

# Basic Insurance Requirements for Suppliers

## Why does RTI International require its suppliers to maintain insurance?

Insurance requirements are an industry standard and risk mitigation technique designed to protect RTI in the event that a Supplier causes financial losses to a third-party. Additionally, some of the insurance brokers that provide RTI's insurance expect that RTI establishes through its subagreements a level of protection that will help shield RTI from claims. Furthermore, there may be statutory insurance requirements depending on the place of work performance. For instance, most countries have minimum requirements for Workers' Compensation insurance and Automobile Liability insurance. In addition to RTI and country-specific requirements, some of RTI's prime agreements have insurance requirements that we must flow down to RTI's Suppliers. Failure to do so could put RTI in default on its prime agreement with its Client and/or could lead to a financial loss as mentioned above.

Again, this is a common requirement in this industry, and in most cases the resulting insurance premiums would be considered an allowable cost.

## What are the required coverage types & amounts?

### WORKERS' COMPENSATION & EMPLOYER'S LIABILITY INSURANCE

**Workers' compensation** provides coverage for employees that are injured while working, without regard to fault, and must be maintained in accordance with the requirements of the location in which the work is being performed.

**Employer's liability** provides coverage for an employer in situations where an employee feels that the workers' comp provided was not adequate to cover the cost of medical bills or lost wages, and that the employer was negligent.

- While usually not statutory, a common level of Employer's liability coverage in the U.S. would be \$1,000,000.

### COMPREHENSIVE AUTOMOBILE & VEHICLE LIABILITY INSURANCE

Coverage against claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including on-site and off-site operations, and owned, non-owned, or hired vehicles.

### COMMERCIAL GENERAL LIABILITY INSURANCE

Coverage against claims for injuries to members of the public or damage to property of others arising out of any negligent act or omission of the Supplier or of any of its employees, agents, or lower-tier subcontractors or subrecipients

### COVERAGE AMOUNTS

For **United States (U.S.) Suppliers**, RTI's standard minimum requirement is that suppliers maintain insurance coverage in the amount of \$1,000,000 for both automobile and general liability insurance.

For **Non-U.S. Suppliers**, RTI bases its required automobile and general liability insurance coverage amounts on the customary insurance practices of the country of the Supplier and the country where the work is being performed. Specific insurance requirements for each country can be found in the [World Bank Group's Individual Country Insurance Requirements Matrix](#).

## What is Additional Insured status?

RTI is asking that it be included on your insurance policy as an **additional insured**. RTI is not asking to be included as a named insured. As an **additional insured**, RTI would only be afforded coverage under your policy for liability caused by you in the performance of your statement of work.

This is a common requirement in this industry, and a general practice for mitigating risk. This is especially true for business relationships in which the insurance policy owner (the Supplier in this case) has agreed to indemnify the additional insured (RTI in this case). Likewise, some of RTI's insurance providers expect certain levels of protection are in place, to include RTI being identified as an additional insured on our partners' policies.

## What is considered sufficient proof?

There is no specific form format required by RTI. U.S. insurance agencies typically use the **ACORD Form** format, but insurance providers may provide other forms as proof of insurance coverage. RTI considers sufficient proof to be anything from your insurance agency confirming that your firm maintains at minimum the insurance coverage types in the amounts stipulated in your agreement.

## Where can I obtain this coverage? \*

Example brokers that deal with U.S. and non-U.S. business insurance:

- Aon - <https://www.aon.com/home/index.html>
- Willis - <http://www.willis.com/>
- Marsh - <https://www.marsh.com/>
- Gallagher - <https://www.ajg.com/>

Example Insurers that provide international insurance:

- American International Group (AIG) - <https://www.aig.com/business>
- Travelers - <https://www.travelers.com/business-insurance>
- Zurich - <https://www.zurich.com/en/products-and-services/protect-your-business>
- The Hartford - <https://www.thehartford.com/business-insurance>
- Chubb - <https://www.chubb.com/us-en/business-insurance/>

\* This list is provided for informational purposes only and does not constitute RTI International's endorsement of these brokers. Other brokers and insurers exist and may be used to obtain the necessary coverage stipulated in your agreement.