

Exhibit G
Pharmacy Services DSHS Open Enrollment No. HHS0014137
Insurance Requirements

A. General Insurance Requirements

1. Contractor shall carry insurance in the types and amounts indicated in this exhibit for the duration of the Contract. The insurance shall be evidenced by delivery to the Texas Department of State Health Services (DSHS) of certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Upon request, DSHS, and/or its agents, shall be entitled to receive without expense, certified copies of the policies and all endorsements.
2. Contractor shall update all expired policies prior to submission for monthly payment. Failure to update policies shall be reason for withholding of payment until renewal is provided to DSHS.
3. Contractor shall provide and maintain all insurance coverage with the minimum amounts described throughout the life of the Contract and any extensions thereof and provide adequate coverage for incidents discovered after the termination of the Contract.
4. Failure to maintain insurance coverage, as required, may be grounds for suspension of work for cause. Actual losses not covered by insurance as required by this Contract shall be paid by Contractor.
5. Contractor shall deliver to DSHS true and complete copies of certificates and corresponding policy endorsements upon award. Renewal certificates shall be submitted prior to or within fifteen (15) days after expiration of the existing policy.
6. Failure of DSHS to demand such certificates or other evidence of Contractor's full compliance with these insurance requirements or failure of DSHS to identify a deficiency in compliance from the evidence provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.
7. The insurance and insurance limits required herein shall not be deemed as a limitation on Contractor's liability under the indemnities granted to DSHS in the Contract.
8. The insurance coverage and limits established below shall not be interpreted as any representation or warranty that the insurance coverage and limits necessarily will be adequate to protect Contractor.
9. Coverage shall be written on an occurrence basis by companies authorized and admitted to do business in the State of Texas by the Texas Department of Insurance and rated A or better by A.M. Best Company or similar rating company or otherwise acceptable to DSHS.

10. DSHS reserves the right to review the insurance requirements of this section during the effective period of the Contract and make reasonable adjustments to insurance coverage and its limits when deemed necessary and prudent by DSHS based upon changes in statutory law, court decisions or the claims history of the industry as well as the Contractor (such adjustments shall be commercially available to Contractor).
11. The insurance obligations under this Contract shall be the greater of 1) all the insurance coverage and limits carried by or available to the Contractor; or 2) the minimum insurance requirements shown in the Contract. Any insurance proceeds in excess of the specified limits and coverage required, which are applicable to a given loss, shall be available to DSHS.
12. If Contractor maintains broader coverage and/or higher limits than the minimums shown below, DSHS requires and shall be entitled to the broader coverage and/or the higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage, which are applicable to a given loss, shall be available to DSHS. No representation is made that the minimum insurance requirements of this Contract are sufficient to cover the indemnity or other obligations of the Contractor under this Contract.
13. Neither Modified Occurrence nor Claims-Made policies (except for Technology Professional Liability) are acceptable, and the Contractor will be considered in default of the Contract if the required insurance coverages are Modified Occurrence or Claims-Made.

B. Required Policy Clauses

Policies must include the following clauses, as applicable:

1. This insurance shall not be canceled, materially changed, or non-renewed except after thirty (30) days written notice by certified mail to DSHS.
2. It is agreed that Contractor's insurance shall be deemed primary with respect to any insurance or self-insurance carried by DSHS for liability arising out of operations under the Contract with DSHS. DSHS, its officials, directors, employees, representatives, and volunteers are added as additional insureds as respects operations and activities of, or on behalf of the named insured performed under Contract with DSHS. Any insurance or self-insurance maintained by DSHS, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. The additional insured status must cover completed operations as well. This is not applicable to workers' compensation policies.
3. A waiver of subrogation in favor of the DSHS, its officers, and employees for any and all insured losses, including property damage, shall be provided in all policies.

