

## INSURANCE REQUIREMENTS

1. **Insurance:** The Charter School, at its own expense, shall procure and maintain insurance covering all operations under the Agreement, whether performed by the Charter School or by its subcontractors. All insurers shall be licensed by the State of Illinois and rated A-VII or better by A.M. Best or a comparable rating service. The Charter School shall submit to the Board satisfactory evidence of insurance coverage prior to commencement of operations under the Agreement and upon request, shall promptly provide a certified copy of any applicable policy of insurance. Minimum insurance requirements include the coverages set forth below:
  - a. **Workers' Compensation and Employers' Liability Insurance:** Workers' Compensation Insurance affording workers' compensation benefits for all employees as required by law and Employers' Liability Insurance covering all employees who are to provide services under the Agreement with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence.
  - b. **Commercial General Liability Insurance:** Commercial General Liability Insurance or equivalent with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence, and Two Million and 00/100 Dollars (\$2,000,000.00) in the aggregate, combined single limit for bodily injury, personal injury and property damage liability coverage shall include the following: all premises and operations, products/completed operations (for a minimum of two (2) years following completion), independent contractors, separation of insureds, defense and contractual liability. The aggregate limit must apply for each Attendance Center and must be unimpaired. The policy shall not exclude corporal punishment coverage. The policy must include (and not limit or exclude) Sexual Abuse & Molestation coverage, unless a separate policy is obtained for such coverage pursuant to subparagraph 1.d. hereof.
  - c. **Automobile Liability Insurance:** Automobile Liability Insurance is required when any motor vehicle (whether owned, non-owned or hired) is used in connection with services to be performed, with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for bodily injury and property damage. If a vehicle (whether owned, non-owned or hired) is used to transport students, then limits of not less than Ten Million and 00/100 Dollars (\$10,000,000.00) per occurrence for bodily injury and property damage must be provided unless a Board-approved bus vendor is used. The bus vendor's insurance certificate shall be endorsed to provide that the Board of Education of the City of

Chicago, a body politic and corporate, and its members, employees, officers, officials and agents, and the Charter School are named as additional insured on a primary, non-contributory basis without recourse or right of contribution from the Board.

- d. Sexual Abuse & Molestation Insurance: Sexual Abuse & Molestation Insurance with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per claim and Two Million and 00/100 Dollars (\$2,000,000.00) in the aggregate. The aggregate limit must apply for each Attendance Center. If coverage is claims-made, the policy shall have a retroactive date effective upon the Effective Date of the Agreement and have an extended reporting period of not less than two (2) years following completion of the Agreement. Any retroactive date or prior acts exclusion must predate both the Effective Date of this Agreement and any earlier commencement of charter operations. Notwithstanding the provisions of this subparagraph 1.d. hereinabove, if the Commercial General Liability coverage and the Umbrella Liability coverage both include coverage for Sexual Abuse and Molestation (and do not exclude or limit such coverage), then the requirements of this subparagraph 1.d. shall not apply.
- e. School Board Legal/Professional Liability Insurance: School Board Legal/Professional Liability Insurance covering the Charter School and its directors and officers from liability claims arising from wrongful acts, errors or omissions in regards to the conduct of their duties related to the operation and management of the school with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) per claim and Two Million and 00/100 Dollars (\$2,000,000.00) in the aggregate. Coverage shall include 3<sup>rd</sup> Party Employment Practices Liability and Sexual Harassment coverage.
- f. Umbrella/Excess Liability Insurance: Umbrella or Excess Liability Insurance to provide additional limits for underlying general liability, automobile liability, and sexual abuse & molestation insurance coverages with limits of not less than:
  - i. Two Million and 00/100 Dollars (\$2,000,000.00) for one Attendance Center of the Charter School; provided, however, if the Attendance Center occupies a Board facility or site with a pool (whether indoor or out, operational or not, or used or not by any person or entity), this amount increases to Four Million and 00/100 Dollars (\$4,000,000.00); and

- ii. Two Million and 00/100 Dollars (\$2,000,000.00) for each additional Attendance Center of the Charter School; provided however, the requirements of subparagraphs 1.f.i. and 1.f.ii. combined shall be capped at Ten Million and 00/100 Dollars (\$10,000,000.00).
- g. Catastrophic Accident Insurance: Catastrophic Accident Insurance covering any Charter School that enrolls grades 9 through 12 with aggregate benefit limits of Three Million and 00/100 Dollars (\$3,000,000.00) or 5 years, whichever occurs first, for eligible students in grades 9 through 12 who sustain an accidental injury while participating in school-sponsored or school-supervised interscholastic athletic events sanctioned by the Illinois High School Association (including direct and uninterrupted travel to and from the athletic event as well as during a temporary stay at the location of an athletic event held away from the student's school) that results in medical expenses in excess of Fifty Thousand and 00/100 Dollars (\$50,000.00). These benefit limits are to be in excess of any and all other insurance, coverage or benefit, in whatever form or designation. (Source: P.A. 98-0166)
- h. Property Insurance/Fire Legal Liability:
  - i. If the Charter School occupies a non-Board facility to operate its Attendance Center, the Charter School shall maintain Property Insurance (on a special form cause of loss or all-risk basis) and Fire Legal Liability for full Replacement Cost of property, including property for which the Charter School is contractually responsible, by lease or other agreement, from physical loss or damage. Such insurance shall cover boiler and machinery exposures and business interruption/extra expense losses.
  - ii. If the Charter School occupies a Board facility to operate its Attendance Center, the Charter School shall maintain Property Insurance/Fire Legal Liability in accordance with the terms and conditions of the lease agreement between the Charter School and the Board.
- i. Fidelity Bond. Fidelity bond coverage in the amount of at least Two Hundred Thousand and 00/100 Dollars (\$200,000.00) with a responsible surety company with respect to all of the Charter School's employees as may be necessary to protect against losses including, without limitation, those arising from theft, embezzlement, fraud, or misplacement of funds, money or documents. The bond shall name the Board of Education of the City of Chicago as a third party.

