

**4.2 THIRD PARTY CONTRACT INSURANCE GUIDELINES**

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**BAYLOR UNIVERSITY**

**THIRD PARTY CONTRACT  
INSURANCE GUIDELINES**

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**University Risk Management and Insurance Association**

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## ESTABLISHING CONTRACTUAL INSURANCE GUIDELINES

*These guidelines are being established to assist staff who review, approve, or manage contracts. They are guidelines only. The purpose of this document is to provide examples of specific coverages, terms and conditions you may want to consider when asked to comment on insurance requirements in your institution's contracts. The documents and contract language specified here are intended to be template guidelines, as examples of best practices. Each one should be adjusted to fit your specific institution's risk profile. A legal opinion should be sought before making any changes to existing contract language.*

Every contract has risks that must be reviewed from the perspective of protecting the Baylor's assets. This document is designed to provide you with guidelines and tools to help you manage those risks when you contract on behalf of Baylor. An inherent part of contract management is to:

1. evaluate the risks involved;
2. decide whether to avoid, transfer, or accept the risks, and;
3. implement appropriate risk transfer and/or risk financing mechanisms.

Read the contract thoroughly and anticipate events or situations that could happen within the scope of work outlined. Ask yourself:

1. Who are all the parties involved?
2. What kind of work is being done?
3. What type of accidents or losses could occur?
4. What is the worst-case scenario in terms of financial loss and/or injury to persons or property?
5. Are the responsibilities for the risks appropriately placed with those in the best position to control them?
6. What is the ability of the parties to manage the risks and absorb the losses?
7. Is the contract legal and enforceable?

Within the contract, risk transfer is accomplished through a combination of indemnification, hold harmless and waivers of subrogation clauses. Insurance is commonly required as a means of providing the financial support to back the Indemnitor's obligation to hold the Indemnitee harmless.

The goal of Baylor is to establish contract guidelines for insurance coverage that can be consistently applied with few exceptions. This can occur if Baylor decides on the limits that it will require and sticks to the decision. This may involve withstanding pressure from contractors, architect and engineering (A/E) firms and brokers. As an example, many of the large A/E firms attempt to eliminate all Errors and Omissions (E & O) requirements in their contracts, even though the firm carries professional liability coverage.

To insure the continued success of the Baylor's contract review program, once insurance requirements have been set, they must be communicated in all bid proposals prior to awarding the contract. The program will not be successful if the insurance is negotiated after the contractor has been selected.

## GENERAL REQUIREMENTS FOR ALL INSURERS

These general requirements should be incorporated into every contract and should not to be waived without consulting with the Risk Management Department.

Baylor requires that all insurers:

1. Be licensed or approved to do business within the State of Texas.
2. Write required insurance on a per occurrence basis. (Professional liability and pollution liability are acceptable written on a claims-made basis.)
3. Name Baylor and its Board of Regents, officers, and employees, agents and volunteers as “Additional Insureds” on general liability, umbrella/excess liability, environmental liability and other policies as specified by the contract. Please refer to the Contract Language section for acceptable wording for this requirement.
4. Possess a minimum A.M. Best’s Insurance Guide rating of A- VII. A.M. Best rating is composed of two parts: the letter denotes the company’s level (see chart below) and the Roman numeral denotes financial size.

AM BEST’S RATING CHART	
LEVEL	CATEGORY
A++	Superior
A+	Superior
A	Excellent
A-	Excellent
B++	Very Good
B+	Very Good
B	Good
B-	Good
C++	Fair
C+	Fair
C	Marginal
C-	Marginal
D	Below minimum standards

The level assigned to a company is an indicator of the company’s ability to meet obligations over a long period of time. Financial Size is measured by Roman numerals ranging from Class I (the smallest) to Class XV (the largest). Financial size provides an indication of the amount of reserves or policyholders’ surplus the company reported as liabilities. The amount of policyholders’ surplus determines the amount of insurance the company may prudently underwrite.

5. Provide a minimum of 30 days advance written notice of cancellation or non-renewal of policies required under the contract to Baylor.

6. Provide a completed Certificate of Insurance containing the following information:
  - Name and address of agent, phone number and fax number
  - Name of insurance company(ies) and policy number(s)
  - Policy period
  - Name and address of insured
  - Description of coverage(s)
  - Name/Number of Project
  - Policy limits
  - Special instructions or terms of coverage (for example: addition of Baylor as additional insured, waivers of subrogation, identification of project or operations with respect to certificate being issued)
  - Baylor listed as the certificate holder
  - Signature of the insurer's agent or representative and date
7. Baylor requires that all policies of insurance be on a primary basis, non-contributory with any other insurance coverages and/or self-insurance carried by Baylor.
8. All liability policies must provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.
9. Baylor requires the contractor provide a renewal certificate at least 15 days prior to expiration.
10. Baylor may also require that proof of professional liability and pollution liability coverages be provided for up to three (3) years after the completion of a project.
11. The Contractor agrees that the insurance requirements specified in the contract do not reduce the liability Contractor has assumed in the indemnification/hold harmless section of the contract.

Baylor reserves the right to approve the security of the insurance coverages provided by the Insurance Company(ies) terms, conditions, and the Certificate of Insurance. Failure of the Contractor to fully comply with these requirements during the term of the Contract will be considered a material breach of contract and will be cause for immediate termination of the Contract at the option of Baylor.

# INSURANCE COVERAGES

## Commercial General Liability

This coverage is required in all Baylor contracts and short-term lease agreements. Coverage is to include:

- Premises and Operations
- Personal Injury/Advertising Liability
- Products/Completed Operations
- Liability assumed under an Insured Contract (Including defense assumed under contract)
- Designated Construction Projects General Aggregate Limit for Construction Contracts

## Automobile Liability

Auto liability insurance coverage is required for contracts contemplating any use of an automobile, for example, construction projects, premise lease agreements, and service contracts. Contracts must contain a requirement that the contractor provide business automobile liability coverage that includes:

- All vehicles owned, leased, hired, non-owned, and employee non-owned vehicles

## Workers' Compensation

Baylor requires all contractors to maintain Workers' Compensation insurance within the statutory limits. Employers' Liability is required for minimum limits of \$500,000 Each Accident/\$500,000 Disease-Policy Limit/\$500,000 Disease-Each Employee. Contractors shall be responsible for workers' compensation insurance for subcontractors or sub-lessees who directly or indirectly provide services under Baylor contract. This coverage must include statutory coverage for states in which employees are engaging in work. If there is an exposure of injury to Contractors' employees under the U.S. Longshoreman's and Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. In larger contracts where umbrella coverage is required, such coverage should apply excess of the Employers' Liability Limit.

**NOTE:** *If Contractor is a sole proprietor, Workers' Compensation is not required. But if the sole proprietor has any employees, Workers' Compensation is required for these employees. Also, in some states, if a college or university does not ensure that contractors maintain workers' compensation coverage, they will be liable for such costs if the contractor is, or becomes, insolvent.*

## Umbrella Liability

An Umbrella Liability policy (also referred to as Excess Liability) may be used to provide additional Commercial General Liability, Commercial Automobile Liability, and Employers Liability coverage to meet the Baylor's minimum coverage requirements. When Excess Liability is used, coverage should be as broad as the primary coverage.