4. Without limiting any of the other obligations or liabilities of Contractor, Contractor shall require each Subcontractor performing work under the Contract, at Subcontractor's own expense, to maintain during the term of the Contract, the same stipulated minimum insurance including the required provisions and additional policy conditions as shown above.
5. As an alternative, Contractor may include its Subcontractors as additional insureds on its own coverage as prescribed under these requirements. Contractor's certificate of insurance shall note in such event that Subcontractors are included as additional insureds and that Contractor agrees to provide workers' compensation for Subcontractors and their employees. Contractor shall obtain and monitor the certificates of insurance from each Subcontractor in order to assure compliance with the insurance requirements. Contractor must retain the certificates of insurance for the duration of the Contract plus seven (7) years and shall have the responsibility of enforcing these insurance requirements among its Subcontractors. Owner shall be entitled, upon request and without expense, to receive copies of these certificates.

C. Specific Insurance Coverage Required.

1. **Workers' Compensation.** Insurance with limits as required by the Texas Workers' Compensation Act, with the policy endorsed to provide a waiver of subrogation in favor of the DSHS, its officer and employees, , employer's liability insurance of not less than:
 - a. \$1,000,000 each accident;
 - b. \$1,000,000 disease per employee; and
 - c. \$1,000,000 disease policy limit.

Workers' compensation insurance coverage must be provided for all workers at all tier levels and meet the statutory requirements of the Texas Labor Code.

2. **Commercial General Liability Insurance.** Including premises, operations, independent Contractor's liability, products and completed operations and contractual liability, covering, but not limited to, the liability assumed under the indemnification provisions of this Contract, fully insuring Contractor's liability for bodily injury (including death) and property damage with a minimum limit of:
 - a. \$1,000,000 per occurrence;
 - b. \$2,000,000 general aggregate;
 - c. \$5,000 Medical Expense each person;

- d. \$1,000,000 Personal Injury and Advertising Liability;
- e. \$2,000,000 products and completed operations aggregate;
- f. \$50,000 Damage to Premises Rented to You; and
- g. Coverage shall be on an “occurrence” basis.

The term “You” as referenced in the subsection above, means the Contractor.

- 3. **Comprehensive Automobile Liability Insurance.** Covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage of \$1,000,000 per accident. No aggregate shall be permitted for this type of coverage.
- 4. **Cyber/Privacy Liability Insurance Policy.** Contractor shall provide Cyber/Privacy Liability Insurance to cover risk of loss to electronic data. Coverage shall be sufficient to cover the full replacement value of damage to, alteration of, loss of, or destruction of electronic data and/or information “property” of DSHS and that will be in the care, custody, or control of Contractor, to be in full force and effect during the term of the Contract, including any extensions thereof and two (2) years thereafter. Coverage must indemnify DSHS for direct loss due to errors and omissions caused by Contractor, its officers, employees, agents, or Subcontractors of Contractor regardless of negligence. The policy must also include coverage for electronic vandalism to electronic data, including coverage for a third party’s willful electronic alteration of data, introduction of viruses which impact electronic data, unauthorized use of electronic data, or denial of service to web site or email destinations.

Cyber Liability Insurance \$2,000,000 Claim/\$2,000,000 Aggregate.

- 5. **Professional Liability Insurance.** Contractor shall obtain, pay for and maintain professional liability errors and omissions insurance during the Contract term, insuring Contractor for an amount of not less than \$2,000,000.
- 6. **Umbrella Liability Insurance.** Contractor shall obtain, pay for and maintain umbrella liability insurance during the Contract term, insuring Contractor for an amount of not less than amount \$5,000,000 that provides coverage at least as broad as and applies in excess and follows form of the primary liability coverages required hereinabove.
 - a. The policy shall provide “drop down” coverage where underlying primary insurance coverage limits are insufficient or exhausted.
- 7. **Crime Insurance.** Crime insurance to cover losses from employee dishonesty with a minimum limit of \$1,000,000.00 per occurrence. Coverage must include third party property and the policy cannot include a conviction clause. HHSC must be listed as a loss payee.

D. Alternative Insurability

Notwithstanding the preceding, DSHS reserves the right to consider reasonable alternative methods of insuring the Contract in lieu of the insurance policies customarily required. It will be the Contractor's responsibility to recommend to DSHS alternative methods of insuring the Contract. Any alternatives proposed by Contractor should be accompanied by a detailed explanation regarding Contractor's inability to obtain the required insurance and/or bonds. DSHS shall be the sole and final judge as to the adequacy of any substitute form of insurance coverage.