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STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
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October 23, 2007

COMPTROLLER'S MEMORANDUM 2007-24

TO: Heads of Departments and Agencies

FROM: Russ K. Saito
State Comptroller 

SUBJECT: General Liability and Automobile Insurance Requirements for Contracts

Standardizing the insurance requirements for Request for Proposals (RFP), Invitation for Bids (IFB), and contract notices will provide consistency for all State contracts and provide adequate liability protection for the State. To achieve this standardization, effective immediately, we are requiring that the contractual requirements for general liability (GL) be no less than \$1 million per occurrence and \$2 million in the aggregate (the maximum amount paid for claims during a policy term). In addition, automobile (auto) insurance shall be no less than \$1 million per accident.

Departments should review the potential risk exposure and may require higher insurance limits, if warranted by specific contracts.

If deemed appropriate by individual agencies for particular contracts, limits below the minimum standard requirements may be established subject to approval by the Risk Management staff before issuing the RFP, IFB, or contract notice. If Risk Management approval is not obtained, the department or agency will be financially responsible for the difference between the contractual insurance requirements established by the department or agency and the amount set forth in this memorandum.

If you, or your staff, have any questions, please call Ms. Julie Ugalde, Risk Management Officer, at 586-0550.