## Professional Liability (Errors & Omissions)

All contractors required to be professionally certified by the State of Texas (i.e., architects, design engineers, etc.) must provide proof of professional liability coverage. Professional Liability is acceptable written on a claims-made basis. Baylor may also require that proof of professional liability coverage be provided for up to three (3) years after the completion of a project.

## Pollution Liability

This coverage is required whenever work under the contract involves pollution risk to the environment. The coverage must include sudden and gradual coverage for third party liability, including defense costs and completed operations.

1. **For Automobile Exposures**
2. **Environmental Impairment Liability Insurance:** Contractor shall purchase and maintain in force for the duration of the contract insurance for pollution legal liability applicable to bodily injury; property damage, including natural resource damage, loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs, removal, storage, disposal, and or use of the pollutant; and defense,

including costs and expenses incurred in the investigation, defense, or settlement of claims. Coverage shall apply to sudden and gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants. If the coverage is written on a claims-made basis, the Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this contract; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (or specify desired number) years beginning from the time that work under this contract is completed.

## Commercial Lease of Premises

This insurance is required for Tenants and Lessees. Tenant [Lessee] shall obtain commercial property insurance covering Tenant's [Lessee's] property, equipment, improvements, and betterments. Waivers of subrogation should be included in all lease agreements.

## Aviation

Aviation insurance may be required for various types of activities, e.g., charters and land use permits. Aircraft liability insurance should cover all owned, hired, and non-owned aircraft. Aircraft owners/operators shall furnish proof of insurance that reflects Baylor University, its regents and officers. Liability insurance should be at least:

<u>Aircraft Type</u>	<u>Limits</u>
Light turboprop aircraft	\$25 million
Light jet aircraft	\$50 million
Commercial airlines	\$3 million per seat

In addition, the Certificate of Insurance shall state "the owners/operators insurance shall be primary over (and non-contributory with) any insurance coverages available to Baylor University by virtue of Baylor's own policies".

## Builder's Risk

This insurance is required for construction contracts and insures against damage to or loss of the structure during the construction process.

## Self-insurance (includes captive insurance arrangements)

Many large organizations today are becoming self-insured or have captive insurance companies. This means that, instead of buying insurance with small deductibles, they choose to purchase insurance to cover themselves for catastrophic events and "self-insure" the predictable losses. Deductibles can range from the hundreds of thousands to the millions of dollars. In certain limited circumstances, generally involving very large and financially secure companies that have the financial capability to pay claims for damages and losses related to their activities, Baylor may, at its discretion, accept proof of self-insurance for some or all of the insurance requirements set forth under these guidelines. If so, Baylor should require the company to certify that their program is funded to actuarial projected losses.

## INSURANCE REQUIREMENTS

The following are insurance requirements for various types of insurance contracts:

1. Construction/Renovation Projects
2. Vendor Agreements
3. Consulting and Professional Services Agreements (for example: architects, engineers, environmental consultants, etc.)
4. Short-term Lease Agreements (for those parties using Baylor premises/buildings for special events).
5. Commercial Lease Agreements of Baylor Owned Premises

**NOTE: The size and scope of the contract and the potential exposure will dictate the minimum level of coverage required. The suggested minimum limit is \$1,000,000.**

The next few pages contain examples of minimum insurance requirements for each of the above situations. Thorough explanations of the insurance requirements for each of these situations are contained in the Appendices, along with suggested language that may be used as inserts into the insurance requirements section of Baylor contracts.

## Construction/Renovation Projects

INSURANCE REQUIREMENTS	MINIMUM LIMITS	NOTES
<b>Commercial General Liability</b>	\$1,000,000 each occurrence. See Appendix 1 for full description of required limits.	Designated Construction Projects General Aggregate Limit must be maintained for the duration of the agreement or longer, if required and so stated in contract. The size and scope of the contract and the potential exposure will dictate the minimum level of coverage required. <i>The designated construction project(s) general aggregate and the products/completed operations aggregate are twice the minimum required occurrence limit.</i>
<b>Business Automobile Coverage</b>	\$1,000,000 each accident limit for bodily injury and property damage	Coverage must include:  All owned, leased, hired, non-owned and employee non-owned vehicles.
<b>Workers' Compensation (Statutory) &amp; Employers Liability</b>	Coverage A, in compliance with the laws of the State of Texas; and Coverage B, \$500,000/\$500,000/\$500,000	This coverage must include statutory coverage for states in which employees are engaging in work. If there is an exposure of injury to Contractors employees under the U.S. Longshoreman's and Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.
<b>Umbrella Liability</b>	\$1,000,000	Higher limits may be requested for certain contracts.
<b>Professional Liability (Design Errors and Omissions Liability)</b>	\$1,000,000 per claim per policy year.	Required if the contractor is performing any type of design/build for a particular project. Baylor may require proof that this coverage be provided for up to three (3) years after project completion.
<b>Builder's Risk Insurance (Property)</b>	Hard Construction values of project	Required on ALL construction projects involving any new buildings or additions to existing buildings. Some renovation projects may require Builders Risk. Contact Risk Manager for assistance.
<b>Pollution Liability</b>	\$1,000,000 OCC & \$1,000,000 Aggregate	Should be obtained through the Contractors' Pollution Liability policy.
<b>NOTE:</b> Contractors are required to ensure that all subcontractors are insured under the contractors' policies. All subcontractors and sub-tier contractors are required to comply with the coverage and limit requirements outlined in this document.		

## Vendor Agreements

INSURANCE REQUIREMENTS	MINIMUM LIMITS	NOTES
<b>Commercial General Liability</b>	\$1,000,000 per occurrence bodily injury & property damage. See Appendix 2.	These insurance requirements are for vendors (those individuals or businesses who sell their product to others while on Baylor premises). Insurance must be maintained for the duration the vendor is on Baylor premises.  <i>The general aggregate and the products/completed operations aggregate are twice the minimum required occurrence limit.</i>
<b>Business Automobile Coverage</b>	\$1,000,000 each accident limit for bodily injury and property damage	Coverage must include: All owned, leased, hired, non-owned and employee non-owned vehicles.
<b>Workers' Compensation (Statutory) &amp; Employers Liability</b>	Coverage A, in compliance with the laws of the State of Texas; and Coverage B, \$100,000/\$500,000/\$100,000	This coverage must include statutory coverage for states in which employees are engaging in work.
Depending on the nature of the product being sold, higher limits of liability may be required.		

