

Texas Woman's University System

Third Party Insurance Standards

This document describes the the insurance requirements for contracts and agreements with the Texas Woman's University System (TWU). The goal of adopting these standards is to establish a framework for indemnification and insurance coverage that can be consistently applied with few exceptions. If you have any questions about these requirements, you may contact TWU Risk Management at Risk@TWU.edu.

I. Requirements For All Insurance Policies:

1. All policies provided to TWU as proof of insurance must be insured by a carrier that is authorized to sell insurance in the state the applicable activity will occur. Additionally, all carriers must have an **AM Best financial strength rating of "A-" and a financial size category of "VII" or better.**
2. All insurance policies required **must be written on an occurrence basis** (with the exception of professional liability and pollution liability which can be written on a claims-made basis as described below).
3. All policies, other than Worker's Compensation and professional liability, shall name "Texas Woman's University System and its Board of Regents, officers, employees, agents, and volunteers" as **Additional Insureds.**
4. All policies will be endorsed to provide a **Waiver of Subrogation** in favor of "Texas Woman's University System and its Board of Regents, officers, employees, agents, and volunteers".
5. All policies, other than Worker's Compensation, will be **endorsed to be primary and noncontributory** with any other insurance coverages or retention carried by TWU.
6. Certificates of Insurance must be provided for all required insurance policies to TWU Risk Management on forms [approved by the Texas Department of Insurance](#) **at least 10 business days prior to services being provided or facilities being used.** Any policy endorsements necessary to meet these requirements must also be provided. Furnishing a certificate that does not meet TWU's insurance requirements does not amend or alter the agreement nor provide proof that you have met these requirements.
7. Insurance maintained by a contractor **shall include all subcontractors** as additional insureds under its policies, or the contractor shall ensure that all subcontractors maintain insurance meeting TWU's insurance requirements described in this document. This includes all requirements such as naming TWU as an additional insured, waiver of subrogation endorsements, etc.

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8. **No policy will be canceled until 30 days after written notice to TWU.** 30 days notice must also be given prior to any material changes, cancellation or nonrenewal to policies active during the contract or agreement including any warranty periods required by the contract. Renewal certificates must be received by TWU at least 5 days prior to expiration.
9. **Third parties shall assume any and all deductibles for required insurance policies.**
10. Any modification or variation from the insurance requirements listed in this document **must be approved in writing by TWU Risk Management.** 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 TWU.

II. Required Insurance and Limits Based on Contract/Agreement

Minimum Requirements and Limits for Contracts and Agreements with TWU:

1. Commercial General Liability
 - a. \$1,000,000 per occurrence/\$2,000,000 aggregate
 - b. \$2,000,000 Products/Completed Operations
 - c. \$1,000,000 Personal and Advertising Injury
 - d. \$5,000 Medical Expense (any one person)
 - e. Coverage will be provided using ISO form CG 00 01 or equivalent
3. Worker's Compensation
 - a. Statutory Limits
4. Employers' Liability
 - a. \$1,000,000 each accident
 - b. \$1,000,000 disease - each employee
 - c. \$1,000,000 disease - policy limit

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Additional Requirements Depending on Activities:

1. Commercial Auto Liability Insurance

- a. Required for contracts involving any use of an automobile
- b. \$1,000,000 each accident for bodily injury and property damage
- c. Must cover all vehicles used to fulfill the contract/agreement requirements
- d. Must include Personal Injury Protection (PIP)
- f. Coverage will be provided using the 1990 and later editions of ISO form CA 00 01 or equivalent

2. Damage to Rented Premises Coverage

- a. Required for rental and short-term lease of TWU facilities
- b. \$250,000 Damage to Rented Premises
- c. Perils insured shall be equivalent to ISO special causes of loss form CP 10 30, and the valuation of covered property shall be the replacement cost

3. Liability Liquor Coverage

- a. Required if alcoholic beverages will be distributed, sold, or served or if activities require a liquor license.
- b. \$1,000,000 each occurrence limit for bodily injury and property damage
- c. \$1,000,000 aggregate

4. Sexual Abuse or Molestation Coverage

- a. Required if third party is a Youth Program Operator or operations involve more than incidental contact with minors.
- b. \$1,000,000 limit

5. Third Party Fidelity or Crime Insurance

- a. Required for third parties who will:

