

## OVERVIEW

### Insurance Pre-approval Program

Caltrans' Insurance Pre-Approval Program allows a contractor, prior to bidding on a Caltrans' construction contract or during an ongoing contract, to submit its insurance documents to the Caltrans Division of Construction, Office of Construction Safety & Insurance (OCSI) for pre-approval. If pre-approved, OCSI issues the contractor a "Certificate of Pre-Approved Insurance" valid for the policy period and level of construction work. The successful bidder for every Caltrans construction contract is required by contract to indemnify the state of California, and if applicable, other parties, and submit proof of the contractor's liability insurance together with the executed contract before the contract may be approved. The insurance pre-approval program is meant to reduce delays in contract execution and lessen the administrative burden on Caltrans and contractors who are awarded more than one contract and need to submit the same insurance documents more than once in the same policy period.

Contractors may be pre-approved for insurance in one of two ways:

1. **Upon contract award.** When the successful bidder submits the complete insurance documents required under Section 3-1.07, "Insurance Policies," of the [Standard Specifications](#) to the Office Engineer (OE) as instructed in the award letter, OE forwards the insurance documents to OCSI for review and approval. If the Contractor has met ALL Caltrans insurance obligations and requirements, then OCSI will issue the contractor a "Certificate of Pre-Approved Insurance" which is valid for all Caltrans' construction contracts in the same "total bid" range in the insurance table as the awarded contract under review, until one of the required insurance policies expires.
2. **Prior to bidding on a Caltrans construction contract.** A contractor may request insurance pre-approval by submitting the "Application Form for Insurance Pre-Approval" below to OCSI with complete copies of the contractor's insurance documents required under Section 3-1.07, "Insurance Policies," of the [Standard Specifications](#). Note: the contractor's insurance policies must meet ALL Caltrans insurance obligations and requirements. Upon review and approval, OCSI will issue a "Certificate of Pre-Approved Insurance" for the level of contract work requested. When a contractor with the appropriate level of pre-approved insurance is awarded a construction contract, in-lieu of submitting copies of all insurance documents, the contractor only needs to enclose their one-page "Certificate of Pre-Approved Insurance" along with the executed contract documents to OE as instructed in the contract award letter.

## STANDARD SPECIFICATIONS DATED 2024

NOTE: The following are excerpts and are not the complete insurance specifications for Caltrans contracts. They are included here for the convenience to show the liability insurance limits and the documents needed to show proof of insurance. Please refer to the Standard Specifications, including special provisions, for the complete insurance specifications of your contract.

### Section 3: CONTRACT AWARD AND EXECUTION

#### 3-1.07 INSURANCE POLICIES

The successful bidder must submit:

1. Copy of its commercial general liability policy and its excess policy or binder until such time as a policy is available, including the declarations page, applicable endorsements, riders, and other modifications in effect at the time of contract execution. Standard ISO form no. CG 00 01 or similar exclusions are allowed if not inconsistent with section 7-1.06. The allowance of additional exclusions is at the discretion of the Department.
2. Certificate of insurance showing all other required coverages. Certificates of insurance, as evidence of required insurance for the auto liability and any other required policy, must set forth deductible amounts applicable to each policy and all exclusions that are added by endorsement to each policy. The evidence of insurance shall provide that no cancellation, lapse, or reduction of coverage will occur without 10 days prior written notice to the Department.
3. Declaration under the penalty of perjury by a CPA certifying the accountant has applied GAAP guidelines confirming the successful bidder has enough funds and resources to cover any self-insured retentions if the self-insured retention is over \$50,000.

If the successful bidder uses any form of self-insurance for workers compensation in lieu of an insurance policy, the Bidder must submit a certificate of consent to self-insure under Labor Code section 3700.

### Section 7: LEGAL RELATIONS AND RESPONSIBILITY TO THE PUBLIC

Excerpt of Section 7-1.06D "Liability Insurance" of Standard Specifications

#### 7-1.06D Liability Insurance

##### 7-1.06D(1) General

Evidence General Liability and Umbrella or Excess Liability Insurance covering all operations by or on behalf of you providing insurance for bodily injury liability, property damage liability, and personal and advertising injury for the limits outlined in 7-1.06D(2). Coverage must extend to premises, operations and mobile equipment, personal and advertising injury, products and completed operations, and contractual liability. Coverage shall not contain a cross-suits exclusion barring coverage for a suit brought by or between Caltrans and another Insured in the policy. Coverage shall also not contain an exclusion for explosion, collapse and underground hazards. Such policies must contain an annual reinstatement of limits during construction operations.

