

Insurance Terms — Practical Takeaways for Local Governments

Topic	What This Means for Your Local Government
Big Picture	Insurance and contracts both decide who pays when something goes wrong
Named Insured	The local government, coverage is built to protect you first
Additional Insured	Provides limited protection only when a claim is caused by the contractor's work, not your own actions
Additional Named Insured	You share the policy almost like an owner, which can broaden risk and erode limits meant to protect the local government
First-Party Loss	Damage to local government's assets (buildings, vehicles, infrastructure)
Third-Party Loss	A member of the public or others making a claim against you
Hold Harmless	If something goes wrong because of contractor's work, they handle the costs, not the local government.
Waiver of Subrogation	Means your insurer cannot recover costs from the other party, even if they caused the loss, the risk may stay with the local government