INSURANCE REQUIREMENTS
for
AIR CHARTER OPERATORS SERVICING
UT SYSTEM INSTITUTIONS

1. Charter Operator, consistent with its status as an independent contractor, will carry at least the following insurance, with companies authorized to do insurance business in the State of Texas or eligible surplus lines insurers operating in accordance with the Texas Insurance Code, having an A.M. Best Rating of A-:VII or better, and in amounts not less than the following minimum limits of coverage:

   Workers’ Compensation Insurance with statutory limits, and Employer’s Liability Insurance with limits of not less than $1,000,000.
   - Employers Liability – Each Accident $1,000,000
   - Employers Liability – Each Employee $1,000,000
   - Employers Liability – Policy Limit $1,000,000

   Workers’ Compensation policy must include states where contractor’s employees will be performing operation for University.

   Commercial General Liability Insurance with limits of not less than:
   - Each Occurrence Limit $1,000,000
   - Damage to Rented Premises $50,000
   - Personal & Advertising Injury $1,000,000
   - General Aggregate $2,000,000
   - Products – Completed Operations Aggregate $2,000,000

   The required Commercial General Liability policy will be issued on a form that insurers Charter Operator’s and subcontractor’s liability and bodily injury (including death), property damage, personal and advertising injury assumed under the terms of the Engagement Letter.

   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.

2. Charter Operator will maintain at its sole expense, an Aircraft Hull and Liability Policy including coverage for:

   2.1 Liability for Bodily Injury (including passengers) and property damage with minimum limits of liability insurance set at $25 million for light turboprop aircraft, $50 million for light jet aircraft and $3 million per seat for large aircraft and including: War Risks endorsement; The Board of Regents of the University of Texas System and The University of Texas System and their respective affiliated enterprises, regents, officers, directors, attorneys, employees, representatives and agents as additional insured; and primary and non-contributory language.

   2.2 Aircraft hull insurance in an amount equal to the value of the aircraft and including: War Risks endorsement; and a waiver of subrogation in favor of The University of Texas System and The Board of Regents of The University of Texas System and their respective affiliated enterprises, regents, officers, directors, attorneys, employees, representatives and agents.
3. If Charter Operator fails to fulfill its obligations contained in this Section, Institutional Participant may, upon notice to Broker and Charter Operator, undertake the performance of the insurance requirements of this Section by contracting for such insurance directly; provided that Institutional Participant will include Charter Operator as an additional insured on Institutional Participant’s policies. If Institutional Participant undertakes the performance of the insurance requirements of this Section by contracting for such insurance directly, Charter Operator promptly will reimburse Institutional Participant for the full cost thereof, upon written request. If Charter Operator fails to pay any of the renewal premiums for the expiring policies, Institutional Participant will have the right to make the payments and set off the amount thereof against the next payment coming due to Charter Operator under the Engagement Letter. Upon Charter Operator’s request, Institutional Participant will furnish to Charter Operator evidence of such insurance in certificate form.

4. Charter Operator, through Broker, will deliver to UT System:

Evidence of insurance on a Texas Department of Insurance approved certificate (Acord 2510/05 is TDI preapproved) form verifying the existence and actual limits of all required insurance policies prior to the execution and delivery of the Engagement Letter. Additional evidence of insurance will be provided upon renewal of each policy verifying the continued existence of all required insurance no later than ten (10) days after each annual insurance policy renewal.

All insurance policies (with the exception of workers’ compensation and employer’s liability) will be endorsed and name The University of Texas System and the Board of Regents of The University of Texas System as additional insureds for liability caused in whole or in part by Charter Operator’s acts or omissions with respect to its on-going operations up to the actual liability limits of the required insurance policies maintained by Charter Operator. Commercial General Liability Additional Insured endorsement will be submitted with the Certificates of Insurance. Commercial General Liability and Business Auto Liability will be endorsed to provide primary and non-contributory coverage.

5. Charter Operator hereby waives all rights of subrogation against the Board of Regents of The University of Texas System and The University of Texas System. All insurance policies will be endorsed to provide a waiver of subrogation in favor of the Board of Regents of The University of Texas System and The University of Texas System. No policy will be cancelled until after thirty (30) days unconditional written notice to UT System. All insurance policies will be endorsed to require the insurance carrier providing coverage to send notice to UT System thirty (30) days prior to any cancellation, material change, or non-renewal relating to any insurance policy required.

6. Charter Operator will pay any deductible or self-insurance retention under its policies for any loss that occurs in its performance. Any self-insured retention must be declared to and approved by UT System prior to the performance of any work by Charter Operator under the Engagement Letter. All deductibles and self-insured retentions will be shown on the Certificates of Insurance.

7. Certificates of Insurance and additional insured endorsements as required by these Standard Terms will be mailed, faxed, or emailed to the following UT System contact:

Eric Agnew
The University of Texas System Administration
Office of Risk Management
210 West 6th Street, Room B140E
Austin, TX 78701
Facsimile Number: 512-499-4524
Email: eagnew@utsystem.edu
8. Charter Operator’s insurance will be primary to any insurance carried or self-insurance program established by UT System or Institutional Participant. Charter Operator’s insurance will be kept in force until all work has been fully performed.