## Consulting And Professional Services Agreements

INSURANCE REQUIREMENTS	MINIMUM LIMITS	NOTES
<b>Commercial General Liability</b>	\$1,000,000 per occurrence bodily injury & property damage. See Appendix 3	Insurance must be maintained for the duration of the contract or longer if so stated in contract. <i>The general aggregate is twice the minimum required occurrence limit.</i>
<b>Business Automobile Coverage</b>	\$1,000,000 each accident limit for bodily injury and property damage	Coverage must include:  All owned, leased, hired, non-owned and employee non-owned vehicles.
<b>Workers' Compensation (Statutory) &amp; Employers Liability</b>	Coverage A, in compliance with the laws of the State of Texas and Coverage B, \$100,000/\$500,000/\$100,000	This coverage must include statutory coverage for states in which employees are engaging in work.
<b>Professional Liability Insurance</b>	\$1,000,000 per claim  <b>The scope of work, size of contract and potential for loss may require higher limits.</b>	Required whenever the service provider is required to be certified by the State of Texas and/or where the consultant's errors in judgment, planning, design, etc., could result in economic loss to Baylor.  Baylor may require that the Consultant/Service Provider provide proof of coverage for up to three (3) years after the completion of the project.

## Short-term Lease Agreements/Special Events

INSURANCE REQUIREMENTS	MINIMUM LIMITS	NOTES
<b>Commercial General Liability</b>	\$1,000,000 per occurrence bodily injury & property damage. See Appendix 4	Contracts for lease of Baylor owned premises for special events require lessees to provide Commercial General Liability.
<b>Business Automobile Coverage</b>	\$1,000,000 each accident limit for bodily injury and property damage	Required where a vehicle will be used on the premises. Coverage must include: All owned, leased, hired, non-owned and employee non-owned vehicles.
<b>Workers' Compensation (Statutory) &amp; Employers Liability</b>	Coverage A, in compliance with the laws of the State of Texas; and Coverage B, \$100,000/\$500,000/ \$100,000	This coverage must include statutory coverage for states in which employees are engaging in work.
<b>Commercial Property</b>	Value of tenant's property	

## Commercial Lease of Premises

INSURANCE REQUIREMENTS	MINIMUM LIMITS	NOTES
<b>Commercial General Liability</b>	\$1,000,000 per occurrence bodily injury & property damage. See Appendix 4. The <i>Damage To Premises Rented To You</i> limit should be increased to \$500,000.	Lease of Baylor owned premises require tenants to provide Commercial General Liability.
<b>Business Automobile Coverage</b>	\$1,000,000 each accident limit for bodily injury and property damage	Required where a vehicle will be used on the premises. Coverage must include: All owned, leased, hired, non-owned and employee non-owned vehicles.
<b>Workers' Compensation (Statutory) &amp; Employers Liability</b>	Coverage A, in compliance with the laws of the State of Texas; and Coverage B, \$100,000/\$500,000/\$100,000	This coverage must include statutory coverage for states in which employees are engaging in work.
<b>Commercial Property</b>	Value of tenant's property	

# CONTRACT LANGUAGE

## Indemnity

All contracts should contain language obligating the contractor to indemnify, defend and hold harmless Baylor from and against any and all claims, losses, etc., arising from injury to persons or damage to property as a result of an act or omission of the consultant/contractor.

## Hold Harmless and Indemnification Agreements and Non-Waiver

### A. *Hold Harmless and Indemnification Agreement*

The Contractor agrees to defend, indemnify and hold harmless the Board of Regents of Baylor, a body corporate, and its officers, employees, agents, and volunteers, from and against all liability, claims, and demands, on account of injury, loss, damage, or expense, including defense costs, court costs and attorney fees, which arise out of or are in any manner connected with this Contract, if such injury, loss, damage, or expense is caused or is claimed to be caused in whole or in part by the act, omission, error, professional error, mistake, negligence, or willful act of the Contractor or of any subcontractor of the Contractor.

The Contractor agrees to investigate, handle, respond to, and provide defense for and defend against, any such liability, claims, and demands at the sole expense of the Contractor, or at the option of Baylor, agrees to pay to or reimburse Baylor for the defense costs incurred by Baylor in connection with any such liability claims, or demands.

The obligations of this Section shall not extend to any injury, loss, damage or expense that is caused solely by the act, omission, or other fault of the University or its officers, employees, agents, or volunteers.

### B. **Non-Waiver**

The parties hereto understand and agree that Baylor is relying on, and does not waive or intend to waive by any provision of this Contract, any monetary limitations or any other rights, immunities, and protections provided by the State of Texas, as from time to time amended, or otherwise available to Baylor or its officers, employees, agents, or volunteers.

## Independent Contractor

All consulting contracts should contain language that the consultant is an independent contractor with respect to the services to be performed under the contract, and is not an employee of Baylor. Example is noted below.

*Contractor and any persons employed by Contractor for the performance of work hereunder shall be independent contractors and not agents of Baylor. Any provisions in this Contract that may appear to give Baylor the right to direct Contractor as to details of doing work or to exercise a measure of control over the work mean that Contractor shall follow the direction of Baylor as to end results of the work only.*

*As an independent contractor, Contractor is not entitled to Workers' Compensation benefits except as may be provided by the Contractor, nor to unemployment insurance benefits unless unemployment compensation coverage is provided by the Contractor or some other entity. The Contractor is obligated to pay all federal and state income tax on any moneys earned or paid pursuant to this contract.*

## Assignment

All consulting contracts should expressly prohibit the Consultant from subletting or assigning any services covered by the contract without written permission of Baylor. This provision does not extend to ancillary services such as printing or photocopying that are reimbursable under the contract.

## DEFINITIONS OF COMMON TERMS

### A

**Additional Insured**—A person, firm or corporation, other than the named insured on a policy, who is protected against loss by the terms of the Named Insured's policy. This coverage is typically extended through a policy endorsement, proof of which is evidenced through a Certificate of Insurance. Contrast with “Named Insured.”

**Advertising Injury**—Injury arising out of libel or slander, violation of the right to privacy, misappropriation of advertising ideas, or infringement of copyright, title or slogan committed in the course of advertising goods, products, or services. Contrast with *Personal Injury*.

**Aggregate Limit (General)**—Usually refers to Liability Insurance and indicates the amount of coverage that the insured has under the contract for a specific period of time, usually the contract period, no matter how many separate accidents may occur.

**Aggregate Products Liability Limit**—This limit represents the amount of money that an insurer will pay during the term of the policy for all Products Liability claims it covers.

**All Risk**—Insurance against loss or damage to property arising from any fortuitous cause, except such as may be specifically excluded.

**Aviation Insurance**—Insurance that protects an insured against losses connected with the use of aircraft. Coverages can include liability for bodily injury, property damage, passenger bodily injury, medical payments, and damage to the hull of the aircraft. Coverage can also be purchased for airport, hangarkeepers, and runway operations.

### B

**Bodily Injury Liability**—The liability that may arise from injury or death of another person.

**Bond**—An obligation of the insurance company to protect one against financial loss caused by the acts of another.

**Builder’s Risk Insurance**—Insurance against loss to buildings or structures in the course of their construction.

**Business Auto Policy**—A policy that provides liability and physical damage coverage on commercial vehicles. Coverage can be purchased for owned, non-owned, or leased vehicles.

