

**INSURANCE LANGUAGE TO BE USED WHEN THIRD PARTIES REQUIRE
INSURANCE OF THE SYSTEM**

Insurance. [VENDOR] acknowledges that, because [MEMBER] is an agency of the State of Texas, liability for the tortious conduct of the agents and employees of [MEMBER] or for injuries caused by conditions of tangible state property is provided solely by the provisions of the Texas Tort Claims Act (*Texas Civil Practice and Remedies Code*, Chapters 101 and 104), and that Workers' Compensation Insurance coverage for employees of [MEMBER] is provided by The Texas A&M University System as mandated by the provisions of Chapter 502, *Texas Labor Code*. [MEMBER] shall have the right, at its option, to (a) obtain liability insurance protecting [MEMBER] and its employees and property insurance protecting [MEMBER]'s buildings and contents, to the extent authorized by Section 51.966, *Texas Education Code*, or other law, or (b) self-insure against any risk that may be incurred by [MEMBER] as a result of its operations under this Agreement.

If more explanation is required, the following paragraph is an alternative/addition:

The liability of The Texas A&M University System (System) and its members for personal injury and property damage is controlled by the Texas Tort Claims Act, *Texas Civil Practice and Remedies Code*, Chapter 101, Section 101.021. The limits of liability are \$250,000 for each person, \$500,000 for each single occurrence for bodily injury or death and \$100,000 for each single occurrence for injury to or destruction of property. Following this limited exposure, the System and its members, are protected by the doctrine of sovereign immunity, and as such, are self-insured up to the aforementioned limits.

To expand on this limited liability, the following language defines instances when sovereign immunity may be waived:

A governmental unit in the state is liable for:

- (1) Property damage, personal injury, and death proximately caused by the wrongful act or omission or the negligence of an employee acting within his scope of employment if:
 - (A) the property damage, personal injury, or death arises from the operation or use of a motor-driven vehicle or motor-driven equipment; and
 - (B) the employee would be personally liable to the claimant according to Texas law.
- (2) Personal injury and death so caused by a condition or use of tangible personal or real property if the governmental unit would, were it a private person, be liable to the claimant according to Texas law.

State-owned vehicles of the System and its members are exempt from compulsory liability insurance requirements of the State of Texas, as stated in *Texas Transportation Code*, Chapter 601, Section 601.007. The Texas A&M University System maintains a self-managed auto liability plan which funds the statutory auto liability found in the Texas Tort Claim Act for the Texas A&M University System and its Members.

The Texas A&M University System is self-insured for Workers' Compensation Insurance provided by Chapter 502 of the Texas Labor Code. Benefits are provided in accordance with the provisions of that law.