



TOW SERVICE AGREEMENT

City of Chico Insurance Requirements - Information Sheet

Commercial General Liability Insurance or Garage Liability Insurance

An applicant for a Tow Service Agreement shall obtain and maintain during the term of the Agreement, a policy of commercial general liability insurance or garage 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 for each occurrence, and \$2,000,000 in the aggregate, with a maximum policy deductible of \$1,000.

Garage Keepers Liability

The applicant will also be required to maintain a policy of garage keepers liability for vehicles in the care, custody and control of the applicant in applicant's storage yard in the minimum amount of \$100,000.

On-Hook Coverage

The applicant shall maintain on-hook coverage that insures the vehicle in tow in the minimum amount of \$50,000.

Said insurance coverages shall be evidenced by a certificate of insurance with policy endorsements, executed by an authorized official of the insurer(s). The policy endorsements to be attached to the certificate shall provide that:

1. The City of Chico, its officers, boards and commissions, 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 2010 or CG 2026 endorsement form or the equivalent is the appropriate form.
2. The insurance coverages afforded by this policy shall be primary insurance as respects to the City of Chico, its officers, employees or agents. Any insurance or self-insurance maintained by the City of Chico, its officers, officials or employees shall be in excess of the insurance afforded to the named insured by this policy and shall not contribute 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. In addition, the certificate of insurance or endorsement must provide to the City at least thirty (30) days prior notice of cancellation or material change in coverage.

Please provide this information sheet to your insurance agent or broker and request he or she issue the certificate, with endorsements, to the City of Chico, Attention: Risk Management, P.O. Box 3420, Chico, CA 95927. The City will not issue a Tow Services Agreement until the evidence of insurance is approved. If your agent or broker has questions regarding the insurance requirements, he or she should call the Risk Management office at (530) 879-7910.

City of Chico – Human Resources & Risk Management
PO Box 3420 | Chico, CA 95927
Phone (530) 879-7910 | Fax (530) 895-4733
RiskManagement@ci.chico.ca.us