
Section I:	General Government and Administration
Policy 10.0:	Risk Transfer Policy
Reviewed by:	Risk Manager/County Attorney/County Manager
Approved by:	Risk Manager/County Manager
Original Effective Date:	October 1, 2013
Revisions:	

Policy Statement

It is the policy of Orange County to seek the transfer of risk with contractual entities based upon the risk posed to the County. Risk transfer may be sought through contractual indemnification and insurance and will be specified within this policy document. Orange County recognizes that the dollar value of the contract is not necessarily a reflection of the risk/exposure.

Purpose

To establish a policy whereby risk shall be appropriately managed through contractual obligations and responsibilities.

Applicability

This policy applies to all contracts and all County Departments.

Procedure

10.1 Prior to Contract Routing

Departments shall notify contractors and potential contractors of this policy and the requirements contained herein. Any offers of modification to the insurance requirements must be approved by the Risk Manager.

10.2 Waiver

The Risk Manager may waive or modify insurance requirements in whole or in part upon request of a department or contractor. Any such waiver is solely within the discretion of the Risk Manager and shall be based exclusively on the Risk Manager's professional knowledge and experience. No such waiver may be approved unless the waiver or modification is requested PRIOR TO execution of the applicable contract.

10.3 Required Coverage

Insurance Coverage is sought based on the level of risk (See OC Risk Profile & OC Minimum Insurance Requirements). The Orange County Risk Manager may waive insurance requirements in part or whole upon request based upon our evaluation of the risk posed to the County.

Should an exception to coverage limits or waiver be requested, the department should be prepared to answer the following questions:

1. What activities will take place?
2. Who could be harmed?
3. What property could be damaged and how severely?
4. What is the maximum exposure (worst case scenario) for the activity?
5. What is the maximum likely loss for the activity?

6. Is there a possible pollution exposure?
7. Are crowds or bystanders/passersby likely to be involved?
8. Will inherently dangerous activities be involved?
9. How likely is the County to be a defendant in the event of a loss?
10. Are other contractors/vendors available to do the work that have the County minimum limits?
11. What are the cost of the work (bid, contract or PO price) and the duration of the work?
12. What is the cost to the vendor to increase coverage to the County's requirement?

Failure to obtain an exception or waiver will eliminate the requesting party as a vendor.

It is recognized that a purchase order for the routine procurement of goods may not explicitly state insurance requirements. However, departments should review each acquisition to identify potential risks that may require the imposition of insurance requirements. The County's failure to request or demand evidence of insurance shall not constitute a waiver of any insurance requirement.

10.4 Certificates of Insurance

Certificates of Insurance should be obtained and accompany the contract. Certificates of insurance should contain the following:

1. Orange County, its officers, official agents and employees as an additional insured on the General Liability Policy.
2. Disclose any self-insured retention (allowed only if pre-approved by the County).
3. Designate Orange County, Attn: Risk Management, 200 South Cameron Street, PO Box 8181, Hillsborough, NC 27278 as certificate holder.
4. Provide the County shall be notified at least 30 days in advance of cancellation or material change in coverage.
5. Provide a waiver of subrogation on Workers' Compensation. If such Waiver is not available from insurer, contact Risk Management.

Contract insurance requirements must be met. Receipt of a non-compliant certificate, other documentation of insurance or policies by the County or any of its representatives does NOT constitute a waiver of the vendor/contractor's obligation to fulfill the insurance requirements of the County.