WCIA guideline ADM.21 updated

By Robin Aronson

WCIA is excited to be able to provide members with an updated version of ADM.21 (Insurance and Indemnity Requirements for Contracts). This replaces the April 2017 version. ADM.21 is part of the Liability Resource Manual, which is available through the Member Resources page on the WCIA website:  http://www.wciapool.org/member-resources. ADM.21 serves as a guide in developing proper insurance requirements in contracts. There is sample language members can use as well as risk management advice when it comes to insurance requirements and indemnification language depending upon the type of contract involved. A copy was emailed to Delegates and Alternates on April 23.

The most significant change is to the recommended minimum insurance liability limits. Claim values and jury verdicts have increased over the years. A million dollars isn’t what it used to be in the claim’s world! You will see that the recommended minimum liability limits have been increased for Commercial General Liability, Pollution Liability, Protection & Indemnity (working over waterways), and Technology Errors and Omissions insurance. As we always ask you to keep in mind, higher limits should be required for any activity that has a higher risk and/or severe loss potential. What we have in ADM.21 are just suggested minimum limits.

A new section has been added (Exhibit VI) on Franchise Agreements. We see quite a few of these agreements these days and hope you find the sample language helpful.

What else? Of course, we found a “few” typos and some “odd” grammar that might just horrify any English teacher; we just couldn’t resist fixing those issues. After all, it is spring and time to tidy up!

Please share this news and forward a copy of ADM.21 to others in your agency who might benefit from the revised document, particularly those who work on purchasing, contract administration, engineering, and of course your agency attorneys.

The WCIA Risk Services staff welcomes any contract and insurance requirement questions you might have. Please don’t hesitate to reach out.