Insurance Requirements

Cornell University requires that vendors who perform a service for the University meet minimum levels of insurance coverage. Vendors must submit evidence of adequate insurance coverage prior to performance of work or services for the University. If you are unsure as to whether the intended service provider must provide proof of insurance, the Cornell unit should contact the Department of Risk Management and Insurance.

A service is defined as an activity in which labor is the major factor and not merely incidental to the production, acquisition, and/or delivery of a good. Examples of services include hay delivery, catering, equipment repair, and web site design.

General Guidelines

- When a service is to be provided by a vendor, insurance is always required to mitigate any risk or harm to individuals or the university (e.g., financial impact, legal and regulatory concerns).
- When working with web developers and software companies, (e.g., programming, hosting, or data storage services or access to Cornell systems), cyber insurance is required.
- When hiring academic consultants from other universities or funding project with grants and contracts managed through the Office of Sponsored Programs, insurance is required.
- When Cornell is reselling a good or service, insurance from the vendor is required.

Proof of Insurance

Caterers who have already provided proof of adequate insurance are listed on the Risk Management and Insurance web site at http://www.risk.cornell.edu. Procurement Services maintains a list of other vendors that have supplied proof of adequate insurance coverage, available at https://www.dfa.cornell.edu/procurement/buyers/insurance.

Additionally, if you have access to KFS, you may view a vendor’s insurance coverage and expiration dates in the vendor record. From the KFS Main Menu, select Vendor from the Lookup and Maintenance section. From the vendor record, view the Vendor Insurance Tracking tab.

If a unit wishes to engage a vendor to perform work or services, and that vendor does not appear on the lists of those with adequate insurance, Procurement Services should be contacted as soon as possible. Procurement Services will contact the vendor to obtain the appropriate insurance certificates and add that vendor to the appropriate list once proof of insurance has been submitted.

*Caution*: Vendors are not to commence work or services for the university prior to the submission of proof of adequate insurance.

Questions Regarding Insurance Requirements

All requests for exceptions to the standard insurance requirements should be submitted by the end user and must be approved by the Department of Risk Management and Insurance. To request an exception, submit a detailed scope of work and a clear explanation of the circumstances to Risk Management and Insurance. Please be sure to include any relevant information, such as data analysis, ownership of intellectual property, and requirements/details from sponsored funds agreement. Please provide advance notice for review of the exception request. The Cornell unit should contact Risk Management at risk_mgmt@cornell.edu or (607) 254-1575.
Standard Insurance Requirements
Vendor will carry insurance to financially support indemnification of Cornell as provided herein, and shall provide certificates of such insurance, upon request. Annual automatic renewals of the certificate of insurance must be requested from the Vendor’s Insurance carrier and sent to Cornell upon the annual expiration date of the insurance policies.

Statutory Workers’ Compensation: Insurance under the laws of the State of New York and any other laws may be applicable thereto. Coverage “B”, Employer’s Liability, must have limits of at least $100,000.
This coverage is required for all vendors unless they are exempt under the laws of New York State, or other applicable jurisdiction. Coverage from other States may be substituted by individuals who are residents of other states but working on a temporary basis in New York. Individuals providing services on harbor fronts or over the water should provide proof of US Longshoremen and Harbor Workers insurance and/or Jones Act insurance.

Commercial General Liability Insurance: Subject to limits of at least $1,000,000 for each occurrence or the limit carried by the vendor, whichever is higher. Coverage must be provided for bodily injury liability, broad form property damage liability, contractual liability, and products/completed operations coverage. Completed operations coverage is to be maintained for a minimum period of two years after completion of the Cornell contract.
High risk activities may require higher insurance limits. Consult Cornell Risk Management and Insurance if services being provided could be considered to be high risk.

Cornell University must be added to the vendor’s Commercial general liability Insurance policy as an “additional insured”, and evidence of such will be provided in all certificates of insurance. The insurance shall be considered to be primary and non-contributory to all other insurance or self-insurance maintained by Cornell University, for allegations of negligence for the acts or performance of the Vendor in fulfilling the work order.

Automobile Liability Insurance: Subject to a combined single limit of at least $1,000,000 for each accident for bodily injury and property damage. Such automobile liability insurance shall be for the contractors’ owned, non-owned and hired vehicles.
Cornell requires limits of $5,000,000 for any bus charter, and higher limits for aircraft or watercraft travel that is not a ticketed event (e.g., charters). Aircraft and boat charters require pre-approval from Cornell Risk Management and Insurance.

If the Merchandise or Services provided by the Vendor includes software development and/or installation; or storage, use or access to Cornell data, the Vendor shall have
Cyber Risk Insurance: Subject to the limit of at least $1,000,000 per claim to be maintained for the duration of this agreement and three years following its termination to respond to privacy and network security liability claims including, but not limited to:
1. Liability arising from theft, dissemination, and/or use of Cornell University Confidential Information, including, but not limited to, bank, credit card account and personally identifiable information, such as name, address, social security numbers, etc. regardless of how stored or transmitted;
2. Network security liability arising from (i) the unauthorized access to, use of, or tampering with computer systems, including hacker attacks or (ii) the inability of an authorized third party to gain access to Supplier systems and/or Cornell University data, including denial of service, unless caused by a mechanical or electrical failure;
3. Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer’s or third person’s computer, computer system, network, or similar computer related property and the data, software, and programs thereon;
4. Crisis Management expenses (i.e. notification, public relations, reputation damage, forensics, etc.) for a data breach.

**Note:** Cyber Risk insurance is required for cloud computing services, hosting Cornell data on vendor’s servers, and providing vendor’s access to Cornell data that resides on Cornell servers.

The Office of Risk Management and Insurance provides guidance on the use of **drones for University-related business and recreational purposes**. For information and help with FAA regulations for recreational, educational, and commercial use as well as local ordinances and safety guidelines, please review the specific requirements on Risk Management and Insurance’s website at [http://www.risk.cornell.edu/forms-documents/risk-guidance/drones-guidelines/](http://www.risk.cornell.edu/forms-documents/risk-guidance/drones-guidelines/).

**Other Requirements for all insurance coverage:**
These minimum requirements of the University shall not limit the liability or responsibility of the Vendor. Cornell’s failure to enforce the requirements shall not be considered to be a waiver of any requirement. Any changes to these requirements shall only be made in writing and agreed upon by all parties.
All commercial general liability policies should be issued on an “occurrence” basis.
The vendor must indemnify Cornell University as stated in section eleven of the Terms and Conditions of a Purchase Order.
A certificate of insurance for all policies required must be issued to Cornell University and received by Procurement Services prior to any work commencing under any contract subject to these requirements.
All certificates of insurance must provide for a minimum of 30 days’ notice to Cornell University prior to the cancellation of, non-renewal of, or a change in policy terms and/or conditions.

**Exceptions to the Standard Buying Guidelines**
Risk Management and Insurance does not require the collection of certificates of insurance from major hotel chains for their providing of guest rooms. The provision of catering and meeting space does require proof of insurance unless an exception is granted by Risk Management and Insurance.

* Caution: Prior to procuring any services, always review the Purchases with Special Procedures: Paying for Services section of this manual.