

# Weatherization Assistance Program (WAP—POI)

## Third Party Testing Company Insurance Considerations

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1. Limits:                      \$1,000,000 per occurrence  
                                      \$2,000,000 aggregate
2. Carrier Rating:            A (8) or better
3. Coverage:
  - a) General Liability Coverage—occurrence form
  - b) Professional Liability Coverage

Professional Liability coverage is a “claims-made” policy. Claims-made policies have retro-active dates. Retro-active dates will signify the date that the professional liability coverage commenced for the testing company. Any work that the tester does for the community action agency needs to take place after the retroactive date. Retro-active dates should never change.

It might also be wise for the Community Action Agency to incorporate a contract with third party testing companies. A contract could have a clause that requires the 3rd party testing company to maintain their Professional Liability coverage for a predetermined time period going forward, without lapses or changes in the retroactive date. If changes do occur, the CAA might want to require notification.

It might be wise for Community Action Agencies to monitor the retroactive dates of third party testing companies. The certificate of insurance from the 3rd party tester should reflect their professional liability retroactive date.

The only way to make sure the professional liability policy does not have an exclusion for lead, asbestos, mold or radon is to read the policy which is probably not practicable for the community action agency, so community action agencies might want to have covered pollutants noted on the insurance certificate. For example, “lead, mold, and asbestos are covered by this professional liability policy.”



### To contact us:

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4. Endorsements required from testing company's General Liability insurance policy are:
  1. Additional Insured
  2. Waiver of Subrogation, if no additional cost, and where permitted by law
  3. Primary Non-Contributing
5. The contract with the third party testing company might want to have a section that requests the above mentioned endorsements. Many insurance policies today automatically provide these endorsements if the endorsement are requested in a contract. The following is an example of contract insurance clauses that request these endorsements.

1. Name CAA and property owner, their directors, officers, employees and agents as additional insured with respect to the services performed hereunder, and

2. Shall be primary with respect to any insurance carried by CAA, and

3. Shall include a waiver of subrogation, where permitted by law, for CAA if policy automatically provides this endorsement with contract reference. If insurance company charges for this endorsement, please solicit instructions from CAA.



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