Name of Corporation/LLC:
Federal ID Number:
Business Name (if different):
Address of Corporation/LLC:
(Street, Rural Route, Box Number)
(City/Town, State and Zip Code)

You must attach a NOTARIZED copy of the minutes of the Board of Directors meeting.

- 1. Attach minutes indicating that the applicant has been elected an officer of the company.
2. The minutes must indicate that the directors have approved the exclusion.

The undersigned, an officer of the above-named corporation or member of the LLC, elects to be excluded from coverage under the corporation's/LLC's workers' compensation policy, and not be entitled to the protections provided by Vermont Workers' Compensation Act from the date this application is approved by the Commissioner.

Name of Officer/Member (Print or Type) Signature of Officer/Member
Position Held in Corporation/LLC Date Signed

Note

The records on file in the Secretary of State's office must indicate that the above business is presently incorporated or an LLC and that its charter has not been revoked.

It is your responsibility to provide the information we need in order for us to approve this application in a timely manner. Exclusions, if approved, may take effect no earlier than the date upon which the Commissioner received a COMPLETE application and the required minutes.

Please complete the form and return to the Department of Labor, PO Box 488, Montpelier, VT 05601-0488. After approval, two copies will be returned to you, one for your corporate files and one for submission to the insurance agent.

Approved Commissioner of Labor or Designee

1 For corporation/LLC exclusion you must attach a Form 29 for each corporate officer/member.