**Business Personal Property**—Traditionally know as “contents,” this term actually refers to furniture, fixtures, equipment, machinery, merchandise, materials, and all other personal property owned by the insured and used in the insured's business.

### C

**Casualty Insurance**—That type of insurance that is primarily concerned with losses caused by injuries to persons and legal liability imposed upon the insured for such injury or for damage to property of others. It also includes such diverse forms as Aviation, Automobile, Marine.

**Certificate of Insurance**—A form that verifies that a policy has been written and states the coverage in general, often

used as proof of insurance in contracts.

**Claims-made Coverage**—A policy providing liability coverage only if written claim is made during the policy period or any applicable extended reporting period. For example, a claim made in the current year could be charged against the current policy even if the injury or loss occurred many years in the past. If the policy has a retroactive date, an occurrence prior to that date is not covered. Contrast with *Occurrence Coverage*.

**Completed Operations Liability Insurance**—Liability coverage for bodily injury and property damage arising out of the completed operations of a business, as opposed to the product of a business. See also *Product Liability*.

**Commercial General Liability Policy (CGL)**—A policy covering a variety of general liability exposures, including Premises and Operations, Completed Operations, Products Liability, and Owners and Contractors Protective Contractual Liability and Broad Form coverage additions.

**Contractual Liability**—Liability assumed under any contract or agreement. Coverage is generally limited in liability policies, but in most cases may be provided for an additional premium.

**Cross Liability (Separation of Insureds)**—This provision is used to ensure that suits between an insured and other named or additional insureds are covered just as though there are separate insurance policies issued to each one.

## D

**Deductible**—A provision or clause in an insurance policy that the first number of dollars or percentage of expense will not be reimbursed.

## E

**Employers Liability Insurance**—Coverage against a common law liability of an employer for accidents to employees, as distinguished from liability imposed by workers' compensation laws.

**Employers Non-ownership Automobile Liability**—(1) Liability arising out of the operation of an automobile not owned by the insured. This frequently results when an employee uses his own personal car in the business activities of the insured. (2) Insurance coverage for the liability exposure mentioned above.

**Exculpatory Agreements**—Contract clauses that release one of the parties from liability for his or her wrongful acts. These are sometimes called *Indemnity Agreements*.

## F

**First Party Insurance**—Insurance that applies to coverage for the insured's own property or person. Contrast with *Third Party Insurance*.

## G

**Garage Keepers Legal Liability Policy**—Coverage for losses for which the insured is legally liable, caused by fire, explosion, theft of an entire vehicle, riot, vandalism, collision and upset to automobiles in insured's care, custody and

control.

## H

**Hold Harmless Agreement**—Agreement or contract in which one party agrees to hold the other without responsibility for damage or other liability arising out of the transaction involved. For example, a lease of premises may provide that the lessee must “hold harmless” the lessor for any liability from accidents arising out of the premises.

## I

**Indemnify**—To restore the victim of a loss, in whole or in part, by payment, repair, or replacement.

**Independent Contractor**—One who agrees to perform according to a contract and who is not an employee.

**Insurable Interest**—Any interest in a subject of insurance or any legal relation to it of such a nature that a certain happening might cause monetary loss to the insured.

**Insured**—The party to an insurance arrangement to whom, or on behalf of whom, the insurance company agrees to indemnify for losses, provide benefits, or render service. In prepaid hospital service plans, the insured is called the “subscriber.”

**Intentional Injury**—An injury resulting from an act, the doer of which had as his intent, inflicting injury. In an accident insurance contract, an intentionally self-inflicted injury is not covered (because it is not an accident). In general, intentional injuries inflicted on the insured are covered (assuming no collusion).

## L

**Lessee**—The person to whom a lease is granted, commonly called the tenant.

**Lessor**—The person granting a lease, also known as the landlord.

**Liability Insurance**—That insurance that pays and renders service on behalf of an insured for loss due to negligence, arising out of the insured's responsibility to others, imposed by law, or assumed by contract.

**Loss**—Generally refers to (1) the amount of reduction in the value of an insured's property caused by an insured peril, (2) the amount sought through an insured's claim, or (3) the amount paid on behalf of an insured under an insured contract.

## M

**Marine Insurance**—A type of insurance that vessel operators purchase to protect themselves from bodily injury or property damage liabilities. Insurance can also be purchased for the vessel hull. It can also refer to insurance concerned with goods in transit.

**Medical Payments Insurance**—A form of coverage, usually included in automobile and other liability policies, providing for payment, without regard to liability, of medical and other similar expenses.

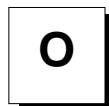
**Mortgage (or Mortgagee) Clause**—A provision attached to a Property insurance policy covering mortgaged property, reciting that the loss shall be payable to the mortgagee as his interest may appear, and that the mortgagee’s right of recovery shall not be defeated by any act or neglect of the insured and gives the mortgagee other rights and privileges.



**Named Insured**—Any person, firm or corporation, or any member thereof, specifically designated by name as insured(s) in a policy as distinguished from the others who, though unnamed, are protected under some circumstances. A common application of this latter principle is in auto liability policies wherein by a definition of “insured,” coverage is extended to other drivers using the car with the permission of the named insured. Other parties can also be afforded protection of an insurance policy through being named an *Additional Insured* (see definition) through a policy endorsement. Other rights and responsibilities of the Named Insured include: rights to request policy endorsements or additional coverage, terminate policy, receive premium refund; obligations to notify insurer of a claim, pay premiums, and to comply with all other policyholder obligations.

**Negligence**—Failure to use that degree of care that an ordinary person of reasonable prudence would use under the given circumstances. Negligence may be constituted by acts of either omission or commission or both.

**Non-ownership Automobile Liability Insurance**—Protection of the policyholder against claims for bodily injury and property damage liability caused by his employees or others using autos not owned or hired by the insured in conducting his business.



**Obligee**—Broadly, any one in whose favor an obligation runs. This term is used most frequently in surety bonds, where it refers to the person, firm or corporation protected by the bond.

**Obligor**—Commonly called “principal”; one bound by an obligation. Under a bond, strictly speaking, both the principal and the surety are obligors.

**Occurrence Coverage**—A policy providing liability coverage only for injury or loss that occurs during the policy period, regardless of when the claim is actually made. For example, a claim made in the current policy year could be charged against a prior policy period, or may not be covered, if it arises from an occurrence prior to the effective date. Contrast with *Claims-Made Coverage*.

**Other Insurance Clause**—A provision found in practically every insurance policy except life and sometimes health, stating what is to be done in case any other contract of protection embraces the same property and/or hazard.



**Personal Injury Coverage**—Liability insurance coverage for third party claims for damages that are other than physical, such as libel, slander, false arrest, wrongful eviction, invasion of privacy, etc.

**Personal Injury Protection (Automobile Liability)**—This coverage provides Personal Injury Protection benefits for an insured who sustains “Bodily Injury” in an accident arising out of the use of an auto. Personal Injury benefits (as defined by statute) include medical expenses, rehabilitation expenses, work loss, essential services expenses, and death compensation.