- j. Cyber, Privacy & Network Security Insurance: Cyber Liability, Privacy and Network Security Insurance to cover for damages arising from a failure of computer security, or wrongful release of private information including expenses for notification as required by local, Federal or State guidelines. Limit of liability must be at least One Million and 00/100 Dollars (\$1,000,000.00) per claim and Two Million and 00/100 Dollars (\$2,000,000.00) in the aggregate. Coverage shall include failure to prevent transmission of malicious code. Any retroactive or prior acts exclusion must predate both the Effective Date of this Agreement and any earlier commencement of any charter operations. If coverage is on a "claims made basis", a 2 to 5 year extended reporting provision must be included.
  
- k. Construction: The Charter School shall indemnify, defend and agree to save and hold Board (and, if occupying a Board facility, the City of Chicago in Trust for Use of Schools ("City") and the Public Building Commission of Chicago ("PBC") as their interests may appear in their capacity as titleholders), harmless from and against all liability, injury, loss, claims, cost, damage and expense with respect to any injury to, or death of, any person, or damage to or loss or destruction of, any property occasioned by or growing out of any construction work on Board property. The Charter School shall not commence any such work until the Board has been provided with insurance certificates evidencing that the contractors and subcontractors performing such work have in full force and effect adequate insurance as required by the Board's construction program at the time of the work. Required coverage may include, but is not limited to: workers' compensation, general liability, professional liability, automobile liability, environmental liability, excess liability, property and builders' risk insurance. The Charter School's contractors and subcontractors are subject to the same requirements as the Charter School in regards to additional insured, rating, notice, etc.

- 2. Additional Insured. The Charter School shall have its general liability, automobile liability, and umbrella liability insurance policies endorsed to provide that the Board of Education of the City of Chicago, a body politic and corporate (and, if occupying a Board facility, the City and the PBC as their interests may appear in their capacity as titleholders), and their members, employees, officers, officials and agents, and any other entity as may be designated by the Board are named as additional insured on a primary basis without recourse or right of contribution from the Board (or, if occupying a Board facility, the City or the PBC as their interests may appear in their capacity as titleholders).

3. **Insurance Certificate.** The Charter School, its insurance company, or its insurance company representative shall submit an insurance certificate to the Board evidencing all coverage as required hereunder and indicating the Additional Insured status as required above. The Board will not pay the Charter School for any charter operations if satisfactory proof of insurance is not provided prior to the commencement of services. The certificate must provide that thirty (30) days prior written notice of material change, cancellation, or non-renewal be given to:

Board of Education of the City of Chicago  
Risk Management  
42 West Madison Street, 2<sup>nd</sup> Floor  
Chicago, Illinois 60602  
[riskmanagement@cps.edu](mailto:riskmanagement@cps.edu)

4. **General.** Any failure of the Board to demand or receive proof of insurance coverage shall not constitute a waiver of the Charter School's obligation to obtain the required insurance. The receipt of any certificate does not constitute an agreement by the Board that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements in the Agreement.

The Charter School's failure to carry or document required insurance shall constitute a breach of the Charter School's Agreement with the Board. Non-fulfillment of the insurance conditions may constitute a violation of the Agreement, and the Board retains the right to stop charter operations until proper evidence of insurance is provided, or the Agreement may be terminated.

Any deductibles or self-insured retentions on referenced insurance coverage must be borne by the Charter School. Any insurance or self-insurance programs maintained by the Board (or, if occupying a Board facility, the City or PBC in their capacity as titleholders) do not contribute with insurance provided by the Charter School under the Agreement.

All subcontractors are subject to the same insurance requirements of the Charter School unless otherwise specified in this Agreement. The Charter School shall require any and all subcontractors under this Agreement to carry the insurance as required herein and to comply with the foregoing requirements; otherwise, the Charter School shall provide coverage for such subcontractors. The Charter School will maintain a file of subcontractors' insurance certificates evidencing compliance with these requirements.

The coverages and limits furnished by the Charter School in no way limit the Charter School's liabilities and responsibilities specified within the Agreement or by law. The required insurance is not limited by any limitations expressed in the

indemnification language in this Agreement, if any, or any limitation that might be placed on any indemnity in this Agreement given as a matter of law.

The Charter School agrees that insurers waive their rights of subrogation against the Board (and, if occupying a Board facility, the City and PBC as their capacity as titleholders).

The Charter School must register with the insurance certificate monitoring company designated by the Board stated below, and must maintain a current insurance certificate on file during the entire term of this Agreement. The Charter School must register and pay the initial annual monitoring fee to the insurance certificate monitoring company prior to performance under this Agreement. The initial annual monitoring fee is currently Twelve and 00/100 Dollars (\$12.00) per year, but is subject to change.

Each year, the Charter School will be notified 30 to 45 days prior to the expiration date of its required insurance coverage (highlighted on its latest submitted insurance certificate on file) that it must submit an updated insurance certificate with the insurance certificate monitoring company. Insurance certificate submissions and related annual fees are required to be made online at the dedicated website established by the insurance certificate monitoring company identified below. Any questions on submissions and payment options should be directed to the insurance certificate monitoring company.

**Certificate Monitoring Company:**

Topiary Communications Inc.  
211 W. Wacker - Suite 220  
Chicago, IL 60654  
Phone - (312) 494-5709  
Email - [dans@topiarycomm.net](mailto:dans@topiarycomm.net)

**Website for online registration, insurance certificate submissions and annual fee payments:** URL - <http://www.cpsvendorcert.com>

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