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- i. Have access to TWU financial information and/or payments,
 - ii. Will collect money or other forms of payment on TWU's behalf,
 - iii. Have special access to valuable TWU property or confidential or personal information (paper or electronically), or
 - iv. Have on-site or remote access to TWU computer networks or data.
- b. \$1,000,000 limit per claim (if potential losses exceed this limit, additional insurance may be required)
 - c. Coverage shall be provided using ISO form CR 00 01 or its equivalent and shall include ISO endorsements CR 04 01 and CR 20 14 or their equivalents

6. Pollution Liability Insurance

- a. Required if services involve abatement, handling or transportation of hazardous materials and/or wastes.
- b. Minimum limit of \$1,000,000 per loss and aggregate (Risk Management may require higher limits depending on exposure).
- c. If transporting hazardous materials/wastes; auto liability coverage must also be endorsed to include auto pollution endorsements using ISO form CA 99 48 or equivalent and Motor Carrier Act Endorsement MCS-90.
- d. Coverage shall apply to sudden and gradual pollution condition resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, natural gas, waste materials, irritants, contaminants, or pollutants to include asbestos.
- e. If coverage is written on a claims-made basis, the retroactive date applicable to coverage under the policy must precede the effective date of the contract. Continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of three (3) years beginning from the time the work under the contract is completed.

7. Professional Liability Insurance (Other than IT Technology, Architects, or Engineers)

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- a. Required whenever the service provider is required to be licensed by the state of Texas and/or where the consultant's errors, or allegations of errors in judgement, planning, design, etc. could result in economic loss to TWU.
- b. Minimum limit of \$1,000,000 per loss and \$2,000,000 annual aggregate.
- c. The policy must cover professional misconduct or lack of ordinary skill for those positions defined in the scope of services in the contract.
- d. Coverage shall be maintained for three (3) years after the completion of the work under the contract.

8. Professional Liability Insurance for IT Technology Consulting/Professional Services

- a. Required for work involving IT technology including on-site or remote access to TWU computer networks or data.
- b. Minimum limit of \$1,000,000 per loss and \$2,000,000 annual aggregate.
- c. For contracts over \$500,000; \$5,000,000 per loss and annual aggregate.
- d. Insurance must provide coverage for the following risks:
 - i. Liability arising from theft, dissemination, and/or use of confidential information
 - ii. Network security liability arising from the unauthorized access to, use of, or tampering with computer systems
 - iii. Liability arising from the introduction of a computer virus into, or otherwise causing damage to computer systems
- e. If coverage is written on a claims-made basis, the retroactive date applicable to coverage under the policy must precede the effective date of the contract. Continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning from the time the work under the Contract is completed.
- f. If coverage is written on an occurrence form, the insurance must be maintained for one (1) year following termination of the contract. If written on a claims-made basis, insurance must be maintained for three (3) years following termination of the contract.

9. Drone Coverage

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- a. Required when unmanned aircraft/unmanned vehicles ("drones") will be used on campus.
- b. Minimum limit of \$1,000,000 per loss and aggregate, and coverage.

10. Construction and Renovation Project Insurance Requirements

- a. Applicable to all construction and renovation projects.
- b. Commercial general liability insurance aggregate limit listed above will be per project, and will be provided using ISO form CG 25 03 or its equivalent.
- c. Builders Risk Insurance
 - i. Required only if TWU has not decided to obtain buildings risk insurance for the contract/project in question. This will be specifically noted in the contracting documents.
 - ii. Coverage amount and limits shall be equal to the cost to complete the project and include limits for soft costs. It shall provide for full coverage for collapse to include collapse due to design error.
 - iii. Soft cost or delay-in-opening cost coverage is to include the following elements as applicable to the project:
 - 1. Loss of Earnings
 - 2. Loss of Rents
 - 3. General Overhead-Developer
 - 4. Fixed Operation and Maintenance Expenses
 - 5. Miscellaneous Operating Expenses
 - 6. Fixed Operational and Maintenance Expenses
 - 7. Additional Interest Expense
 - 8. Wheeling Charges
 - 9. Bond Interest
 - 10. Debt Service Payments
 - 11. Construction Loan Fees
 - 12. Refinancing Charges
 - 13. Fees for Letters of Credit, Trustee, Remarketing of Bonds
 - 14. Real Estate Taxes
 - 15. Marketing Expenses
 - 16. Legal/Professional Fees
 - 17. Leasing Expenses
- d. Installation Floater Insurance

