

## ***INSURANCE DEFINITIONS***

### **Automobile Liability Insurance**

This coverage provides payment of liability claims for bodily injury or property damage arising out of the operation of University vehicles on behalf of Carnegie Mellon. This insurance protects both Carnegie Mellon and its authorized operators while operating a University vehicle (owned, leased, rented or donated). Physical Damage coverage (comprehensive and collision) is also provided for university vehicles (owned, leased, rented or donated). There is a deductible associated with the Physical Damage coverage.

### **All Risk Property Insurance**

This coverage pays for the replacement of all building and contents owned by the University which may be damaged by a range of occurrences, such as fire, flood, business interruption, extra expenses, loss of tuition, etc. This policy also protects the property of others, which is under the care, custody and control of Carnegie Mellon. The policy does not protect the personal property of employees or students, which are located on the campus for use, and convenience of the owner. Sole responsibility for such personal possessions is the individual owner. This policy has a deductible of \$25,000.

### **General Liability Insurance**

Provides coverage for third party claims for bodily injury or property damage arising from an occurrence involving premises, operations, and products and completed operations exposures unless otherwise excluded.

### **Excess Liability**

Provides excess coverage over the (general liability, auto liability, employers' liability, foreign liability) limits carried in underlying policies. This coverage tracks the primary liability coverage in areas such as breadth of coverage, conditions, definitions, exclusions, etc.

### **Excess Umbrella Liability**

Provides coverage over the general liability limit, automobile limit and workers' compensation employers' liability. When losses exceed these required underlying insurance limits, the umbrella becomes effective.

Coverage of liability exposures in excess of the retention limit for which there is no primary insurance or where the primary policy contains an exclusion which is not similarly excluded under the umbrella policy.

Replacement coverage for underlying liability policy aggregates, which are, reduced or exhausted by loss.

### **Liquor Liability**

Provides coverage for the insured when liquor is sold, distributed, or served as a business for injury or damage resulting from actions of patrons to whom intoxication beverages have been dispensed.

### **Fidelity and Crime**

This coverage protects the University against the loss of money, securities, or other personal property owned by it, against fraudulent or dishonest appropriation by employees, or due to loss by destruction, disappearance or wrongful abstraction within or out side the premises of the University. Non-Owned Aircraft Coverage.

Carnegie Mellon University permits employees to use private aircraft on University business only after being screened through the Risk Management Office. The screening involves documentation on the employee's qualifications, including experience and loss history, as well as insurance coverage on the individual aircraft. The University requires that certificates of insurance be submitted, naming Carnegie Mellon University additional insured.

### **Directors and Officers Insurance**

Insures corporate directors and officers against claims alleging loss from wrongful acts in their respective capacities as directors and officers of the corporation. Coverage is limited to the extent that the corporation has indemnified the directors and officers for such loss. The insurer will pay on behalf of the directors and officers.

Reimburses the corporation for loss arising from claims(s) for wrongful act(s) of directors or officers operating in their capacity as directors or officers of the corporation. Coverage is confined to the extent that the corporation has indemnified or is able to indemnify the directors or officers for such loss according to law, contract, charter or bylaws.

### **Excess Workers' Compensation Insurance**

The University is self-insured for its workers' compensation exposure. However, Carnegie Mellon University does carry excess workers' compensation insurance in order to protect its assets against catastrophic losses involving injury to employees.

In other words, the University has chosen the loss control technique of retention for most of its workers' compensation exposures. However, the University also decided to limit the maximum financial impact of these claims by carrying insurance that applies over a certain financial amount.