

## UNM PURCHASING DEPARTMENT INSURANCE GUIDELINES

The Certificate of Insurance shall be in the form of AIA Document G-705 or similar format acceptable to UNM. Such certificates shall be filed with UNM and shall also contain the following statements:

1. "The Regents of The University of New Mexico, The University of New Mexico, its' agents, servants and employees are held as Additional Named Insured."
2. The insurance coverage certified herein shall not be canceled or materially changed except after forty-five (45) days written notice has been provided to the owner."

All insurance policies are to be issued by companies authorized to do business under the laws of the state in which the work is to be performed and acceptable to UNM.

The Contractor shall not violate, permit to be violated, any conditions of any said policies, and shall at all times satisfy the requirements for the insurance companies writing said policies.

### **CONTRACTOR'S GENERAL LIABILITY INSURANCE**

Covers: General liability insurance insures the vendor and any other entity named on the policy against claims, judgments, and or agreements to pay for negligent acts committed by the vendor.

#### When to require it:

- Anytime UNM is contracting with an individual, business or firm to provide services on behalf of the University either on or off campus.

#### Minimum limits:

- \$1,000,000 per occurrence; \$2,000,000 annual aggregate. Note, if contractor has only \$2,000,000 annual aggregate coverage, that is satisfactory for non-healthcare services or nonhazardous services.

#### Sample Contract Text:

The Contractor shall procure and shall maintain during the life of this contract Public Liability insurance as required by applicable State law. In case of any work being sublet, the Contractor shall require the subcontractor or sub-subcontractor similarly to provide public liability Insurance for all the subcontractor's or sub-subcontractor's work being performed under this Agreement. In any case whereby the Contractor's sub-contractors or sub-subcontractors services are not covered under separate policy, the Contractor shall provide and shall cause each subcontractor or sub-subcontractor to be covered under the Contractor's policy.

### **BUSINESS LIABILITY POLICY**

Covers: This coverage provides protection for the Vendor and any other party named on the policy for negligent acts allegedly committed by the Vendor.

#### When to require it:

- When UNM requires liability insurance and the individual, business or firm UNM is contracting with does not carry or is unable to provide liability coverage.

Minimum limits: \$1,000,000 per occurrence

Sample Contract Text:

The Vendor shall procure and shall maintain during the life of this contract Public Liability insurance as required by applicable State law. In case of any work being sublet, the Vendor shall require the subcontractor or sub-subcontractor similarly to provide public liability Insurance for all the subcontractor's or sub-subcontractor's work being performed under this agreement. In any case whereby the Vendor's sub-contractors or sub-subcontractors services are not covered under separate policy, the Vendor shall provide and shall cause each subcontractor or sub-subcontractor to be covered under the Vendor's policy.

**PROFESSIONAL LIABILITY INSURANCE**

Covers: This coverage provides protection for the Vendor and any other entities named on the policy as Additional Named Insureds for negligent acts allegedly committed by the Vendor.

When to require it:

- Architects
- Engineers
- Accountants
- Banking
- Legal Counsel
- Researchers (Biology, chemistry, etc)
- Law enforcement
- Environmental consultants
- Billing Services
- Financial Consultants

Minimum limits: \$1,000,000 per occurrence and \$3,000,000 aggregate.

Sample Contract Text : The Vendor shall procure and shall maintain during the life of this contract Professional Liability insurance as required by applicable State law. In case of any work being sublet, the Vendor shall require the subcontractor or sub-subcontractor similarly to provide professional liability Insurance for all the subcontractor's or sub-subcontractor's work being performed under this agreement. In any case whereby the Vendor's sub-contractors or sub-subcontractors services are not covered under separate policy, the Vendor shall provide and shall cause each subcontractor or sub-subcontractor to be covered under the Vendor's policy.

**MEDICAL MALPRACTICE INSURANCE**

Covers: This coverage provides protection for the Vendor and any other entities named on the policy as Additional Named Insured for negligent acts allegedly committed by the Vendor.

When to require it:

- Medical Doctors
- Nursing
- Pharmacists
- Other medical professionals

Minimum limits: \$1,000,000 per occurrence and \$3,000,000 aggregate.

Sample Contract Text: The Vendor shall procure and shall maintain during the life of this contract Medical Malpractice insurance as required by applicable State law. In case of any work being sublet, the Vendor shall require the subcontractor or sub-subcontractor similarly to provide public liability Insurance for all the subcontractor's or sub-subcontractor's work being performed under this agreement. In any case whereby the Vendor's sub-contractors or sub-subcontractors services are not covered under separate policy, the Vendor's shall provide and shall cause each subcontractor or sub-subcontractor to be covered under the Vendor's policy.

### **WORKERS COMPENSATION INSURANCE**

Covers: Workers Compensation insurance covers medical expenses, loss of wages and disability for work related injuries.

Note: Worker's Compensation Insurance is statutorily required for all business entities that operate within the State of NM. The State of New Mexico requires all business owners who employ 3 or more people to carry this coverage.

When to require it:

- Anytime UNM is contracting with an individual, business or firm to provide services on behalf of the University either on or off campus.

Minimum limits:

Medical Liability -       \$1M per occurrence  
                                  \$3M aggregate  
Limits are statutorily mandated by the State of New Mexico

Sample Contract text: The Vendor shall procure and shall maintain during the life of this contract Worker's Compensation insurance as required by applicable State law for all Vendor's employees to be engaged at the site of the project under this agreement and in case of any such work sublet, the Vendor shall require the subcontractor or sub-subcontractor similarly to provide Worker's Compensation Insurance for all the subcontractor's or sub-subcontractor's workers which are covered under the Vendor's Worker's Compensation insurance. In case any class of employee engaged in work on the project under this contract is not protected under a Worker's Compensation Statute, the Vendor shall provide and shall cause each subcontractor or sub-subcontractor to provide Employer's Insurance in an amount not less than \$500,000.

