

INSURANCE REQUIREMENTS FOR VENDOR CONTRACTS

Please note, the below insurance contract language is a standard template to be used as a base for all vendor contracts with The Texas A&M University System and/or its members as well as third party facility users of System member property. Contracts may require variances depending on the specifics of the contract. If such variances are required, please contact System Risk Management so an evaluation and potential modification to the insurance requirements can be considered.

[Vendor] shall obtain and maintain, for the duration of this Agreement or longer, the minimum insurance coverage set forth below. With the exception of Professional Liability (E&O), all coverage shall be written on an occurrence basis. All coverage shall be underwritten by companies authorized to do business in the State of Texas or eligible surplus lines insurers operating in accordance with the Texas Insurance Code and have a financial strength rating of A- or better and a financial strength rating of VII or better as measured by A.M. Best Company or otherwise acceptable to [System Member]. By requiring such minimum insurance, the Owner shall not be deemed or construed to have assessed the risk that may be applicable to [Vendor] under this Agreement. [Vendor] shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. [Vendor] is not relieved of any liability or other obligations assumed pursuant to this Agreement by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. No policy will be canceled without unconditional written notice to [System Member] at least ten days before the effective date of the cancellation.

Insurance:

<u>Coverage</u>	<u>Limit</u>
A. <u>Worker's Compensation</u>	
Statutory Benefits (Coverage A)	Statutory
Employers Liability (Coverage B)	\$1,000,000 Each Accident \$1,000,000 Disease/Employee \$1,000,000 Disease/Policy Limit

Workers' Compensation policy must include under Item 3.A. on the information page of the workers' compensation policy the state in which work is to be performed for [Member]. Workers' compensation insurance is required, and no "alternative" forms of insurance will be permitted

If this coverage is waived by System Risk Management, [Vendor], his/her employees and subcontractors must sign a hold harmless and indemnification agreement.

[Option: In the event watercraft is used in the course of work, the maritime coverage endorsement will be added unless a separate Protection & Indemnity coverage is maintained. In the event operations are conducted in relation to navigable waters which may qualify employees for United States Longshore & Harbor Workers Compensation Act (USL&H) benefits, the USL&H endorsement will be added.]

B. Automobile Liability

Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 Single Limit of liability per accident for Bodily Injury and Property Damage;

[Option: If a separate Business Auto Liability policy is not available, coverage for hired and non-owned auto liability may be endorsed on the Commercial General Liability policy.]

[Option: [Vendor] transporting hazardous materials must provide the MCS-90 endorsement and CA9948 Broadened Pollution Liability endorsement on the Business Auto Liability policy. Policy limits must be in line with Federal requirements.]

[OPTION: When chartering a bus company, please substitute the below language:

Bus Charters

<u>Coverage</u>	<u>Limit</u>
A. Worker’s Compensation	
Statutory Benefits (Coverage A)	Statutory
Employers Liability (Coverage B)	\$1,000,000 Each Accident \$1,000,000 Disease/Employee \$1,000,000 Disease/Policy Limit
B. Automobile Liability	
Owned Vehicles	\$5,000,000
Uninsured/Under insured Motorists	\$5,000,000
Medical or PIP	\$5,000
Non-owned Vehicles	\$5,000,000
Hired Vehicles	\$5,000,000
C. Commercial General Liability	
Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$2,000,000
Products / Completed Operations	\$1,000,000

Personal / Advertising Injury	\$1,000,000
Damage to rented Premises	\$300,000
Medical Payments	\$5,000

Additional Endorsements

The Auto and Commercial General Liability Policies shall name the Texas A&M University System Board of Regents for and on behalf of The Texas A&M University System and the [System Member] as additional insured's.)]