### 7-1.06D(2) Liability Limits/Additional Insureds

The limits of liability must be at least the values shown in the following table:

Total Bid	For each occurrence <sup>a</sup>	Aggregate for products/completed operations	General aggregate <sup>b</sup>	Umbrella or excess liability <sup>c</sup>
≤\$1,000,000	\$1,000,000	\$2,000,000	\$2,000,000	\$5,000,000
>\$1,000,000 ≤\$10,000,000	\$1,000,000	\$2,000,000	\$2,000,000	\$10,000,000
>\$10,000,000 ≤\$25,000,000	\$2,000,000	\$2,000,000	\$4,000,000	\$15,000,000
>\$25,000,000	\$2,000,000	\$2,000,000	\$4,000,000	\$25,000,000

- a. Combined single limit for bodily injury and property damage.
- b. This limit must apply separately to your work under this contract.
- c. The umbrella or excess policy must contain a clause stating that it takes effect (drops down) in the event the primary limits are impaired or exhausted. The required umbrella liability limits are separate from and in addition to the required general liability limits. The umbrella or excess policies shall not contain exclusions barring follow-form coverage for required coverages in this specification.

## Examples of Pre-approved Insurance

### *Example 1:*

A contractor bids and is awarded a contract of less than \$1,000,000 in "total bid." The contractor submits complete insurance documents conforming to the provisions of Section 3-1.07, "Insurance Policies," of the [Standard Specifications](#). OCSI approves the insurance for this project and issues the contractor a "Certificate of Pre-Approved Insurance" for future projects having construction value of \$1,000,000 or less. A few months later, the contractor bids and is awarded a contract valued at \$6,000,000. Under Caltrans' specifications, the contractor must submit to OE new liability insurance documents or endorsement to increase the existing policy to cover a \$6,000,000 contract because the contractor is only pre-approved for contracts valued up to \$1,000,000. Once proper insurance documentation is submitted and approved, Caltrans issues another "Certificate of Pre-Approved Insurance" for projects up to \$10,000,000 under the specifications table ( $> \$1,000,000 \leq \$10,000,000$ ); see table on page 3.

### *Example 2:*

On 7/1/2017 a contractor's insurance is pre-approved, and the contractor's general liability, excess liability, and auto liability insurance have a common expiration date of 10/1/2017. But the contractor's workers' compensation policy shown on the certificate of insurance expires on 9/1/2017. The pre-approval certificate is valid until 9/1/2017 (the earliest date of the required policies expires).

On 8/25/2017, the contractor's insurance broker submits to OCSI evidence that the contractor's workers compensation policy is renewed for another year thru 9/1/2018. But Caltrans will only issue a new pre-approved certificate valid thru 10/1/2017, the expiration date of the contractor's general liability, excess liability, and auto liability insurance policies. Ten days before 10/1/2017, the contractor must submit copies of their general liability and excess liability policies (or binders until the policies are issued). If the contractor submits a binder in-lieu of an actual policy, the pre-approved certificate will be valid for no-longer than 90 days from date of issuance – the statutory limit for binders to expire.

## Insurance Pre-approval Program Instructions\*

To obtain insurance pre-approval prior to bidding a Caltrans project:

1. Complete the "Application Form for Pre-Approved Insurance" below.
2. Send the completed application and required insurance documents via email to: [Lori\\_Wing@artextrisk.com](mailto:Lori_Wing@artextrisk.com), with a CC to: [Construction.Insurance@dot.ca.gov](mailto:Construction.Insurance@dot.ca.gov).

\*Notes:

- Certificate Photocopies: Contractors may photocopy the certificate and distribute it to their field offices responsible for bidding and executing contracts.
- Expiration of Certificate: The expiration date of the certificate is the earliest expiration on any of the approved policies. Prior to expiration of a pre-approved certificate, the Office of Construction Safety and Insurance may notify the contractor to submit the required renewal policy. If a certificate expires, the contractor must re-submit a request for approval. When approved, a new certificate is issued to the contractor.

## Application Form for Insurance Pre-approval

### California Department of Transportation

Contractor Name: \_\_\_\_\_

Address (Street/City/State/Zip): \_\_\_\_\_

Phone: \_\_\_\_\_ Cell: \_\_\_\_\_

Requested By: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_

**Please answer the following questions to assist the Office of Construction Safety and Insurance with your request:**

1. Requesting pre-approval for projects with a construction value of:

\_\_\_\_\_ up to \$1M  
\_\_\_\_\_ \$1M to \$10M  
\_\_\_\_\_ \$10M to \$25M  
\_\_\_\_\_ \$25M or greater

2. Expiration dates of required insurance coverages:

\_\_\_\_\_ General Liability  
\_\_\_\_\_ Excess/Umbrella Liability  
\_\_\_\_\_ Automobile Liability  
\_\_\_\_\_ Workers' Compensation  
\_\_\_\_\_ Other

3. Email address to send Certificate of Pre-Approved Insurance:

\_\_\_\_\_

4. Office address to send Certificate of Pre-Approved Insurance (if different from above):

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