State of Georgia
Department of Administrative Services
State Purchasing Division

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TO: State of Georgia Procurement Professionals

FROM: Jim Barnaby, Deputy Commissioner of State Purchasing JB
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RE: **Revised Insurance and Bonding Guidelines**

The Department of Administrative Services (DOAS), through its State Purchasing Division (SPD) and DOAS Risk Management Services (RMS) Division, is pleased to announce a comprehensive update to SPD-SP048 Insurance and Bonding Guidelines. Effective **August 2025**, the updated guidelines introduce several revisions to enhance clarity, increase recommended coverage limits, and address evolving risk management needs and industry standards. Below is a breakdown of the major changes.

1. **General Structural and Terminology Changes**
    a. **"Vendors/Contractors"** has been replaced with **"Suppliers"** throughout the guidelines to match names used in contract forms.
    b. **Expanded Disclaimers** clarifying that the guidelines do not create third-party rights and are intended for internal state use as well as emphasizing that the guidelines are recommendations, and that individual needs may be higher or lower.

2. **Changes to Insurance Coverage Recommendations**
    a. **Increased Liability Coverage Limits**
        i. Liability coverage recommendations have been raised in multiple categories.
        ii. Higher limits apply to high-risk industries, including construction, healthcare, and cybersecurity.
    b. **Newly Added or Expanded Insurance Coverages.** The guidelines introduce the following new or expanded insurance categories:
        i. **Technology Errors & Omissions (Cyber Liability)** – Covers risks related to data breaches and IT service failures.
        ii. **Crime Coverage** – Addresses employee dishonesty, fraud, and financial theft.
        iii. **Aviation Insurance (including Drones)** – Applicable to contracts involving aviation and drone operations.
        iv. **Environmental Impairment Liability** – Recommended for contracts involving hazardous materials or waste management.
    c. **Industry-Specific Coverage Updates**. New or expanded insurance recommendations now apply to some industries, including the following:

i. **Film Production** – Recommends additional liability and equipment insurance**.**
ii. **Childcare Services** – Now recommends sexual misconduct liability coverage.
iii. **Construction and Paving Contractors** – Higher coverage limits and new pollution liability recommendations.
iv. **Timber Harvesting/Logging** – Now recommends additional equipment and environmental coverage.

3. **Bonding Updates**
   a. **Performance and Payment Bonds** – Clarified when bonds are legally required for construction contracts.
   b. **Surety Bond Provisions** – Additional language specifying the qualifications for surety companies.

4. **Expanded Policy Provisions**
   a. **Primary and Non-Contributory Wording** – Policies should state they are primary to any state-provided coverage.
   b. **Waiver of Subrogation** – Now recommended for multiple policy types.
   c. **Extended Reporting Periods** – Some claims made policies (e.g., professional liability and pollution liability) should require post-contract coverage, sometimes for up to four years.

5. **Compliance and Documentation Enhancements**
   a. **Updated Certificate of Insurance (COI) Recommendations** – Specifies recommended content and submission timelines.
   b. **State of Georgia as Additional Insured** – Now explicitly recommended on additional policies, including those covering subcontractors.
   c. **Cancellation Notification Requirements** – COI should require that should insurance policy be cancelled before its expiration date, insurers must provide notice of cancellation in accordance with policy provisions. Contracts should require that Supplier notify the State immediately upon receiving information that a policy is or will be changed, cancelled, or replaced.
   d. **Audits and Enforcement** – State agencies now have clearer authority to request proof of coverage and enforce non-compliance measures.

6. **Sample Certificate of Insurance updated to current industry standards and Georgia authorized form.**

SPD and RMS will host a webinar to review these changes. Please distribute this Official Announcement internally.

For any questions related to this Official Announcement, please contact spdpolicy@doas.ga.gov or risk.management@doas.ga.gov.