

# Short-Term Lease Agreements, Special Events, and Commercial Lease of Premises (Increased Limits)

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 *Texas Tech University System and components (TTUS)* owned premises and for services rendered to TTUS.

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

## Insurance and Related Requirements

### Minimum Insurance Coverage and Requirements

The [Lessee/Contract Provider/Event Sponsor] shall obtain and maintain the minimum insurance coverage set forth below. By requiring such minimum insurance, TTUS shall not be deemed or construed to have assessed the risk that may be applicable to the [Lessee/Contract Provider/Event Sponsor] under Contract Number \_\_\_\_\_. The [Lessee/Contract Provider/Event Sponsor] shall assess its own risks and, if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. The [Lessee/Contract Provider/Event Sponsor] 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. All policies must be written on a primary basis, non-contributory with any other insurance coverage and/or self-funded plans which Texas Tech University maintains.

#### Coverage

1. **Commercial General Liability** – ISO form CG 00 01 or its equivalent. Coverage to include:
  - Premises and Operations
  - Personal Injury/Advertising Injury
  - Products/Completed Operations
  - Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract)
  - Independent Contractors
  - Abuse & Molestation (may be provided on separate policy and maybe waived if no minors are attending or working the event)
2. **Automobile Liability** – Coverage to include: Owned Vehicles
  - Leased Vehicles
  - Hired Vehicles
  - Non-Owned and Employee Non-Owned Vehicles
  - Personal Injury Protection (where applicable)
3. **Workers' Compensation and Employers' Liability** – Workers' Compensation (Coverage A) and 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 TTUS.
5. **Pollution Liability** – If tenants' occupancy creates a pollution exposure, this coverage is required, which can be accomplished by adding ISO endorsement CG 24 15 Limited Pollution Liability Extension or its equivalent to the CGL policy. If they transport

Contains generic provisions – adapt to specific contract

hazardous materials, ISO endorsements CA 99 48 and MCS-90 must be added to the business automobile policy. A separate pollution legal liability policy is also acceptable.

**Limits Required**

The [Lessee/Contract Provider/Event Sponsor] 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
Abuse & Molestation each occurrence (if required)	\$1,000,000
Personal/Advertising Injury	\$1,000,000
Damage to Rented Premises	\$50,000
Medical Payments (Any One Person)	\$5,000

**Automobile Liability**

Bodily Injury/Property Damage (Each Accident)	\$1,000,000
Personal Injury Protection, if applicable	Statutory

**Workers' Compensation**

Coverage A (Workers' Compensation)	Statutory
Coverage B (Employers' Liability)	\$1,000,000 \$1,000,000 \$1,000,000

**Umbrella Liability**

Each Occurrence Limit	\$5,000,000
General Aggregate Limit	\$5,000,000
Products/Completed Operations Aggregate	\$5,000,000

**Property Insurance**

1. Property insurance shall be written on a Covered Cause of Loss-Special Form, replacement cost coverage, including coverage for flood and earth movement.
2. *Appropriate Component* shall be named as a loss payee on property coverage for tenant improvements and betterments if this coverage is required in the lease.
3. If property coverage on the building is required in the lease, *TTUS* shall be named as an additional insured-owner/loss payee.
  - Coverage for Lessee's Tenant Improvements and Betterments (if required in the lease), Fixtures – 100% replacement cost
  - Coverage on Building (may be required if Lessee is sole occupant and this coverage is required in the lease) – 100% replacement cost
  - Coverage for Business Income – Amount equal to all minimum annual rent and other sums payable under the lease

### **Additional Requirements**

#### **Commercial General Liability (CGL)**

*[Lessee/Contract provider/Event Sponsor]* shall name TTUS and its Board of Regents, officers, employees, agents, and volunteers as Additional Insureds on ISO endorsement CG 20 11 Additional Insured – Managers or Lessors of Premises or its equivalent appropriate for the exposure. ISO endorsement CG 20 01 04 13 – Primary and Noncontributory Other Insurance Condition must also be attached.

#### **All Policies**

- Must be written on a primary basis, non-contributory with any other insurance coverage and/or self-insurance carried by TTUS.
- Must include a Waiver of Subrogation Clause.

**Notice of Cancellation:** Each insurance policy required by the insurance provisions of this contract shall provide the required coverage and shall not be suspended, voided, or canceled except after thirty (30) days' prior written notice has been given to the TTUS, except when cancellation is for non-payment of premium; then ten (10) days' prior notice may be given. Such notice shall be sent directly to **TTUS Representative's Name and Address**. If any insurance company refuses to provide the required notice, the *[Lessee/Contract provider/Event Sponsor]* or its insurance broker shall notify TTUS of any cancellation, suspension, or non-renewal of any insurance within seven (7) days of receipt of insurers' notification to that effect.

**Certificate of Insurance:** An original (Acord 25) certificate of insurance shall be submitted by the insurer or agent to TTUS showing evidence of each of the required coverage types prior to approval of this contract. Insurers should have an A.M. Best rating of B+ VII or better.