



Snow Plow Contract Recommendations

To assist our members in mitigating risk, MIIA regularly drafts guidelines and recommendations as a tool to better help you manage your overall operations. Please consider these recommendations as you prepare for your upcoming winter.

Private contractors are a major component of the snow removal and response teams deployed by most communities. As you are identifying and hiring the private contractors or independent plow operators who will make up your storm response team, MIIA reminds you to verify the appropriate insurance is in place for each operator and to complete a contract with each provider.

Engaged private contractors should be able to demonstrate evidence of in force insurance coverage along with appropriate coverage limits. In addition, MIIA members should protect themselves with “hold harmless” and “indemnity” language within their contracts which clearly transfer the risk of loss to the contractor.

As part of the investigation and handling of liability claims presented against our members for claims arising out of snow removal operations, MIIA will inquire about any contractors involved. The claim handler will review the contract(s) in place in relation to the specific circumstances of the loss and then handle the claim accordingly, including referring the claim to the contractor’s insurer as necessary.

The type of insurance necessary to adequately protect against claims arising from snow removal is dependent upon the type of work the contractor will perform. Damage done in the course of snowplowing itself (ongoing operations) such as collision of the snowplow with a parked vehicle would be covered under the auto liability policy, subject to its terms and conditions. In the event of a slip/fall claim or other situation, it is critical for a snow plowing business to have an endorsed general liability policy with “completed operations” coverage. If there is no completed operations endorsement, the contractor will be uninsured for claims resulting from slips and falls or other post-plowing losses.

*The attached “Snow Plow Contract Risk Management Guidelines” provide an overview of risk management considerations applicable to snow removal contracts. These coverage protections and associated limits of liability are consistent with MIIA’s overall risk management strategy for contracting with a third party. **Please note: While MIIA recommends these coverage limits and protections, we recognize that member communities may need to deviate from these recommendations based on the availability and demand for plowing services.***

If you have any questions concerning these recommendations, please discuss with your Risk Management Representative.

Snow Plow Contract

Risk Management Guidelines

A. Insurance Certificates Obtaining Certificates of Insurance from 3rd Parties

- In order to protect the Town's Liability, it is our recommendation that the Town obtain Certificates of Insurance from all snow plowing contractor(s) affording the following coverages:
 - a. General Liability of at least \$1,000,000 Bodily Injury and Property Damage Liability, Combined Single Limit with a \$3,000,000 Annual Aggregate Limit. The Town should be named as "Additional Insured" by endorsement for Products and Completed Operations. (See attached example form CG 20 37 04 13 ADDITIONAL INSURED•OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS)
 - b. Automobile Liability (applicable for any contractor who has an automobile operating exposure) of at least \$1,000,000 Bodily Injury and Property Damage per accident. The Town should be named as an "Additional Insured" on the contractors Auto Policy.
 - c. Workers' Compensation Insurance as required by law
 - d. Umbrella Liability of at least \$2,000,000 / occurrence, \$2,000,000 **aggregate**. The Town should be named as an Additional Insured.
 - e. Waiver of Subrogation Delete Waiver of Subrogation Language in its entirety from any contract the Municipality enters into.

B. Indemnification Agreements

- We recommend contracts include indemnity agreements in favor of the city or town. Add Language Example: "Licensor / Contractor agrees to indemnify, defend, and hold harmless the Licensee/Contractor ..."
- Meaning – An indemnification clause obligates a party (or both parties) to compensate the other party for losses or damages set out in the provision.

C. Hold Harmless Agreements

- We recommend that town counsel draft a hold harmless agreement with the contractor that is awarded the project.
- Meaning – A hold harmless provision means that an organization is not liable for certain damages under an Agreement. This clause effectively stops the party responsible for indemnification from bringing suit against the party being indemnified.

Note: At times, Indemnity Agreements and Hold Harmless Agreements may be combined.

Additional Insured - Owners, Lessees Or

Contractors - Completed Operations

This endorsement modifies insurance provided under the following:

Commercial General Liability Coverage Part Products/Completed Operations Liability Coverage Part

Schedule

Name of Additional Insured Person(s) Location and Description of Completed Operations Or Organization(s)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. **Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
 2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
8. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance**:
- If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less. **This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations**