

INSURANCE REQUIREMENTS FOR VENDORS, CONTRACTORS, AND SUPPLIERS

1. DEFINITIONS

- 1.1. “KP” means an entity participating in the integrated health care delivery system doing business as Kaiser Permanente®, including Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals, the Permanente Medical Groups, and all subsidiaries and successors of the foregoing.
- 1.2. “Risant Health” means Risant Health, Inc., and its subsidiaries and successors.
- 1.3. “Supplier” means a vendor, contractor or supplier who is providing products and/or services to KP.

2. PURPOSE

- 2.1. These Insurance Requirements apply to purchase orders or contracts for products and services (excluding pharmaceuticals, provider/clinical services, and construction) unless alternative insurance requirements have been mutually agreed to in a written agreement with Supplier.

3. GENERAL REQUIREMENTS FOR AGREEMENTS OR PURCHASES OF \$1 MILLION USD OR LESS

- 3.1. Supplier shall procure and maintain the following insurance coverage with no less than the following minimum limits for agreements or purchases of \$1 Million USD or less:

Type of Insurance	Minimum Policy Limits	Additional Requirements
Workers’ Compensation	Minimum statutory limits as required by Law	Cannot Waive Statutory Workers’ Compensation or Reduce Coverage. Required if Supplier has 5 or more employees. If Supplier elects not to purchase Workers Compensation because they are not statutorily required to do so, the individuals who work for the Supplier for the scope of work <u>must</u> at minimum carry an individual health insurance plan and a disability insurance policy that will provide comparable insurance protection to cover individuals’ medical costs, lost wages and other benefits related to a work-related injury.
Employer’s Liability	\$1M each claim	Required if Supplier has employees.
Commercial General Liability	\$1M per occurrence and \$2M aggregate	Required for all Suppliers using the most current ISO occurrence policy form or equivalent coverage, providing coverage for bodily injury, property damage, personal injury, and advertising injury, including contractual liability and products/completed operations liability coverage. KP shall be named as additional insured.
Auto Liability	\$1M combined single limit covering the use of any auto	Required if Supplier uses autos or other vehicles in its business.

Type of Insurance	Minimum Policy Limits	Additional Requirements
		<p>KP shall be named as an additional insured If Supplier is providing transportation services to KP.</p>
Excess liability	<p>\$5M per occurrence and aggregate limit covering commercial general liability and covering auto liability</p>	<p>Required if Supplier will be accessing KP premises, will be working on infrastructure projects, or if the Supplier is providing transportation services and agreement is more than \$250,000.</p>
Professional liability (Errors & Omissions)	<p>\$1M per claim and \$3M aggregate with no less than continuous coverage for five years after termination or expiration of the agreement</p>	<p>Required if Supplier is providing professional services. Supplier will purchase “tail coverage” for no less than three years after the policy terminates or lapses.</p>
Cyber Liability	<p>\$1M for each occurrence if Supplier has access to less than 10,000 individual PII/PCI/PHI records; or</p> <p>\$5M for each occurrence if Supplier has access to between 10,000 and 100,000 individual PII/PCI/PHI records</p> <p>\$15M for each occurrence if Supplier has access to between 100,000 and 1,000,000 individual PII/PCI/PHI records</p> <p>\$25M for each occurrence if Supplier has access to between 1,000,000 and 5,000,000 individual PII/PCI/PHI records</p> <p>\$50M for each occurrence if Supplier has access to between 5,000,000 and 10,000,000 individual PII/PCI/PHI records</p> <p>\$75M for each occurrence if Supplier has access to 10,000,000 or more individual PII/PCI/PHI records</p>	<p>Required if the Supplier’s services include hosting or processing of any personally identifiable information (“<u>PII</u>”), payment card information (“<u>PCI</u>”) or protected health information (“<u>PHI</u>”).</p> <p>Policy must cover privacy liability, data breach, and media liability.</p> <p>If Policy is on a claims-made basis, then Supplier will maintain continuous coverage for the later of (i) three years after the termination or expiration of the agreement or (ii) the date Supplier no longer has access or possession of KP’s data.</p> <p>KP shall be named as additional insured.</p>
Technology Errors & Omissions	<p>\$5M each claim/aggregate</p>	<p>Required if Supplier is providing technology products or services.</p> <p>Policy covers Supplier’s activities, services and/or products as described in the agreement.</p> <p>Policy should cover Supplier’s liability arising from acts, errors or omissions in rendering or failing to render services and/or the failure of products to perform the</p>

