




STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
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April 6, 2009

COMPTROLLER'S MEMORANDUM 2009-04

TO: Heads of Departments and Agencies

FROM: Russ K. Saito
State Comptroller 

SUBJECT: General Liability and Automobile Insurance Requirements for Contracts

This memo updates Comptroller's Memorandum 2007-24, issued October 23, 2007, covering general liability and automobile insurance requirements for contracts. This Comptroller's Memorandum 2009-04 is to advise departments of the following:

1. Standardizing the insurance requirements for Requests for Proposals (RFPs) and Invitations for Bids (IFBs) ensures consistency among State contracts and provides liability protection for the State. To achieve this standardization, Comptroller's Memorandum 2007-24 requires 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). Comptroller's Memorandum 2007-24 also requires that automobile (auto) insurance be no less than \$1 million per accident.
2. Departments should review the potential risk exposure and require higher insurance limits if warranted by specific contracts.
3. Individual agencies may establish below the minimum standard requirements, if deemed appropriate for particular contracts, subject to approval by the Risk Management staff before an RFP or IFB is issued. 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 Comptroller's Memorandum 2007-24.

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