

A. Insurance.

- 1) A delivery dispensary shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to the Director, the following policies of insurance in the amounts and of the types that are acceptable to the Director, with minimal coverage provided of:
- 2) Throughout the life of the License, the Licensee shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VIII" in Best's Insurance Rating Guide, or (ii) authorized by City Manager or his/her designee and in his/her sole discretion. The following policies of insurance are required:
- 3) COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury, \$2,000,000 aggregate for products and completed operations and \$2,000,000 general aggregate.
- 4) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "any auto" with limits of liability of not less than \$1,000,000 per accident for bodily and property damage.
- 5) WORKERS' COMPENSATION insurance as required under the California Labor Code.
- 6) EMPLOYERS' LIABILITY insurance with minimum limits of \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy limit.
- 7) Licensee shall be responsible for payment of any deductibles or self-insured retentions contained in any insurance policies required hereunder.
- 8) All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice by certified mail, return receipt requested, has been given to the City. Upon issuance by the insurer, broker or agent of a notice of cancellation, non-renewal or reduction in coverage or limits, Licensee shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy(ies) is due to expire during the License, Licensee shall provide a new certificate and all applicable endorsements evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).
- 9) The General Liability (including ongoing operations ,and products, and completed operations) and Automobile Liability insurance policies shall be endorsed to name the City and its officers, officials, employees, agents and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Permittee's insurance shall be primary and no contribution shall be required of City, its officers, officials, employees, agents and volunteers. Any Workers'

Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, employees and agents. The coverage shall contain no special limitations on the scope of protection afforded to City and its officers, officials, employees, agents and volunteers. Should Licensee maintain insurance with broader coverage and/or limits of liability greater than those shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits of liability maintained by the Licensee. Licensee shall furnish City with the certificate(s) and applicable endorsements for ALL required insurance fourteen (14) days prior to the issuance of the Permit.

- 10) If the General Liability insurance policy is written on a claims-made form:
 1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by Consultant.
 2. Insurance must be maintained and evidence of insurance must be provided for at least 3 years after any expiration or termination of the Agreement or, in the alternative, the policy shall be endorsed to provide not less than a 3-year discovery period.
 3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement or the commencement of work by Consultant, Consultant must purchase extended reporting coverage for a minimum of 3 years following the expiration or termination of the Agreement.
 4. A copy of the claims reporting requirements must be submitted to City for review.
 5. These requirements shall survive expiration or termination of the Ordinance.
- 11) Upon request of City, Licensee shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive the expiration or revocation of the License.
- 12) If at any time during the license, Licensee fails to maintain the required insurance in full force and effect, all work licensed thereunder shall be discontinued immediately until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for the City to revoke the License.
- 13) NOTE: The Certificate of insurance must be accompanied by the additional insured, primary insurance and waiver of subrogation endorsements, as required above.
- 14) All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with the above policies of insurance.
- 15) No permit may be issued pursuant to this chapter until the applicant for a medical cannabis dispensary permit has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time.

