

FAQ  
Insurance Questions  
Updated April 2026

1. What language will be on the COI that indicates that the vendor is not self-insured or utilizes a captive insurer or a front policy that shift risk back to the vendor. Is this determinable from the COI.  
**Answer:** The Commonwealth's addition of this language makes it a contractual requirement to disclose and approved prior to utilizing self-insurance so that the Commonwealth can ensure it and anyone benefiting from the goods or services is adequately protected. As such, failure to do so without approval could result in a contractual breach
  
2. How does the agency determine that the awarded vendor is in good standing with the Insurance Commissioner as required by the language. What is the process?  
**Answer:** Agencies may look on the Department of Insurance website to see if they are in good standing. Attached is the link: <https://insurance.ky.gov/ppc/Company/Default.aspx>
  
3. With regards to the following language: **Such approvals may require additional financial review, proof of funds, or bonding requirements sufficient for the risk associated with the services covered by the Contract, and approval or rejection is within the sole discretion of the Commonwealth's Office of the Controller.**  
**Answer:** The vendor's use of self-insurance must be approved by the Office of the Controller and communicated to the agency via email. This would be approved case-by-case basis
  
4. When does this determination get made since the Controller's Office is not a part of the contract workflow.  
**Answer:** If an agency receives notification from its vendor, the agency must send a request to the Office of the Controller for approval along with the contract, and must upload the approval to the contract in eMARS.
  
5. How is the below to be monitored and is the notice intended to be written within 24 hours (for immediate)  
**Contractor and/or its insurer shall provide immediate notice of nonrenewal or cancellation of coverage during the course of the Contract.**  
**Answer:** It is the Contractors responsibility to notify the agency of any changes. Also, make sure the Commonwealth is listed as an additional insured.
  
6. How is the below to be determined by the procurement officer:  
**All Certificates of Insurance must be signed by an authorized representative of the insurance agency, (how is this determined) shall be in compliance with the laws of the Commonwealth of Kentucky (how does the procurement officer know the insurance laws for compliance), and shall be placed with a licensed resident or non-resident agent who represents insurance companies authorized to do business in Kentucky (how does the procurement officer know this).**  
**Answer:** Refer to the DOI website <https://insurance.ky.gov/ppc/Company/Default.aspx>. Certificates of Insurance forms are the industry standard for representing the insurance coverage being provided. So long as a standard form is provided and the required coverages are listed, the Commonwealth is named as an additional insured, the agency may rely on it.
  
7. Agency must have an account to view the AM Best rating; is there a charge.  
**Answer:** Agencies must have an account but there is no charge. Visit [www.ambest.com](http://www.ambest.com) for verification as stated in the new Insurance language.
  
8. Which contracts require endorsement for additional insured.  
**Answer:** All COI should have the Commonwealth named as the insured.

9. In order for assurance on the subcontractors, is the assumption that the agency will have to know and approve the subcontractors and that all the insurance items are satisfied or statement for the vendor sufficient and liability back on vendor.

**Answer: The primary vendor is responsible for all sub-contractor activities.**

10. The insurance language states, "Endorsement of Additional Insured. Certificate of Insurance must contain the following language in the Description of Operations box: "The Commonwealth and its agents are Additional Insureds for the contract resulting from the solicitation. Additional insured protection afforded is on a primary and non-contributory basis." **A copy of the Endorsement of Additional Insured must be submitted with the Certificate of Insurance.**" Am I supposed to be look for separate endorsement? Attachment 1 is an example of the accord form with the endorsement language, however, based on what the contract says it appears that there should be a separate copy?

**Answer: Yes, the language should be in the Description of Operations box AND you should receive separate endorsement for additional insured. The insurance agency should send this endorsement with the COI. Please make sure the entire endorsement is included (look for page 3 of 5 or similar). You should read the endorsement to make sure nothing has been excluded from the required coverage. Consult with your legal department or State Risk for assistance.**

11. We still need to clarify if the vendor is going to use AI for some reason?

**Answer: True. This language should be in all contracts and vendors should disclose and agencies must follow the process outlined in the contracts for approval.**

12. To ensure that the delivery is by common courier, vendor will have to be asked about shipping to ensure that the automobile liability insurance requirement does not apply, correct.

**Answer: That is correct**

13. In order for assurance on the subcontractors, is the assumption that the agency will have to know and approve the subcontractors and that all the insurance items are satisfied or statement for the vendor sufficient and liability back on vendor.

**Answer: Unless the RFP or contract requires the agency to approve subcontractors, this responsibility falls on the prime vendor.**

14. How will we know if Automobile Liability is applicable related to delivery of goods? Does OPS ask at the time of bid/quote or once they have a best evaluated?

**Answer: When developing the RFP or contract it should be identify at that time.**