

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

P.O. Box 944246  
SACRAMENTO, CA 94244-2460  
(530) 224-1577  
Website: [www.fire.ca.gov](http://www.fire.ca.gov)



March 12, 2020

Re: Licensed Timber Operator (LTO) Insurance Requirements

Dear Licensed Timber Operator:

The Department of Forestry and Fire Protection (CAL FIRE) Timber Operator Licensing Program would like to take this opportunity to clarify requirements related to proof of insurance for commercial LTO "A" licenses, registration of a Limited Liability Company (LLC) with the Secretary of State, and maintenance of responsibility for harvest documents as licenses are changed from individual to a corporate or LLC license.

Public Resources Code Section 4572 requires that all Licensed Timber Operators maintain a minimum of one million dollars of commercial general liability and logger's third party liability insurance "per occurrence". There is an expectation by the Legislature, the Board of Forestry and Fire Protection, and the public that this level of coverage will be maintained while timber operators hold a valid license (14 CCR §1024.5, PRC §4572(c)(1)(A)).

Insurance policies that provide for insurance on a "claims made" or other basis will not be accepted by CAL FIRE. The policy must also contain a provision requiring the insurer to provide the Director of CAL FIRE notice of any amendment to, or cancellation of, the insurance policy within thirty days of the date of policy amendment or cancellation (PRC §4572(c)(1)(B)). It is the responsibility of the Applicant, not their insurance company, to provide to CAL FIRE proof of coverage that demonstrates compliance with this requirement.

Applicants must provide a copy of their Certificate of Liability Insurance (Acord 25 form) as proof that this requirement has been met. The Department is also requesting a copy of the Loggers Third Party Property Damage Endorsement. An example of the endorsement is attached. The Department expects that the insured timber operator will be identified in the "Insured" box of the certificate.

The license number can be identified in the description box for clarification when processing. Each timber operator must have their own certificate with the licensee's name in the insured box.

Cary Japp  
March 12, 2020  
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Only one licensee per policy will be accepted. License numbers provided in the "description of operations" box of the certificate will no longer be accepted as sole proof that the insurance requirement for that license has been met. Also, if the name in the insured box of the certificate does not match the name on the timber operator's license, the certificate will not be accepted as proof that the requirement has been met. A copy of the Acord 25 form and a copy of the Loggers Broad Form Property Damage Endorsement has been attached to illustrate the Department's expectation.

It is your license and therefore your responsibility to contact the Timber Operator Licensing Program directly regarding your insurance issues. Please do not have your insurance company contact the Department on your behalf, as it only leads to confusion and delays in processing your license or insurance certificates. Failure to maintain proper insurance will result in the license being rendered invalid (14 CCR §1024.5).

It should be noted that if the licensee is a corporation, Limited Liability Company (LLC), it must be registered with the California Secretary of State and in good standing. If the licensee is not registered with the California Secretary of State at the time of renewal, the application will be returned and the license will not be renewed until the licensee is registered.

If as a timber operator, you are planning on becoming a corporation or a Limited Liability Company (LLC) you must apply for a new license with the corporation or LLC identified as the licensee. If your original license is to be relinquished, any open harvest documents that are under the original license should either be completed before the license is invalid, or the new corporation/LLC license will need to be amended onto the harvest document as soon as it is issued to ensure responsibility for the work done under your original license is appropriately maintained.

Thanks for your attention to this correspondence and your continued professionalism in the conduct of timber operations across the state. If you have any questions regarding this correspondence, please contact me by phone at (530) 224-1577, or email to [cary.japp@fire.ca.gov](mailto:cary.japp@fire.ca.gov).

Sincerely,



CARY JAPP  
Program Manager  
Forest Practice Law Enforcement  
Timber Operator Licensing



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:		
	PHONE (A/C, No. Ext):	FAX (A/C, No):	
	E-MAIL ADDRESS:		
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED  Company or Individual's Name ( <b>MUST MATCH LICENSE</b> ) Address City, State Zip Code	INSURER A :		
	INSURER B :		
	INSURER C :		
	INSURER D :		
	INSURER E :		
	INSURER F :		

**COVERAGES**

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>Loggers Broad Form Property Damage</b> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			#####	Effective Date	Expiration Date	EACH OCCURRENCE \$ <b>1,000,000</b> DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$	
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			<b>**SAMPLE ONLY**</b> Proof of insurance will only be accepted via the ACORD 25 form. Coverage must include AT LEAST \$1,000,000 in commercial general liability, <u>INCLUDING</u> within that limit, <u>OR</u> in a <u>SEPARATE</u> limit, loggers third party property damage liability (i.e. Loggers Broad Form Property Damage or LBFPD). See PRC § 4572 (c)(1)(A).				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$							EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$	
B	<input checked="" type="checkbox"/> <b>Loggers Broad Form Property Damage</b>			#####	Effective Date	Expiration Date	per occurrence \$ <b>1,000,000</b>	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LTO# A-XXXXX

**CERTIFICATE HOLDER****CANCELLATION**

CA Department of Forestry & Fire Protection Timber Operator Licensing P.O. Box 944246 Sacramento, CA 94244-2460  calfire.ltoprogram@fire.ca.gov	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE
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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LOGGING OPERATIONS  
BROAD FORM  
PROPERTY DAMAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to logging or mill operations conducted by or for you, or operations incidental thereto, the following applies:

**1. FIRE FIGHTING EXPENSE**

We will pay any fire fighting expense incurred others for which you are legally liable. Such expense must have been incurred because of fire resulting from an "occurrence" directly connected with logging or mill operations conducted by or for you.

The limits of insurance or any deductible applicable to "property damage" applies to this coverage. This provision shall not operate to increase the limit of our liability.

**2. VEHICLES — TIMBER**

Exclusions **j.(4)** and **j.(5)** of Paragraph **2**. Exclusions of Section **I — Coverage A — Bodily Injury and Property Damage Liability** do not apply to:

- a. trucks, trailers or railroad cars while being loaded or unloaded;
- b. timber lands, standing timber and felled or bucked timber.

**3. ADDITIONAL EXCLUSIONS**

This insurance does not apply to:

- r. personal property in your possession for sale, storage, processing, safekeeping or repair;
- s. any person other than you or your employees while vehicles used in logging or mill operations are being loaded or unloaded.

**4. DEDUCTIBLE**

- a. Our obligation under the Property Damage Liability Coverage to pay damages on your behalf applies only to the amount of damages in excess of \$250 each occurrence.

The limits of insurance applicable to "each occurrence" for such coverage will be reduced by the amount of such deductible. "Aggregate" limits for such coverage shall not be reduced by the application of such deductible amount.

- b. The deductible applies to all damages because of "property damage" as the result of anyone "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

- c. We may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

- d. The terms of the insurance apply irrespective of the application of the deductible amount.

**5. WARRANTIES**

You warrant that:

- a. Slash shall be burned only at such times and under such conditions as the proper State or Federal officials may approve, direct or provide;
- b. All felling and bucking of timber, the operation of logging equipment and the loading and unloading of logs shall be completely suspended when such suspensions are directed by the proper State or Federal officials.

A breach of the above warranties shall render the insurance afforded hereunder null and void for the period of the breach, unless such breach is beyond your control.