

## INSURANCE REQUIREMENTS

A. Unless otherwise self-insured as a government entity, Vendor agrees at its sole cost and expense:

- (i) during the term of the Contract to maintain commercial general liability insurance at limits of not less than Two Million Dollars (\$2,000,000) per occurrence, per person for claims arising out of bodily injuries or death, and property damages. With those policies with aggregate limits, a minimum limit of Four Million Dollars (\$4,000,000) is required. This policy shall include broad form property damage if Vendor uses any City of Baltimore owned facility (facilities). Such insurance shall include (a) contractual liability insurance and (b) sexual and/or physical abuse liability coverages.
- (ii) during the term of the Contract to maintain professional liability insurance, errors and omissions insurance, with annual aggregate limits of no less than Three Million Dollars (\$3,000,000.00) pertaining to services rendered by professionals on behalf of Vendor including the purchase of “tail” if necessary and/or required by BHS Baltimore. If coverage is purchased on a “claims made” basis, Vendor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period from the date of the Contract termination, and/or conversion from a “claims made” form to an “occurrence” coverage form. Said policy shall be for services performed, pursuant to the Contract, either directly or indirectly, which involve or require professional services. “Professional Services” for purposes of the Contract shall mean any services provided by a licensed professional. If Vendor does not purchase professional liability insurance for its employees, agents, servants, and contractors; Vendor shall require that all of its employees, agents, servants, and contractors providing mental health services have the aforementioned insurance coverage at no cost to BHS Baltimore.
- (iii) during the term of the Contract to maintain business automobile insurance at limits of not less than One Million Dollars (\$1,000,000) per occurrence for all claims arising out of bodily injury or death and property damages. The insurance shall apply to any owned, non-owned, leased, or hired automobiles used in the performance of the Contract.
- (iv) during the term of the Contract to maintain worker’s compensation coverage as required by the State of Maryland, as well as any similar coverage required for this work by applicable Federal or other states’ laws.
- (v) BHS Baltimore, its elected/appointed officials, officers, employees, directors, affiliates, funders and agents shall be covered, by endorsement, as additional insured with respect to liability arising out of activities performed by or on behalf of Vendor in connection with the Contract. If the funding source for the Contract is the City of Baltimore, Vendor shall name the Mayor and City Council of Baltimore, its elected/appointed officials, employees and agents as additional insureds on all policies as

respect to liability arising out of any activities performed by or on behalf of Vendor in connection with the Contract.

- (vi) Vendor's insurance shall apply separately to each insured against whom claim is made and/or lawsuit is brought, except with respect to limits of the insurer's liability.
- (vii) to the extent of Vendor's negligence, Vendor's insurance coverage shall be the primary insurance as respects BHS Baltimore, its elected/appointed officials, officers, affiliates, employees, directors, funders and agents from any liability arising out of Vendor's performance of services hereunder. Any insurance maintained by BHS Baltimore, its elected/appointed officials, officers, employees, affiliates, directors, funders or agents shall not contribute with Vendor's insurance or benefit Vendor in any way.
- (viii) insurance is to be placed with insurers with a Best's rating of no less than A:VII, or, if not rated with Best's, with minimum surpluses the equivalent of Best's surplus size VII and must be licensed/approved to do business in the State of Maryland.
- (ix) coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, except by the reduction of the applicable aggregate limit by claims paid, until after forty-five (45) days prior written notice has been given to BHS Baltimore. There will be an exception for non-payment of premium, which is ten (10) days notice of cancellation.
- (x) Vendor shall furnish to BHS Baltimore a "Certificate of Insurance", with a copy of the additional insured endorsement as verification that coverage is in force upon execution of the Contract. BHS Baltimore reserves the right to require complete copies of insurance policies at any time and to require additional insurances.
- (xi) failure to obtain insurance coverage as required shall constitute a default under the Contract or failure to furnish Certificate(s) of Insurance as required may render the Contract null and void in the sole discretion of BHS Baltimore; provided however, that no act or omission of BHS Baltimore shall in any way limit, modify or affect the obligations of Vendor under any provision of the Contract.
- (xii) Vendor shall include all subcontractors as insureds under its policies or shall furnish separate certificates of insurance and policy endorsements for each subcontractor. Insurance coverages provided by subcontractors as evidence of compliance with the insurance requirements of the Contract shall be subject to all of the requirements stated herein.
- (xiii) Vendor, at its sole expense, shall secure a fidelity bond to insure BHS Baltimore against any and all loss of funds provided hereunder due to misuse, mismanagement and/or theft of such funds by Vendor, its officers, employees, directors, agents, assigns or its subcontractors. The amount of this bond shall be thirty-three (33%) percent of the dollar

value of the award stated in the Contract or any amendment thereof. The funds shall be collectible by BHS Baltimore at any time pursuant to the Contract. BHS Baltimore shall be designated as an insured party under said fidelity bond. All losses are to be made payable and adjusted with BHS Baltimore. If Vendor receives additional contracts from BHS Baltimore, the fidelity bond should be computed as 1/3 of the sum of the aggregate of all of the contracts which Vendor has with BHS Baltimore.

B. To the extent Vendor is self-insured, Vendor shall be deemed to be in compliance with the insurance requirements contained in the Contract if Vendor's certificate of self-insurance provides for the above-referenced coverage in accordance with the terms and conditions contained in the Contract and if Vendor provides the self-insurance certificate to BHS Baltimore upon execution of the Contract. Any deductibles or self-insurance retentions must be declared to and approved by BHS Baltimore, and shall be the sole responsibility of the Vendor.