**Pollution Liability Coverage Form**—Commercial form providing pollution insurance on a “claims-made” basis, and

also including coverage for clean-up costs. Contrast with “Limited Pollution Liability Coverage Form.”

**Products Liability Insurance**—Provides protection against claims arising out of the use, handling or consumption of a product. (See also Completed Operations insurance.)

**Professional Liability Insurance**—Liability insurance designed to indemnify professionals, doctors, lawyers, architects, etc., for bodily injury, direct or consequential damage claims arising from the rendering or failure to render professional services.

**Property Damage (Liability) Insurance**—Protection against liability for damage to the property of another not in the care, custody and control of the insured, as distinguished from liability for bodily injury. Property damage is written in connection with bodily injury with the premiums and limits of insurance being distinct.

**Property Insurance**—Insurance that indemnifies an individual or entity with an ownership interest in real or personal property for loss of or damage to property or the loss of business income-producing ability.

## R

**Reinsurance**—A contract to transfer all or a portion of the insurer’s (ceding insurance company’s) risk, assumed on behalf of its insureds, to another insurer/reinsurer. The reinsurer agrees to reimburse the insurer/ceding insurance company for the portion of the claim reinsured. A reinsurer may, in turn, seek reinsurance on some portion of the risk it has reinsured, a process known as “retrocession.”

**Retention**—The net amount of risk that an insured, company, or reinsurer keeps for its own account. The insured, company, or reinsurer generally retains an amount of first loss for its own account and purchases an excess of loss cover (insurance policy) to protect itself in the event of a catastrophe.

**Risk Management**—The management discipline focusing on the protection of the assets of an organization by reducing the potential for losses (risk control) and financing, through insurance and other means, potential exposures to catastrophic loss, such as acts of God, human error, or court judgments. The process consists of several steps: 1) risk or exposure identification; 2) measurement and evaluation of exposures identified; 3) control of those exposures through elimination, avoidance, reduction, or risk transfer; 4) financing of the remaining exposures, to buffer the impact of a substantial loss or catastrophic event, and ensure continued operations of the entity, without severe hardship to its financial stability.

## S

**Self-insurance**—Making financial preparations to meet pure risks by appropriating sufficient funds in advance to meet estimated losses, including enough to cover possible losses in excess of those estimated. Few organizations are large enough or dispersed enough to make total self-insurance a sound alternative to insurance.

**Separation of Insureds (Cross Liability)**—This is used to ensure that suits between named insureds are covered just as though there are separate insurance policies issued to each one.

**Subrogation**—Involves the recovery, in whole, or in part, of claims costs, including legal expenses, from a third party (e.g., contractor, subcontractor, vendor, manufacturer, etc.) who may be held responsible for damages.

**Subrogation Waiver**—See *Waiver of Subrogation*

**Surety**—(1) A term loosely used to describe the business of suretyship or bonds. Suretyship is an arrangement whereby one party becomes answerable to a third party for the acts or neglect of a second party. (2) The party in a suretyship arrangement who holds himself responsible to one person for the acts of another (customarily an insurance company).

**Surplus Lines**—Coverage procured from an unlicensed insurance company because of its unavailability in the licensed marketplace.

**T**

**Third Party Insurance**—Liability always involves a third party, the one who has suffered the loss.

**U**

**Umbrella Liability Policy**—A liability policy that serves as an excess liability policy to one or more primary policies, to extend additional limits, and generally provide broader coverage than is extended by the underlying policies.

**Unauthorized Insurance Company (Insurer)**—A non-admitted insurer, in a given State, is not licensed to conduct business in that State.

**Under-insured**—A condition in which insufficient insurance is carried to cover the insurable value or to satisfy a coinsurance clause, in property insurance.

**W**

**Waiver of Subrogation**—A waiver by the named insured giving up any right of recovery against another party. For example, in a construction contract, if a contractor provides a waiver of subrogation on a workers' compensation policy, the contractor (or its insurer) would not be able to file a claim for recovery for injury to an employee occurring on the premises of the owner where the construction is taking place. Normally an insurance policy requires that subrogation (recovery) rights be preserved. In commercial property insurance, a written waiver of subrogation rights is permitted if it is executed before the loss occurs.

**Warranty**—A statement made on an application for insurance that is warranted to be true in all respects. If untrue in any respect, even though the untruth may not have been known to the person giving the warranty, the contract may be voided whether or not the untruth or inexactness is material to the risk. Statements on life and health insurance applications are, in the absence of fraud, not warranties by representations.

**Workers' Compensation (W.C.)**—Mandatory no-fault insurance (i.e., employee does not have to prove employer is negligent) extended to employees injured while in the course of employment. Benefits paid to injured employees or their estates are governed by state statute and may include, but is not limited to, medical expenses, lost wages, permanency/scarring awards, differential/awards for loss of future income, and death benefits.

## APPENDICES

APPENDIX	SUBJECT
1	Construction/Renovation Contracts/Builder's Risk Options
2	Vendor Agreements
3	Consulting and Professional Services Architects and Engineers
4	Short term lease agreements/Special Events/Commercial Lease of Premises
5	Insurance Information Review Form
6	Example Request Letters

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**APPENDIX 1:**

**CONSTRUCTION /  
RENOVATION CONTRACTS /  
BUILDER'S RISK OPTIONS**

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**Appendix 1:**  
**CONSTRUCTION/RENOVATION CONTRACTS/  
BUILDER'S RISK OPTIONS**

**Insurance and Related Requirements**

**Minimum Insurance Coverages and Requirements**

(Contractor) shall obtain and maintain the minimum insurance coverages set forth below. By requiring such minimum insurance, Baylor shall not be deemed or construed to have assessed the risk that may be applicable to (Contractor). (Contractor) shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The Contractor is not relieved of any liability or other obligations assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. The insurance coverages stated below do not replace any surety (performance, payment, or maintenance) bonds as required by contract.

**Coverages (The provisions shown in italics should be included when exposures warrant)**

1. **Commercial General Liability** - Coverage to include:
  - Premises and Operations
  - Personal/Advertising Injury
  - Products/Completed Operations
  - Liability assumed under an Insured Contract (including defense costs assumed under contract)
  - Designated Construction Project(s) General Aggregate Limit
  
2. **Automobile Liability** including all
  - Owned Vehicles
  - Non-owned Vehicles
  - Hired Vehicles
  
3. **Workers' Compensation**
  - Statutory Benefits (Coverage A)
  - Employers Liability (Coverage B)
  
4. **Professional Liability** (*Including Design Build Errors and Omissions*)—Whenever the work under this contract includes Professional Liability, (Contractor) shall maintain professional liability covering wrongful acts, errors and/or omissions of (Contractor) for damage sustained by reason of or in the course of operations under this contract.
  
5. **Pollution Liability**—The University may require this coverage whenever work under this contract involves pollution risk to the environment. This coverage is to include sudden and gradual coverage for third-party liability including defense costs and completed operations. More specifically, if the contractor is bringing a pollutant to the University as part of their work on campus or has been hired to either treat or clean up a pollutant, then Pollution Liability is certainly mandatory.

