

PCAT Certificate Guidelines

Property Casualty Alliance of Texas (PCAT) is a risk sharing cooperative formed by Texas Public Entities pursuant to the Interlocal Cooperation Act, Chapter 791, Title 7 of the Texas Government Code. PCAT is not an insurance company.

Texas Public Entities occasionally get requests from non-governmental entities to issue Certificates of **Insurance** and to be named as '**Additional Insured.**' Since PCAT is not an insurance company, we will issue a Certificate of **Coverage** rather than a Certificate of **Insurance.**

Because the School is immune from all tort actions, except those arising from the use of a motor vehicle, most indemnification clauses have the School assuming an obligation to pay claims that could not be made against it. Texas law is clear that the School cannot contractually assume liability for another entity that exceeds the liability that the School would have in the same situation, because to immunize a non-public entity is a gift of public funds and is prohibited by the Texas Constitution. For this reason, we are unable to name anyone as an **Additional Insured.**

In addition to the above, as a public entity in the State of Texas, schools are prohibited from indemnifying a private entity. The following language should be considered as an insert to all third party agreements in lieu of standard hold harmless agreements:

"[School] is an independent school district organized pursuant to Section 11.011 of the Education Code and as such, is immune from tort actions, except those arising from the use of a motor vehicle in accordance with Section 101.051 of the Texas Civil Practices and Remedies Code. Nothing in the Agreement is or shall be interpreted to require [School] to indemnify [Private Entity] or to constitute a waiver of that immunity."

While it does not provide an explanation, another way of handling this is to include the following language in all contracts:

"...to the extent permitted by the Constitution and laws of the State of Texas"

Contact your Agent if there are any questions on the above.

Nothing stated herein is a legal opinion.

The School should consult their legal counsel prior to execution of any third party contracts.