Air Charters:

Throughout the term of the Agreement, Charter shall ensure that the Air Carriers maintain in effect the following insurance with respect to the aircraft and [System Member] and its employees, agents, students, and representatives will be named as an additional insured under such insurance policies (“Additional Insured”). All insurance shall provide Waiver of Subrogation, Crew Liability and Severability of Interest. For each such policy of insurance, Charter shall cause a certificate of insurance, including the conditions set out above, to be issued to [System Member] no less than ten (10) days prior to commencement of any trip hereunder, and from time to time thereafter as such parties may reasonably request. In addition, Charter shall cause [System Member] to receive thirty (30) days prior written notice of cancellation or material change of any such policy of insurance. Charter will, at all times comply with, and ensure, that Air Carriers comply with all representations, warranties and other terms and conditions of each policy of insurance required hereunder.

1. Full all-risk coverage including Full War Risk, Hijacking and similar perils;
2. Baggage and Cargo Liability Insurance;
3. Aviation Liability Insurance, Third Party Legal Liability, and Passenger Liability Insurance, including AVN-52, with a combined single limit of not less than five hundred million dollars (\$500,000,000) for any one accident or occurrence. Aviation Liability Insurance policy shall name [System Member] as an additional insured.
4. Professional Liability Insurance to cover errors and omissions made in conjunction with flight arrangement, with minimum limits of \$2,000,000.
5. Such insurance shall not be contributory with or excess over any insurance carried by the Additional Insured.

C. Commercial General Liability

Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$2,000,000
Products / Completed Operations	\$1,000,000
Personal / Advertising Injury	\$1,000,000
Damage to rented Premises	\$300,000
Medical Payments	\$5,000

The required commercial general liability policy will be issued on a form that insures [Vendor's] or its subcontractors' liability for bodily injury (including death), property damage, personal and advertising injury assumed under the terms of this Agreement

- D. **[Option: Umbrella/Excess Liability Insurance** with limits of not less than \$2,000,000 per occurrence and aggregate with a deductible of no more than \$10,000, and will be excess over and be no less broad than and "following form" of all included coverage described above. Inception and expiration dates will be the same as the underlying policies. Drop-down coverage will be provided for reduction and/or exhaustion of underlying aggregate limits and will provide a duty to defend for any insured.] **[Note: Limit amount should be adequate to cover [System Member's] exposure. Appropriate limit will depend on the subject matter of this Agreement.]**

- E. **[Option: Liquor Liability Insurance**, with limits of not less than \$1,000,000 per occurrence, \$2,000,000 aggregate for bodily injury and property damage arising from selling, serving or furnishing of any alcoholic beverage by [Vendor] or [Vendor's] employees, representatives, agents, or subcontractors in the performance of this Agreement.]

In the provider contract, insert a clause that requires the provider to provide

Only licensed servers; In the provider contract, insert a clause that requires the provider to follow all TABC guidelines;

Obtain proof of license for each server in advance of the event. Get a list of servers and match the license to the list of names. If no match, they don't work. Check the licenses for expiration.

- F. **[Option: Professional Liability (Errors & Omissions)** Insurance with limits of not less than \$1,000,000 each occurrence, \$2,000,000 aggregate. Such insurance will cover all professional services rendered by or on behalf of [Vendor] and its subcontractors under this Agreement. Renewal policies written on a claims-made basis will maintain the same retroactive date as in effect at the inception of this Agreement. If coverage is written on a claims-made basis, [Vendor] agrees to purchase an Extended Reporting Period Endorsement, effective for two (2) full years after the expiration or cancellation of the

policy. No professional liability policy written on an occurrence form will include a sunset or similar clause that limits coverage unless such clause provides coverage for at least three (2) years after the expiration of cancellation of this Agreement.]

