Vendor Insurance

I. Insurance coverage is required of a vendor when goods are to be installed or services are to be provided by that vendor on University property or on privately owned property that the owner has allowed the University to use. Worker compensation, general liability, and comprehensive auto liability (owned and non-owned) are required.
   A. The policy from the UW System Risk Management Office explains the requirements for both high and low risk vendors and provides the list of high risk procurements.
   B. The most common high risk purchases that will be made by departments by means of Low Dollar Orders that are not on existing State, System or Campus contracts are for transportation of people, travel services (tours and agencies) and catering.
   C. While it is a requirement that all vendors who do business with the University must maintain acceptable insurance for their activities; vendors who provide products and services categorized as high risk procurements must provide, on request, a certificate of insurance for coverage deemed necessary by the Risk Manager, as a condition of doing business with the University.
   D. Purchasing coordinates insurance requirements with Risk Management for orders and contracts which it releases. Insurance requirements are coordinated by the State, System and UW Madison for their contracts which we use.

II. Departments which release Low Dollar Orders, Academic Support Services Agreements or who are delegated to release other orders are responsible for coordinating the obtaining of proof of vendor insurance for these high risk procurements that are not covered by existing State, System, UW Madison or Milwaukee contracts.
   A. If the vendor selected for the Low Dollar Order listing is not on a published State, System or UW Madison or University contract as published in Section 3.3.8 – Contract Listing of this manual, notify Risk Management (x6374) in sufficient time prior to the vendor performance of the order so that Risk Management can contact the vendor and obtain the proof of insurance from the vendor.
   B. Failure to follow this procedure which results in an insurance claim action involving a vendor with inadequate insurance coverage may result in personal loss to the individual responsible, or loss to the responsible department program fund. The State Risk Manager has no obligation to pay claims for results of vendor actions for which proper vendor insurance verification procedures have not been followed.

Questions regarding vendor insurance requirements should be addressed to Risk Management.