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**SAMPLE INSURANCE CLAUSE
FOR
THE NYC BUSINESS IMPROVEMENT DISTRICT**

SAMPLE

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INSURANCE

Section 4.01 Public Liability Insurance

Throughout the Term, the DMA shall maintain in full force and effect and at its sole expense, or cause to be maintained, insurance policies protecting the DMA and the City against claims for injuries to persons or damages to property arising from or in connection with the performance of the Program by the DMA and the DMA's contractors, subcontractors and Permittees. The form, scope of coverage and insurance company with respect to all required insurance policies shall be subject to the approval of the Commissioner of SBS. The substance of all insurance policies, including amounts of coverage, shall comply with or exceed the following specifications for insurance coverage relative to the DMA's direct operations and relative to the operations of any of the DMA's contractors, subcontractors or Permittees:

(a) Broad Form Comprehensive General Liability Insurance covering all premises, operations, products and completed operations of the DMA or undertaken for the DMA written on an occurrence basis. Liability limits of \$1,000,000 combined single limit for personal injury, bodily injury and property damage, with an aggregate limit of \$5,000,000. The policies are to contain, or be endorsed to contain, the following added coverages:

- (1) Contractual Liability;
- (2) Personal Injury Liability;
- (3) Broad Form Property Damage; and
- (4) Products and Completed Operations.

(b) Business Automobile Liability Insurance covering all owned, non-owned and hired vehicles operated by the DMA and by its relevant contractors, subcontractors and Permittees. Liability limits of \$1,000,000 combined single limit for bodily injury and property damage.

However, if the Commissioner of SBS reasonably determines that additional insurance is properly required, he or she may direct that additional insurance coverage be provided. The City and SBS (and/or any other designee of the Commissioner of SBS) shall be added as insureds on all policies required by this Section 4.01, and the DMA shall also be added as insureds on such policies obtained by its contractors, subcontractors and Permittees for all actions arising under or in connection with the Contract.

Section 4.02 Workers' Compensation

The DMA shall obtain, and shall cause each of its contractors, subcontractors and Permittees to obtain, Worker's Compensation Insurance with employer's liability limits of \$500,000 per accident.

Section 4.03 Deductibles and Self-Insured Retentions

Any deductibles or self-retentions must be declared to and approved by the Commissioner of SBS.

Section 4.04 Director's and Officer's Liability Insurance

The DMA may obtain director's and officer's liability insurance coverage on terms consistent with Section 726 of the New York Not-for-Profit Corporation Law to indemnify and save harmless each director of the DMA from all liability, claims, or

damages by reason of his or her acts or omissions in connection with the performance of his or her duties as a director or officer of the DMA.

Section 4.05 Notice of Claim

The DMA shall comply with the provisions of all insurance policies required pursuant to this Article, and shall give the insurer and the City notice of any claim, accident, and loss promptly upon its acquiring knowledge of the same.

Section 4.06 Copies of Policies

All insurance policies required by the Contract shall be in form and substance satisfactory to the Commissioner of SBS and shall be obtained from responsible companies authorized to do business in the State of New York with a minimum "Best's" rating of no less than A:X. The DMA shall be responsible for delivering to the Commissioner of SBS a copy of each such policy certified by an appropriate officer of the insurance company and, not less than thirty (30) days prior to the expiration of any policy, a confirmation of renewal. Payment of Proceeds hereunder by the City to the DMA shall be contingent upon receipt by the Commissioner of SBS of such signed copies.

Section 4.07 Policy Provisions

Each such policy of insurance obtained by the DMA or its contractors, subcontractors and Permittees pursuant to Section 4.01 of this Article shall contain the following provisions if available:

(a) notices from the insurer to the City in connection with this policy shall be addressed to the Director of Neighborhood Development, Department of Business Services, 110 William Street, New York, New York 10038;

(b) the insurer shall accept notice of accident from the City or SBS within one hundred twenty (120) days after receipt by the City or SBS of notice of such accident as valid and timely notice under this policy;

(c) the insurer shall accept notice of claim from the City within one hundred twenty (120) days after any such claim has been filed with the Comptroller of The City of New York as valid and timely notice under this policy;

(d) notice of accident or claim to the insurer by the City, SBS or the DMA shall be deemed notice by each under this policy;

(e) this policy shall not be canceled, terminated or modified by the insurer unless sixty (60) days prior written notice is sent by registered mail to the DMA, SBS and the City, nor shall this policy be canceled, or terminated, or modified by the DMA without prior written consent by the City and SBS;

(f) the insurer shall waive any rights of subrogation it may have against the DMA, SBS or the City; and

(g) the presence of engineers, inspectors or other employees of the City or SBS at the site of any work performed by the DMA shall not invalidate this policy of insurance.

Section 4.08 Alternate Insurance Schedules

Notwithstanding any other provisions of this Article 4, the Commissioner of SBS may promulgate alternate schedules that vary the types and amounts of insurance to be maintained by the DMA due to the nature of the activities undertaken.