[Option: Architect/Engineer Professional Liability (Errors & Omissions)] The Architect/Engineer shall maintain Professional Liability covering wrongful acts, errors and/or omissions, including design errors of the Architect/Engineer for damages sustained by reason of or in the course of performance of this Agreement for three (3) years after the Project is substantially complete. The Professional Liability insurance shall be in an amount based on the value in the Contract, in this case: *(determined by the Guidelines following the chart)*

<i>Project Cost</i>	<i>Guidelines Limits</i>
\$0 - \$20,000,000	\$1,000,000 each claim/ \$2,000,000 aggregate
\$20,000,001 - \$60,000,000	\$2,000,000 each claim/ \$4,000,000 aggregate
\$60,000,001 - \$90,000,000	\$3,000,000 each claim/ \$6,000,000 aggregate
\$90,000,001 – 120,000,000	\$4,000,000 each claim/ \$8,000,000 aggregate
\$120,000,001 – higher	\$5,000,000 each claim/ \$10,000,000 aggregate

- G. **[Option: Contractor’s Employee Dishonesty Insurance]** will be endorsed with a Client’s Property Endorsement (or equivalent) to protect the assets and property of [System Member] with limits of not less than _____ **[Option: \$500,000]** **[Option: \$1,000,000]** per claim. [Vendor’s] or subcontractor’s insurance will be primary to any insurance carried by [System Member]. If [Vendor] has property of [System Member] in its care, custody or control away from [Member’s] premises, [Vendor] will provide bailee coverage for the replacement cost of the property. Contractor’s Employee Dishonesty policy will name [System Member] as Loss Payee. **[Note: Limit amount should be adequate to cover [System Member’s] exposure. Appropriate limit will depend on the subject matter of this Agreement.]**

- H. **[Option] Director’s and Officers’ Liability Insurance** with limits of not less than \$1,000,000 per claim. The coverage will be continuous for the duration of this Agreement and for not less than two (2) years following the expiration or termination of this Agreement.]

- I. **[Note: Builders Risk/Installation Floater]**. If this Agreement involves construction on property owned by the Board of Regents of The Texas A&M University System, please contact the System Risk Management for guidance and relevant insurance requirements.]

- J. **[Note: If this Agreement poses potential risks related to data privacy, network or information security,** please contact the System Risk Management for guidance on

relevant insurance requirements and seek review of the contract by the [System Member's] Information Security Officer.]

K. [Vendor] will deliver to [System Member]:

Evidence of insurance on a Texas Department of Insurance approved certificate form verifying the existence and actual limits of all insurance after the execution and delivery of this Agreement and prior to the performance of any services by [Vendor] under this Agreement. Additional evidence of insurance will be provided on a Texas Department of Insurance approved certificate form verifying the continued existence of all required insurance no later than thirty (30) days after each annual insurance policy renewal.

All insurance policies, with the exception of worker's compensation, employer's liability and professional liability will be endorsed and name The Board of Regents for and on behalf of The Texas A&M University System, The Texas A&M University System and [System Member] as Additional Insureds up to the actual liability limits of the policies maintained by [Vendor]. Commercial General Liability and Business Auto Liability will be endorsed to provide primary and non-contributory coverage. The Commercial General Liability Additional Insured endorsement will include on-going and completed operations and will be submitted with the Certificates of Insurance.

All insurance policies will be endorsed to provide a waiver of subrogation in favor of The Board of Regents of The Texas A&M University System, The Texas A&M University System and [System Member]. No policy will be canceled without unconditional written notice to [System Member] at least ten days before the effective date of the cancellation.

All insurance policies will be endorsed to require the insurance carrier providing coverage to send notice to [System Member] ten (10) days prior to the effective date of cancellation, material change, or non-renewal relating to any insurance policy required in this Section 11.

Any deductible or self-insured retention must be declared to and approved by [System Member] prior to the performance of any services by [Vendor] under this Agreement. [Vendor] is responsible to pay any deductible or self-insured retention for any loss. All deductibles and self-insured retentions will be shown on the Certificates of Insurance.

Certificates of Insurance and Additional Insured Endorsements as required by this Agreement will be mailed, faxed, or emailed to the following [System Member] contact:

Name:

Address:

Facsimile Number:
Email Address:

The insurance coverage required by this Agreement will be kept in force until all services have been fully performed and accepted by [System Member] in writing, [Option: except as may be noted.]