

## OWEB Process for documenting grantee insurance

### Background

OWEB staff established a workgroup which included a cross-section of OWEB grantees and a representative from DAS Risk Management to discuss grantee insurance coverage and associated OWEB project risks. The group discussed risks and developed tools which assist OWEB grantees in understanding the risks of different project types; and provide guidance on what type of insurance is required for those project types.

### Schedule

<b>February 2016</b>	Seek feedback on Grantee Insurance and Liability implementation plan with OWEB staff
<b>March-April 2016</b>	2-3 meetings of work group
<b>July 2016</b>	Convene group of insurers to discuss OWEB's approach and seek feedback
<b>August 2016</b>	Update NOWC and OACD Boards
<b>July 2016</b>	Develop needed materials and guidance
<b>August 2016</b>	Begin stakeholder communication
<b>January 2017</b>	Implementation with all grant applications accepted after January 1, 2017

### OWEB Insurance and Policy Requirements

The OWEB insurance requirements are split into two categories, 1) general insurance requirements and 2) specialized insurance requirements. General insurance refers to coverage considered best practices for organizations conducting activities often implemented by OWEB grantees. Specialized insurance refers coverage types and amounts which fall outside the normal operations of an organization conducting activities normally funded by OWEB. The premiums for general insurance types described in Table 1 should be charged to OWEB's "Grant Administration" budget category for all grants except Operating Capacity grants, which should charge these costs to the "Other" budget category. If additional insurance coverage is required for a project (see Tables 2 and 3), the costs may be charged to OWEB's "Other" budget category.

General insurance requirements apply to all grantees receiving construction, restoration, technical design, assessment or monitoring project funds from OWEB. In addition grantees must ensure all contractors and consultants hired under these projects to complete construction, restoration, technical design, assessment or monitoring activities will also carry the minimum insurance types and amounts described below. The minimum insurance requirements do not apply to contractors engaged in the following types of activities facilitation, data analysis, web design, etc.. Contractor insurance limits do not apply to landowners when the grantee is contracting with the landowner to perform work on the landowner's property.

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### General Insurance Requirements - No additional risk assessment is needed

<b>Table 1. Insurance Types and Coverage Amounts required for all</b> construction, restoration, technical design, assessment or monitoring projects receiving funds from OWEB.	
<b>Insurance Type</b>	<b>Minimum Amount</b>
General liability	\$1,000,000 per occurrence, \$2,000,000 aggregate
Auto liability	\$1,000,000 combined single limit

<b>Table 2. Insurance Types and Coverage Amounts required depending on the project type</b>		
<b>Insurance Type</b>	<b>Minimum Amount</b>	<b>When Required</b>
Pesticide and herbicide applicator limited pollution coverage	\$500,000 per occurrence, \$1,000,000 aggregate	All projects when grantee employees are applying pesticide and herbicides.
Professional liability	\$500,000 per occurrence with \$1,000,000 aggregate	All projects when grantee employees have a professional license and are doing work that falls under that license.
Abuse or Molestation Coverage	\$100,000 per occurrence and \$300,000 aggregate	All projects when grantee employees or volunteers for the grantee are working with children.

### Process

For all grants except small and acquisition grants OWEB will create a new Insurance Exhibit in all of its grant agreements covering both insurance and policy requirements. Grantees will fill out the table and sign the Exhibit to document that the necessary types of insurance are in place.

For small and acquisition grants OWEB will incorporate new language into the body of the grant agreement.

### Specialized Insurance Requirements – Additional Risk Assessment Required

Some projects carry a greater risk to the organization, organization’s employees, volunteers, and the community. The grantee is responsible for assessing the risk of projects carrying a greater risk and assuring the organization has the appropriate insurance coverage types and amounts for these projects. For projects listed in Table 3, OWEB requires require additional documentation.

<b>Table 3.</b>
<b>Project type</b>
Working with hazardous materials (not including materials used in the normal operation of equipment such as hydraulic fluid)
Earth moving work around the footprint of a well
Aerial application of chemicals
Transporting individuals on the water
Removal or alteration of structures that hold back water on land or instream including dams, levees, dikes, tidegates and other water control devices (this does not include temporary diversion dams used solely to divert water for irrigation)

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### Process

An organization applying for a project which includes a project type from Table 3 will have to upload a completed Risk Assessment Tool with the application. OWEB understands this tool is not a perfect fit for the types of projects being developed by OWEB grantees. However, the questions raised in the tool will help the applicant and OWEB determine the potential level of risk the project carries and if additional insurance should be required. Link to DAS Risk Assessment Tool:

<http://www.oregon.gov/DAS/Risk/pages/index.aspx>

- 1) If the completed Risk Assessment Tool shows no additional insurance needed beyond OWEB's standard insurance requirements, then no additional documentation or action is needed by the grantee. Grantees will fill out the table and sign the Exhibit to document that the necessary types of insurance are in place.
- 2) If the completed Risk Assessment Tool shows additional insurance types or coverage amounts are needed beyond OWEB's standard insurance requirements, then the grant agreement will reference the additionally required insurance. The grantees will fill out the table and sign the Exhibit to document that the necessary types of insurance are in place.