Type of Insurance	Minimum Policy Limits	Additional Requirements
		<p>intended function or serve the intended purpose, as set forth in this agreement.</p> <p>Coverage for violation of software copyright should be included.</p> <p>There should be no exclusions for unauthorized access or use of computer networks or systems or for acts, errors or omissions arising out of a network security failure. The insurance shall also cover Supplier's liability for a loss, theft, unauthorized disclosure, access or use of KP data (which may include, but is not limited to, PII, PCI, and PHI).</p> <p>Coverage shall be maintained for the duration of the agreement and/or for the period of time in which Supplier (or its subcontractor(s)) maintains, possesses, stores or has access to KP data, whichever is longer.</p> <p>KP shall be named as additional insured.</p>
All-Risk Property	Full replacement cost in the event of damage, loss, or theft covering real and personal property of Supplier	<p>Required if KP has a financial interest in the Supplier's property.</p> <p>KP shall be named as a loss payee.</p> <p>A waiver of subrogation for property insurance in favor of KP is required.</p>
Crime insurance	\$1M covering loss of assets resulting directly from employee dishonesty, theft, fraud	<p>Required if Supplier has care, custody, or control of KP's money, securities, or other tangible property.</p> <p>Coverage shall also include Third Party Crime (aka Client Coverage or Client Asset Coverage). Third Party Crime shall mean loss of KP's assets including money, securities, or other tangible property which is owned or held by the KP for which the KP is legally liable. KP must include Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals, its subsidiaries, its employees, and its patients for whom Insured's services have been charged. KP shall be named as a loss payee on the crime coverage.</p>
Aviation insurance (Required if Supplier is using a manned or unmanned aircraft or aerial vehicle in connection with work performed under this agreement.)	\$5M in limit per seat of aircraft with a \$10M minimum limit covering loss arising out of the ownership, maintenance, or use of an owned or non-owned aircraft, remotely piloted aircraft, unmanned aerial vehicles or drones under the care, custody, control, or direction for which Supplier is responsible.	<p>KP shall be named as additional insured.</p> <p>A waiver of subrogation for Aviation insurance in favor of KP is required.</p>

4. GENERAL REQUIREMENTS FOR AGREEMENTS OR PURCHASES GREATER THAN \$1 MILLION USD

4.1. Supplier shall procure and maintain the following insurance coverage with no less than the following minimum limits for agreements or purchases greater than \$1 Million USD:

Type of Insurance	Minimum Policy Limits for Medium Loss Exposure	Minimum Policy Limits for High Loss Exposure	Additional Requirements
Workers' Compensation	Statutory Benefits		<p>Cannot Waive Statutory Workers' Compensation or Reduce Coverage.</p> <p>Required if Supplier has 5 or more employees. If Supplier elects not to purchase Workers Compensation because they are not statutorily required to do so, the individuals who work for the Supplier for the scope of work must at minimum carry an individual health insurance plan and a disability insurance policy that will provide comparable insurance protection to cover individuals' medical costs, lost wages and other benefits related to a work-related injury.</p>
Employer's Liability	<p>\$5M each claim If work occurs at < 3 KP administrative buildings</p>	<p>\$10M each claim If work occurs at > 3 KP administrative buildings or KP premises other than an administrative office building</p>	<p>Required if Supplier has 5 or more employees.</p>
Commercial General Liability	<p>\$5M Coverage Minimum coverage if Supplier's product/services has a potential of bodily injury or property damage.</p> <p>\$20M Coverage Supplier provides products/services deemed to be ultra hazardous.</p> <p>To include but not limited to:</p> <ul style="list-style-type: none"> The storage or use of explosives; 	<p>\$10M Coverage Supplier provides product/services where there is a potential of bodily injury or property damage. Supplier's work involves encountering 50 or more KP Members/Employees at greater than 5 KP Locations.</p>	<p>KP shall be named as additional insured.</p> <p>If liquor is served to employees or customers, then Liquor Liability coverage is required.</p>

