Madison County, North Carolina

Contractor and Service Provider

Insurance Requirements and Guidelines

Insurance Requirements/ Contractors and Service Providers

Basic Contract Wording for Insurance Clauses for the Contract

All Contractors or Service Providers will have a contract for services within the County. In addition to the basic information of "who, what, where, when, and why" for services rendered, the contract will include a paragraph on insurance. An example of the language that may be included in each contact is provided below.[1]

Insurance Requirements

At the Contractor/Service Provider, Subcontractor or anyone in their party's sole expense, the named party shall procure and maintain the following minimum insurances with insurers licensed in North Carolina. Madison County reserves the right to require alternate or additional insurance as deemed necessary for the performance of all Madison County projects and service contracts. The following insurance is a general requirement with the minimum limits of liability:

1. ***Commercial General Liability*** (covers an insured exposure to the public relating to products, premises and complete operations)- $1,000,000.00 per occurrence/ $2,000,000.00 aggregate (most paid out in a policy term - generally one-year terms)
2. ***Commercial Auto Liability*** (covers an insured for bodily injury and property damage to a third party including owned, non-owned, and hired vehicles)[2]- $1,000,000.00 per occurrence.

---

[1] Madison County reserves the right to change any and all insurance requirements as well as any applicable insurance language that may be needed for an accurate and project appropriate contract.

[2] If the named party does not own any motor vehicles, said party need only show coverage for non-owned and hired motor vehicles.

3. ***Workers Compensation***[3] (covers all employees and includes Employers Liability)- Required for all Contractors, Service Providers (with underwriter's desirability classification color or silver, yellow, red and black)- <u>All other statutory limits</u>: $500,000 per accident; $500,000 Disease-each employee; $500,000 Disease Policy Limit
4. ***Professional Liability***- $1,000,000 CSL per occurrence (when required)
5. ***Builders Risk*** (insurance based on "All Risk" form, subject to exclusions, and shall not exclude coverage for earthquake, landslide, flood, collapse, or loss due to the results of faculty workmanship). Such Builders Risk Insurance shall cover all interests of the Owner, Engineer, Contractor, Subcontractor, suppliers of any portion of the work, and any bondholders and shall contain a Waiver of Subrogation clause as to all such entities as part of the form or by separate endorsement. Proceeds of any claim shall be payable to the Owner to be applied toward repair or replacement of the damaged work. The Contractor/Service Provider shall secure and maintain throughout the contract time Builders Risk Insurance Coverage for one hundred percent (100%) of the Contract Price (when required).

Additional Insurance Requirements

The Contractor/Service Provider must provide proof of insurance through the issuance of a certificate of insurance showing the above coverage and limits specified. If the Contractor or Service Provider carries higher limits, such limits must be shown on the certificate of insurance. Madison County has the right to demand a certified copy of any/all insurance policies. Certificates must be filed with the Madison County Managers Office within ten (10) business days of contract execution and before the Contractor or Service Provider begins any work on County property. Contractors/Service Providers are required to provide thirty (30) days' written notice of any lapses, changes, or cancellations in coverage to the Madison County Managers Office. Failure of Contractors/Service Providers to provide timely evidence of insurance, or to place coverage with insurance companies acceptable to the County, shall be viewed as the Contractors/Service Providers delaying performance

[3] If the organization does not have any paid employees (e.g. volunteer organization) workers compensation and employers' liability is not required.

entitling the County to all appropriate remedies under the law including, but not limited to, termination of the contract.

Certificate Holder shall be listed as follows:

Madison County Government

Attention: Projects and Programs Coordinator

PO Box 579

Marshall, NC 28753

Endorsements

The Contractor/Service Provider is required to add the County to its General Liability and Automobile Liability insurance policies with the following wording: "Madison County, its officers, agents and employees are to be designated as "additional insured" with respect to the General Liability and Automobile Liability insurance policy." Endorsements for Commercial General Liability and Automobile liability must be attached with the Certificate of Insurance.

This insurance requirement shall not be construed as limiting in any way the extent to which the Contractor/Service Provider may be held responsible for the payment of damages to any person resulting from its operations or the activities of any person, or persons, for which it is liable. There also should be Waiver of Subrogation language added in favor of the County on all Workers Compensation and General Liability policies.

What is a Certificate of Insurance?

A certificate of insurance is a document used to provide information on specific insurance coverage. The certificate provides verification of the insurance and usually contains information on types and limits of coverage, insurance company, policy number, additional insured, and the policies effective period.

Although the certificate should not be substituted for information contained in the actual insurance policies, it is usually a reliable source of information or proof of insurance coverage.

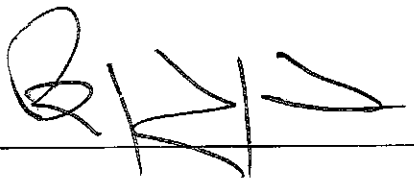
Certificates are usually requested by opposite parties in an agreement, contract, or transaction to make certain the other party has the appropriate insurance coverage.

Contracts requiring evidence of insurance and additional insured coverage for third parties should follow the procedures and minimum Insurance Requirement amounts set forth herein.

Why Insurance is Required

The County uses a written contract form for County Contracts that include both an insurance requirement and an indemnity clause. Insurance is for the benefit of the Contractor/Service Provider as much as it is for the County. Contractors/Service Providers must sign an agreement which has an indemnity agreement that requires the Contractor/Service Provider to indemnify and defend the County for any loss or damage caused by the Contractor/Service Provider, Subcontractor, or anyone in their party. The insurance provides the ability to meet that obligation. It also protects the Contractor/Service Provider against risks.

The requirement for insurance also provides protection for the County for property damage done to its facilities by the Contractor/Service Provider through work performed pursuant to the associated contract.

Approved by: 

Rod Honeycutt, County Manager

Date: 9/30/25