



ENCROACHMENT PERMIT

City of Chico – Capital Project Services Insurance Requirements - Information Sheet

Following is a summary of the insurance requirements for the issuance of an Encroachment Permit pursuant to Section 14.08.120 Chico Municipal Code and City Risk Management Office procedures:

An applicant for an Encroachment Permit shall obtain and provide to the City evidence of a **Commercial General liability insurance** from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better, or in the alternative, an unlicensed U.S. domiciled company or companies with a rating of "A", which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, with a maximum policy deductible of \$5,000, except when the City's Risk Management determines that work performed pursuant to such permit involves unusual risks which expose the City to liabilities in excess of \$1,000,000, then the insurance shall be in an amount which the City's Risk Management determines is necessary to fully cover the City's exposure to all such risks. An Occurrence policy is required.

Applicants for an Encroachment Permit must submit evidence of coverage in the form of an original **certificate of insurance with policy endorsements** executed by an authorized official of the insurer. The policy endorsements to be attached to the certificate shall provide that:

1. The City of Chico, its officers, boards and commission, and members thereof, its employees and agents are covered as **additional insureds** as respects to **any** liability arising out of the activities of the named insured. **A CG 2012 endorsement form or equivalent is required.**
2. The insurance coverages afforded by this policy shall be **primary** insurance as respects to the additional insured. Any insurance or self-insurance available to the additional insureds shall be excess and non-contributing to any loss.

The above language can be included on the additional insured endorsement form or on a separate endorsement form. A photocopy of the language from the policy (typically found in the section which discusses "Other Insurance" and "Methods of Sharing") is also acceptable as evidence of primary coverage **provided that it is transmitted to the City with a note or letter on insurance agency or company letterhead certifying it is from the policy of the insured.**

3. **Thirty (30) day prior notice of cancellation** or material change in coverage. Ten (10) day notice for non-payment of premium is acceptable.

Please provide this information sheet to your insurance agent or broker and request that they issue the certificate, with endorsements, to the City of Chico, Attention: Risk Management, P.O. Box 3420, Chico, CA 95927. If your agent or broker has questions regarding these insurance requirements, they should call the Risk Management office at (530) 879-7910.

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