**Appendix 1:  
CONSTRUCTION/RENOVATION CONTRACTS/  
BUILDER'S RISK OPTIONS**

**Limits Required**

(Contractor) shall carry the following limits of liability:

<b>Commercial General Liability</b>	
General Aggregate	\$ 2,000,000
Products/Completed Operations Aggregate	\$ 2,000,000
Each Occurrence Limit	\$ 1,000,000
Personal/Advertising Injury	\$ 1,000,000
Damage To Premises Rented To You (Any One Fire)	\$ 50,000
Medical Payments (Any One Person)	\$ 5,000
<b>Automobile Liability</b>	
Bodily Injury/Property Damage (Each Accident)	\$ 1,000,000
Personal Injury Protection	Statutory
<b>Workers' Compensation</b>	
Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers Liability)	\$ 500,000 \$ 500,000 \$ 500,000
<b>Umbrella Liability (as required)</b>	
Each Occurrence Limit	\$ 1,000,000
General Aggregate Limit	\$ 1,000,000
Products/Completed Operations Aggregate	\$ 1,000,000

**Appendix 1:  
CONSTRUCTION/RENOVATION CONTRACTS/  
BUILDER'S RISK OPTIONS**

<b>Professional Liability (if required)</b>	
Each Occurrence/Incident/Claim	\$ 1,000,000
Aggregate	\$ 2,000,000
<i>Baylor may require (Contractor) to keep this policy in effect for up to three (3) years after completion of the project.</i>	
<b>Pollution Liability (if required)</b>	
Per Loss	\$ 1,000,000
Aggregate	\$ 1,000,000
<i>Baylor may require (Contractor) to keep this policy in effect for up to three (3) years after completion of the project.</i>	

**Additional Requirements**

*(Contractor)* shall name Baylor University, its Board of Regents, and its officers, employees, agents, and volunteers as Additional Insureds for the premises/operations exposure and the products and completed operations exposure.

Further, all policies shall:

1. Be on a primary basis, non-contributory with any other insurance coverages and/or self-insurance carried by Baylor.
2. Include a Waiver of Subrogation Clause.
3. Not be non-renewed, cancelled or materially changed or altered unless thirty (30) days advance written notice via certified mail is provided to Baylor, Attn. Department of Risk Management.

*Required insurance coverages shall be maintained throughout the term of this contract and, except for Automobile Liability and Workers' Compensation, for a period of two (2) years after the date of substantial completion of the project.*

Baylor may require *(Contractor)* to keep Professional Liability coverage in effect for three (3) years after completion of the project.

**Option I: Builder's Risk Provided by Contractor**

Unless otherwise provided, the Contractor shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, Builder's Risk Insurance in the amount of the initial Contract Amount as well as subsequent modifications for the entire project at the site on a replacement cost basis without voluntary deductibles. Such Builder's Risk Insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made or until no person or entity other than Baylor has insurable interest in

**Appendix 1:**  
**CONSTRUCTION/RENOVATION CONTRACTS/  
BUILDER'S RISK OPTIONS**

the property to be covered, whichever is earlier. The Builder's Risk insurance shall include interests of Baylor, the General Contractor, subcontractors and sub-tier contractors in the project.

Builder's Risk Coverage shall be on a Special Covered Cause of Loss Form and shall include theft, vandalism, malicious mischief, collapse, false-work, temporary buildings and debris removal including demolition, increased cost of construction, architect's fees and expenses, soft costs, flood and earthquake, and all below and above ground structures, water and sewer mains. Insured property shall include portions of the work located away from the site but intended for use at the site, and shall also cover portions of the work in transit. The policy shall cover the cost of removing debris, including demolition as may be made legally necessary by the operation of any law, ordinance or regulation. Other coverages may be required if provided in Contract Documents.

If Owner is damaged by failure of Contractor to maintain insurance as required in this section, then Contractor shall bear all reasonable costs properly attributable to that failure. Coverages shall be written for 100% of the completed value (replacement cost basis) of the work being performed. Waiver of Subrogation is to apply against all parties named as insureds, but only to the extent the loss is covered. The policy shall specifically permit partial or beneficial occupancy at or prior to substantial completion or final acceptance of the entire Work. Partial occupancy or use of the work shall not commence until the insurance company or companies providing insurance have consented to such partial occupancy or use. Owner and Contractor shall take reasonable steps to obtain consent of the insurance company or companies, and agree to take no action, other than upon mutual written consent, with respect to occupancy or use of the work that could lead to cancellation, lapse or reduction of insurance.

If the Contractor does not intend to purchase such Builder's Risk Insurance required by the Contract and with all of the coverages in the amount described above, the Contractor shall so inform Baylor as stated in writing prior to commencement of the work. Baylor may then effect insurance that will protect the interests of Baylor, the General Contractor, Subcontractors and sub-tier contractors in the project. Coverages applying shall be the same as stated above including other coverages that may be required by Baylor. The cost shall be charged to the Contractor. Coverage shall be written for 100% of the completed value of the work being performed, with a deductible not to exceed \$5,000 per occurrence for most projects. Higher deductibles may be used depending on size of contract. *(Contact Risk Management for determination or approval of higher deductibles.)*

All deductibles will be assumed by the Contractor. Waiver of Subrogation is to apply against all parties named as insureds, but only to the extent the loss is covered.

Losses in excess of the deductible insured under the Builder's Risk shall be adjusted in conjunction with Baylor. Any insurance payments/proceeds shall be made payable to Baylor subject to requirements of any applicable mortgage clause. The contractor shall pay subcontractors their just shares of insurance proceeds received by the contractor, and by appropriate agreements, written where legally required for validity, shall require subcontractors to make payments to their sub-tier contractors in similar manner.

If Baylor is damaged by the failure or neglect of the Contractor to purchase or maintain insurance as described above, without so notifying Baylor, then the Contractor shall bear all reasonable costs properly attributable thereto.

Contractors engaged in modifications of existing structures are required to secure an Occupancy Endorsement that enables Baylor to occupy the facility during construction.

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**APPENDIX 2**  
**VENDOR AGREEMENTS**

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## **Appendix 2: VENDOR AGREEMENTS**

### **Insurance and Related Requirements**

#### **Minimum Insurance Coverages and Requirements**

The (VENDOR) shall obtain and maintain the minimum insurance coverages set forth below. By requiring such minimum insurance, Baylor shall not be deemed or construed to have assessed the risk that may be applicable to the (VENDOR). The (VENDOR) shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The (VENDOR) is not relieved of any liability or other obligations assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types.