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- i. Required if there is no actual alterations to an existing building and the extent of the renovation or work involves new equipment added to the building.
- ii. Must cover materials and/or equipment to be installed in existing structures and/or infrastructure. Coverage is to be written on Special Covered Cause of Loss Form and is to include theft, faulty workmanship, mechanical or electrical damage during testing and labor costs to repair damaged work, and soft costs (expediting expenses). Coinsurance provisions and any exclusions for underground exposures are to be deleted. Flood coverage must also be provided. Coverage shall end when work is accepted by the TWU.

11. Professional Liability Insurance for Architects and Engineers

- a. Required for any contracts involving architectural or engineering services.
- b. The architect/engineer shall maintain professional liability insurance 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 agreement for three (3) years after the project is substantially complete. The professional liability insurance limits shall be in an amount based on the value in the contract as per the chart below:

Professional Liability Requirement Chart (For Architect/Engineer)	
Project Cost	Required Limits
\$0-\$9,999,999	\$2,000,000 per claim and annual aggregate
\$10,000,000-\$19,999,999	\$3,000,000 per claim and annual aggregate
\$20,000,000-\$40,000,000	\$4,000,000 per claim and annual aggregate
Over \$40,000,000	\$10,000,000 per claim and annual aggregate

- c. In addition to the insurance requirements for the architect/engineer, the architect/engineer's sub-consultants (to include structural, civil, mechanical, plumbing, electrical engineering, landscape architecture, survey, geotechnical, and materials testing) are required to carry professional liability insurance based on the value of this contract as per the chart below.

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Professional Liability Requirement Chart (For Sub-consultants)	
Project Cost	Required Limits
\$5,000,000-\$19,999,999	\$1,000,000 per claim and annual aggregate
\$20,000,000-\$40,000,000	\$2,000,000 per claim and annual aggregate
Over \$40,000,000	\$3,000,000 per claim and annual aggregate
All other consultants not mentioned above (no matter the contract amount)	\$1,000,000 per claim and annual aggregate

12. Charter Bus Contractors/Brokers Insurance Requirements

- a. Applicable to contracts for charter bus, direct carriers, and similar transportation services, including transportation brokers.
- b. Employers' Liability (higher limits than the defaults listed above)
 - i. \$1,000,000 each accident
 - ii. \$1,000,000 each employee
 - iii. \$1,000,000 policy limit
- c. Workers' Compensation policy must include under 3.A. on the information page of the Workers' Compensation policy the state in which work is to be performed for TWU. Workers' Compensation insurance is required, and no "alternative" forms of insurance shall be permitted;
- d. For charter and direct carriers operating vehicles or buses with a seating capacity of 16 passengers or more, the General Liability and Commercial Automobile limits are increased from the defaults as follows:
 - i. General Liability
 1. \$5,000,000 per occurrence/\$5,000,000 aggregate
 2. \$10,000 Medical Expense (any one person)
 - ii. Commercial Automobile Coverage

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1. \$5,000,000 each accident for bodily injury and property damage
- e. For Charter and Direct Carriers operating vehicles or buses with a seating capacity of 15 passengers or less, the General Liability and Commercial Automobile limits are increased from the defaults as follows:
 - i. General Liability
 1. \$1,500,000 per occurrence/\$3,000,000 aggregate
 2. \$10,000 Medical Expense (any one person)
 - ii. Commercial Automobile Coverage
 1. \$1,500,000 each accident for bodily injury and property damage
- f. Commercial Automobile Coverage will include all owned, non-owned or hired vehicles per the Code of Federal Regulations (CFR) 49, Subtitle B, Section 387.33, Financial Responsibility, Minimum Levels. Business auto liability coverage shall not exclude passengers.

13. Umbrella/Excess Liability

Umbrella/Excess liability insurance may be used in combination with primary policies to achieve the above minimum limits required for commercial general liability, automobile, and employers liability. Umbrella/Excess liability policy shall be written with limits of not less than what is required above per occurrence and in the aggregate, will be excess over and be no less broad than and "following form" over and including coverage described above. Inception and expiration dates will be the same as the underlying policies.