



2. Require contractors to supply copies of their policies prior to entering into a contract. The public entity could then review the additional insured provisions to ensure that they do not state that the SIR may only be paid by the named insured. However, this solution may be impractical and resource intensive. It will require the agency employee to have expertise in insurance, and there is no guarantee the employee will interpret the provision in line with an insurer or a court. Also, a project contract may span more than one policy period during which time the policy may be replaced or changed and each subsequent policy would require review to detect any changes in coverage.

3. Obtain and review potentially applicable insurance policies as soon as the public entity receives a claim and immediately tender claims to insurers under all potentially applicable policies. If one or more policy contains language only allowing the named insured to pay the SIR, public entities should request that the named insureds make necessary payments to satisfy the SIR. Further, as a practical matter, public entities typically cross-claim against contractors when sued for problems arising out of the contract. Thus, perhaps the easiest solution to resolving the dilemma in *Forecast Homes* is for public entities to cross-claim against the contractors, forcing them to defend and incur defense costs, thereby satisfying the SIR or deductible payment restriction.

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