#### **Coverages**

- 1. Commercial General Liability** – Coverage to include:
  - Premises and Operations
  - Personal/Advertising Injury
  - Products/Completed Operations
  - Liability assumed under an Insured Contract (including defense costs assumed under contract)
  
- 2. Automobile Liability** including all
  - Owned Vehicles
  - Non-owned Vehicles
  - Hired Vehicles
  
- 3. Workers' Compensation**
  - Statutory Benefits (Coverage A)
  - Employers Liability (Coverage B)

#### **Limits Required**

The (VENDOR) shall carry the following limits of liability as required below:

##### **Commercial General Liability**

General Aggregate	\$ 2,000,000
Products/Completed Operations Aggregate	\$ 2,000,000
Each Occurrence Limit	\$ 1,000,000
Personal/Advertising Injury	\$ 1,000,000
Damage To Premises Rented To You (Any One Fire)	\$ 50,000

## **Appendix 2: VENDOR AGREEMENTS**

Medical Payments (Any One Person)	\$	5,000
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### **Automobile Liability**

Bodily Injury/Property Damage (Each Accident)	\$	1,000,000
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### **Workers' Compensation**

Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers Liability)	\$ 100,000
	\$ 500,000
	\$ 100,000

### **Additional Requirements**

The (VENDOR) shall name Baylor, the Board of Regents of Baylor, and its officers, employees, agents, and volunteers as Additional Insureds for the premises/operations exposure and the completed operations exposure. Further, all policies of insurance shall:

1. Be on a primary basis, non-contributory with any other insurance coverages and/or self-insurance carried by Baylor.
2. Include a Waiver of Subrogation Clause.
3. Not be non-renewed, cancelled or materially changed or altered unless thirty (30) days advance written notice via certified mail is provided to Baylor.

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**APPENDIX 3**  
**CONSULTING AND PROFESSIONAL SERVICES**  
**ARCHITECTS AND ENGINEERS**

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# APPENDIX 3: CONSULTING AND PROFESSIONAL SERVICES ARCHITECTS AND ENGINEERS

## Insurance and Related Requirements

### Minimum Insurance Coverages and Requirements

The (ARCHITECT/ENGINEER) shall obtain and maintain the minimum insurance coverages set forth below. By requiring such minimum insurance, Baylor shall not be deemed or construed to have assessed the risk that may be applicable to the (ARCHITECT/ENGINEER). The (ARCHITECT/ENGINEER) shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The (ARCHITECT/ENGINEER) is not relieved of any liability or other obligations assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types.

### Coverages

1. **Commercial General Liability** – Coverage to include:
  - Premises and Operations
  - Personal/Advertising Injury
  - Products/Completed Operations
  - Liability assumed under an Insured Contract (including defense costs assumed under contract)
2. **Automobile Liability** including all
  - Owned Vehicles
  - Non-owned Vehicles
  - Hired Vehicles
3. **Workers' Compensation**
  - Statutory Benefits (Coverage A)
  - Employers Liability (Coverage B)
4. **Professional Liability**–*Project specific basis: Architects and Engineers Errors and Omissions Liability including Design/Build Professional Liability.* The (ARCHITECT/ENGINEER) shall maintain Errors and Omissions Liability covering wrongful acts, errors and/or omissions, including design errors of the (ARCHITECT/ENGINEER) for damage sustained by reason of or in the course of operations under this Contract. The policy/coverages shall be amended to include the following:
  - Description of operations on the declaration describing the scope of your professional services shall include all aspects of the services performed under this contract, including events arising out of your operations or any qualified subcontractors and sub-tier contractors
  - Amendment of any Contractual Liability Exclusion to state: *“This exclusion does not apply to any liability of others which you assume under a written contract provided such liability is caused by your wrongful acts.”*
  - Claims alleging improper supervision of subcontractors and sub-tier contractors
  - Representative Insured Wording amended to include past principals/employees

**APPENDIX 3:  
CONSULTING AND PROFESSIONAL SERVICES  
ARCHITECTS AND ENGINEERS**

- Deletion of any exclusions pertaining to design/build liability
- Coverage shall be maintained for three (3) years after project is complete
- Definition of “damages” amended to include punitive damages, if permitted by law
- Cancellation Clause shall provide 30 days notice prior to Cancellation to Baylor
- Baylor University, the Board of Regents of Baylor, its officers, employees, agents, and volunteers shall be named as additional insureds.

**Limits Required**

The (ARCHITECT/ENGINEER) shall carry the following limits of liability as required below:

<b>Commercial General Liability</b>	
General Aggregate	\$ 2,000,000
Products/Completed Operations Aggregate	\$ 2,000,000
Each Occurrence Limit	\$ 1,000,000
Personal/Advertising Injury	\$ 1,000,000
Damage To Premises Rented To You (Any One Fire)	\$ 50,000
Medical Payments (Any One Person)	\$ 5,000
<b>Automobile Liability</b>	
Bodily Injury/Property Damage (Each Accident)	\$ 1,000,000
<b>Workers' Compensation</b>	
Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers Liability)	\$ 100,000
	\$ 500,000
	\$ 100,000
<b>Architects' &amp; Engineers' Professional Liability (including Design/Build Liability)</b>	
Each Occurrence/Incident/Claim	\$ 1,000,000
Aggregate	\$ 1,000,000
(Baylor may require the (ARCHITECT/ENGINEER) to keep this policy in effect for up to three (3) years after completion of the project.)	

**Additional Requirements**

The (ARCHITECT/ENGINEER) shall name Baylor University, The Board of Regents of Baylor, and its officers, employees, agents, and volunteers as Additional Insureds. Further, all policies of insurance shall:

1. Be on a primary basis, non-contributory with any other insurance coverages and/or self-insurance carried by Baylor.

**APPENDIX 3:  
CONSULTING AND PROFESSIONAL SERVICES  
ARCHITECTS AND ENGINEERS**

2. Include a Waiver of Subrogation Clause.
3. Not be non-renewed, cancelled or materially changed or altered unless thirty (30) days advance written notice via certified mail is provided to Baylor.

*Required insurance coverage shall be maintained throughout the term of this contract and, except for Automobile Liability and Workers' Compensation, for a period of three (3) years after the date of substantial completion of the project.*

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**APPENDIX 4**  
**SHORT TERM LEASE AGREEMENTS /**  
**SPECIAL EVENTS /**  
**COMMERCIAL LEASE OF PREMISES**

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## APPENDIX 4: SHORT TERM LEASE AGREEMENTS/SPECIAL EVENTS/ COMMERCIAL LEASE OF PREMISES

The following is an example of the general considerations and minimum insurance requirements for short term lease agreements, special events and commercial lease of premises of Baylor-owned premises and for services rendered to Baylor by specific service providers.

These insurance requirements need to be inserted into the insurance section of the contract.

### Insurance and Related Requirements

#### Minimum Insurance Coverages and Requirements

The (LESSEE/CONTRACT PROVIDER) shall obtain and maintain the minimum insurance coverages set forth below. By requiring such minimum insurance, Baylor shall not be deemed or construed to have assessed the risk that may be applicable to the (LESSEE/CONTRACT PROVIDER) under Contract Number \_\_\_\_\_. The (LESSEE/CONTRACT PROVIDER) shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages. The (LESSEE/CONTRACT PROVIDER) is not relieved of any liability or other obligations assumed or pursuant to the Contract by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types.