### **CONTRACTOR'S VEHICLE LIABILITY INSURANCE**

Covers: This coverage provides protection for the Contractor and any other entity identified as an Additional Named Insured for negligent acts allegedly committed while operating a covered vehicle.

When to require it:

- Anytime UNM is contracting with an individual, business or firm to provide services on behalf of the University either on or off campus.

Minimum limits:

The Contractor shall procure and maintain during the life of the contract Vehicle Liability Insurance coverage as identified below. The insurance must remain in force for the life of the contract including all contract extensions and renewals. The Limits effective July 1, 1992 are:

Bodily Injury	\$100,000 Per Person
	\$300,000 Per Accident
Property Damage	\$100,000 Per Accident

Sample Contract Text: The Contractor shall procure and shall maintain during the life of this contract contractor's vehicle liability insurance as required by applicable State law. In case of any work being sublet, the Contractor shall require the subcontractor or sub-subcontractor similarly to provide public liability Insurance for all the subcontractor's or sub-subcontractor's work being performed under this agreement. In any case whereby the Contractor's sub-contractors or sub-subcontractors services are not covered under separate policy, the Contractor shall provide and shall cause each subcontractor or sub-subcontractor to be covered under the Contractor's policy.

#### **SUBCONTRACTOR'S AND SUB-SUBCONTRACTOR'S PUBLIC AND VEHICLE LIABILITY INSURANCE**

Covers: This coverage provides protection for a Sub-contractor while working for a Contractor that has a contract with UNM. All parties working directly or indirectly for UNM must have liability coverage that provides them protection for negligent acts allegedly committed while in the course of operations.

#### When to require it:

- Anytime UNM is contracting with a prime contractor and that contractor in turn will contract with a sub-contractor or sub- subcontractor.

#### Minimum limits:

The Contractor shall either:

1. Require each subcontractor or sub-subcontractor to procure and maintain during the life of the subcontract or sub-subcontractor public liability Insurance of the types and amounts specified above or;
2. Insure the activities of the subcontractors and sub-subcontractors in the Contractor's policy as required under this article.

Sample Contract Text: The Contractor shall procure and shall maintain during the life of this contract Public Liability insurance as required by applicable State law. In case of any work being sublet, the Contractor shall require the subcontractor or sub-subcontractor similarly to provide public liability Insurance for all the subcontractor's or sub-subcontractor's work being performed under this Agreement. In any case whereby the Contractor's sub-contractors or sub-subcontractors services are not covered under separate policy, the Contractor shall provide and shall cause each subcontractor or sub-subcontractor to be covered under the Contractor's policy.

#### **BUILDER'S RISK INSURANCE**

Covers: Damage and destruction to buildings and property and theft of building materials, tools and equipment associated with new construction projects.

When to require it: For public works construction projects. When UNM is not providing such coverage or desires to have additional coverage provided.

Minimum limits: The amount of the project being built.

Sample Contract Text: The Contractor shall procure and shall maintain during the life of this contract Builder's Risk insurance as required by applicable State law.

### **FIDELITY INSURANCE/BOND**

Covers: Provides the University against contractor fraud.

When to require it: When UNM is contracting with an individual, business or firm to perform as a fiduciary agent for the University

Minimum limits: \$1,000,000

Sample Contract Text: The Contractor shall procure and shall maintain during the life of this contract Fidelity Insurance as required by applicable State law. In case of any work being sublet, the Contractor shall require the subcontractor or sub-subcontractor similarly to provide Fidelity Insurance/bonds for all the subcontractor's or sub-subcontractor's work being performed under this agreement. In any case whereby the Contractor's sub-contractors or sub-subcontractors services are not covered under separate policy, the Contractor shall provide and shall cause each subcontractor or sub-subcontractor to be covered under the Contractor's policy.

### **FINE ARTS POLICY**

Covers: This coverage protects paintings, etching, drawings, rare books, manuscripts, rugs, tapestries, statuary and other bona fide works of art, of rarity, historic value or artistic merit.

When to require it: Any time UNM is contracting to have a "collection" on loan to UNM or as part of a paid exhibit (i.e., the "Body Human" traveling exhibit)

Minimum limits: The replacement value of the "collection"

Sample Contract Text: The Contractor shall procure and shall maintain during the life of this contract Fine Arts insurance as required by applicable State law. In case of any work being sublet, the Contractor shall require the subcontractor or sub-subcontractor similarly to provide public liability Insurance for all the subcontractor's or sub-subcontractor's work being performed under this agreement. In any case whereby the Contractor's sub-contractors or sub-subcontractors services are not covered under separate policy, the Contractor shall provide and shall cause each subcontractor or sub-subcontractor to be covered under the Contractor's policy.

### **TENANT, USER, LIABILITY INSURANCE (TULIP)**

Covers: This coverage provides short term (1 day) protection for the Vendor and any other party named on the policy for negligent acts allegedly committed by the Vendor.

When to require it: When UNM requires liability insurance and the individual, business or firm UNM is contracting with does not carry or is unable to provide liability coverage.

**This insurance is available for purchase through UNM Risk Services Department (505) 273-0936**

**EXCLUSIONS – Things UNM needs to make sure are not agreed to or written within the certificates of insurance.**

- Waiver of Subrogation clause
- (I met with the attorneys on 3/31/11 and we discussed our “Waiver of Subrogation” clauses in our contracts. They are working on a solution to this issue that will make everyone happy. I will need to get back to you on our final version.). Tom, we still do not have a final resolution on this. I will advise when we obtain their written opinion.