#### Coverages

1. **Commercial General Liability** – Coverage to include:  
Premises and Operations  
Products/Completed Operations  
Liability assumed under an Insured Contract (including defense costs assumed under contract)  
Personal/Advertising Injury
2. **Automobile Liability** including all  
Owned Vehicles  
Non-owned Vehicles  
Hired Vehicles
3. **Workers' Compensation**  
Statutory Benefits (Coverage A)  
Employers Liability (Coverage B)
4. **Property for Commercial Lease Tenants**  
Must contain Waiver of Subrogation language that clearly states the insurer paying any claim will not seek reimbursement from the Baylor.

#### Limits Required

The (LESSEE/CONTRACT PROVIDER) shall carry the following limits of liability as required below:

<b>Commercial General Liability</b>	
General Aggregate	\$ 2,000,000
Products/Completed Operations Aggregate	\$ 2,000,000
Each Occurrence Limit	\$ 1,000,000
Personal/Advertising Injury	\$ 1,000,000

**APPENDIX 4:  
SHORT TERM LEASE AGREEMENTS/SPECIAL EVENTS/  
COMMERCIAL LEASE OF PREMISES**

Damage To Premises Rented To You (Commercial Lease Only)	\$ 500,000
Damage To Premises Rented To You	\$ 50,000
Medical Payments (Any One Person)	\$ 5,000
<b>Automobile Liability</b>	
Bodily Injury/Property Damage (Each Accident)	\$ 1,000,000
<b>Workers' Compensation</b>	
Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers Liability)	\$ 100,000
	\$ 500,000
	\$ 100,000
<b>Commercial Property</b>	
	Value of Tenant's Property

**Additional Requirements**

The (LESSEE/CONTRACT PROVIDER) shall name the Board of Regents of Baylor, a body corporate and its officers, employees, agents, and volunteers as Additional Insureds. Further, all policies of insurance shall:

1. Be on a primary basis, non-contributory with any other insurance coverages and/or self-insurance carried by Baylor.
2. Include a Waiver of Subrogation Clause.
3. Policy may not be non-renewed, cancelled or materially changed or altered unless thirty (30) days advance written notice via certified mail is provided to Baylor, Attn: Risk Management Department.

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**APPENDIX 5**  
**INSURANCE INFORMATION REVIEW FORM**

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## APPENDIX 5: INSURANCE INFORMATION REVIEW FORM

For: \_\_\_\_\_

Project Number: \_\_\_\_\_ Staff Contact: \_\_\_\_\_

### Insurance Requirements

**Mandatory Certificate Form**                       Attached                       Required

#### General Liability (GL)

- Provide Commercial General Liability Policy
- Provide General Aggregate on a *per project basis* (Construction Projects only)
- Provide Additional Insured wording
- Provide Coverage on a primary basis and non-contributing basis
- Provide Waiver of Subrogation Clause
- Provide 30 days' Notice of Cancellation/Non-Renewal

#### GL—Limits Required

- \$1,000,000 per occurrence
- \$1,000,000 personal & advertisint
- General Aggregate \$2,000,000
- Products/Completed Operations Aggregate \$2,000,000
- Damage To Premises Rented To You \$500,000 Commercial Lease, \$50,000 all others

#### Auto Liability

- Provide Owned Vehicles
- Provide Non-Owned Vehicles
- Provide Hired Vehicles

#### Auto Liability—Limits Required

- \$1,000,000 CSL
- \$\_\_\_\_\_

#### Workers' Compensation

- Provide Statutory Benefits
- Employers Liability Limits (as specified) (\$500,000/\$500,000/\$500,000 for Contractors)

#### Umbrella Liability

- Provide Umbrella Excess of Commercial General Liability, Automobile Liability, and

**APPENDIX 5:  
INSURANCE INFORMATION REVIEW FORM**

Employers Liability for Contractors only.

**Umbrella Liability Limit Required/Provided**

- \$1,000,000 Each Occurrence
- \$1,000,000 General Aggregate

**Professional Liability (if Required)**

- \$1,000,000
- \$1,000,000 Aggregate

**Pollution Liability (if Required)**

- \$1,000,000
- \$\_\_\_\_\_

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**APPENDIX 6**  
**EXAMPLE REQUEST LETTERS**

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**APPENDIX 6:  
BAYLOR UNIVERSITY EXAMPLE REQUEST LETTERS**

Date: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

To Whom It May Concern:

We recently received a contract between \_\_\_\_\_ and Baylor. In order for this contract to be approved, we need a Certificate of Insurance showing the following (as identified by a check mark):

**Certificate of Insurance evidencing:**

- Commercial General Liability (Limits as required in contract)
  - General Aggregate to apply per project basis
  - The Board of Regents of Baylor, a body corporate, and its officers, employees, agents, and volunteers added as additional insured as respects all projects
- Automobile Liability
- Workers' Compensation and Employers Liability
- Umbrella Liability (Limits as required in contract)
- Professional Liability (Limits as required in contract)
- Pollution Liability (Limits as required in contract)
- Builder's Risk (Limits as required by contract)

**Note:** (regarding the General Liability coverage) **Please be sure to name the Board of Regents of Baylor (as stated in contract) as an additional insured and so state on the Certificate of Insurance.**

Our records indicate that your Certificate of Insurance currently on file with us has either expired or will be expiring. Please have your insurance agent send us a new Certificate of Insurance Form evidencing the following (as identified by check mark):

- Commercial General Liability
  - General Aggregate to apply per project basis
  - The Board of Regents of Baylor, a Body Corporate, and its officers, employees, agents, and volunteers added as additional insured as respects all projects
- Automobile Liability
- Workers' Compensation and Employers Liability
- Professional Liability
- Pollution Liability
- Umbrella Liability
- Builder's Risk

If you have any questions, please call me at \_\_\_\_\_.

**APPENDIX 6:  
BAYLOR UNIVERSITY EXAMPLE REQUEST LETTERS**

Date: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

To Whom It May Concern:

Thank you for forwarding the Certificate of Insurance. After review, the certificate does not reflect required limits and/or coverages as previously requested. Please amend the certificate form to reflect the following:

**General Liability**

Limits of \$1,000,000 per Occurrence

Note this may be accomplished by providing evidence of Umbrella Liability with limits of \$1,000,000 each Occurrence/\$1,000,000 Aggregate

General Aggregate is to apply on a “per project” basis

Shall name the Board of Regents of Baylor, a body corporate, and its officers, employees, agents, and volunteers added as additional insured as respects all projects

Evidence of **Automobile Liability**

**Workers’ Compensation and Employers Liability**

**Professional Liability** (Limits and endorsements as outlined in contract)

**Pollution Liability** (Limits and endorsements as outlined in contract)

**Umbrella Liability** (Limits and endorsements as outlined in contract)

**Builder’s Risk** (Limits and endorsements as outlined in contract)

If you have any questions, please call me at \_\_\_\_\_.

Sincerely,