Type of Insurance	Minimum Policy Limits for Medium Loss Exposure	Minimum Policy Limits for High Loss Exposure	Additional Requirements
	<ul style="list-style-type: none"> Blasting or demolitions operations; Using, transporting, storing, or handling hazardous chemicals; Disposing of nuclear or chemical wastes; or Controlled burning of buildings or fields. 	<p>\$20M Coverage Supplier provides products/services deemed to be ultra hazardous.</p> <p>To include but not limited to:</p> <ul style="list-style-type: none"> The storage or use of explosives; Blasting or demolitions operations; Using, transporting, storing, or handling hazardous chemicals; Disposing of nuclear or chemical wastes; or Controlled burning of buildings or fields 	
<p>Auto Liability (Required if Supplier uses autos or other vehicles in its business)</p>	<p>\$5M Coverage Supplier providing product/services where the potential exists to injure an individual or individuals (employees or customers) or cause property damage. Supplier servicing 1-5 KP locations and using <= 3 vehicles.</p>	<p>\$10M Coverage Supplier providing product/services that have the potential to cause bodily injury to more than one person (employees or customers) or cause property damage to multiple KP locations. Supplier servicing > 5 KP locations or using > 3 vehicles.</p> <p>\$20M Coverage Suppliers with national agreements using fleet of vehicles.</p>	<p>KP shall be named as an additional insured if Supplier is providing transportation services to KP.</p>
<p>Excess liability</p>	<p>\$15M per occurrence and aggregate limit if Commercial General Liability and Auto Liability is considered Medium Risk</p>	<p>\$25M per occurrence and aggregate limit if Commercial General Liability or Auto Liability is considered High Risk</p>	<p>Insurance must cover Commercial General Liability or Auto Liability.</p> <p>These required limits are in addition to the limits required under the Commercial General Liability or Auto Liability sections. If using Excess/Umbrella Insurance to meet required primary limits, excess limits will need to be the sum of what</p>

Type of Insurance	Minimum Policy Limits for Medium Loss Exposure	Minimum Policy Limits for High Loss Exposure	Additional Requirements
			excess liability insurance required plus the amount of primary limit required being met by excess liability.
Professional Liability (Errors & Omissions) (Required if Supplier is providing professional services to KP that could result in financial harm to KP from their negligence.)	\$5M per claim and in the aggregate Agreement Value - \$5M or less where Supplier provides services which create financial or legal risk to KP where Suppliers' negligence could result in financial loss, e.g., general consulting where KP is using the recommendations of Supplier to build its business case, but KP not acting directly on the decisions of the Supplier. \$10M per claim and in the aggregate Agreement Value - \$5M – \$10M where Supplier provides services which create moderate financial or legal risk to KP and Suppliers' negligence could result in significant financial loss, e.g., regulatory actions.	\$15M per claim and in the aggregate Agreement Value - \$10M or more where Supplier provides services which create significant financial or legal risk to KP where the Suppliers' negligence could result in substantial financial loss, e.g., limit may not be enough to cover loss of income, or liability from customers.	Supplier will provide no less than three years continuous coverage after termination or expiration of the agreement and will purchase "tail coverage" for no less than three years after the policy terminates or lapses.
Cyber Liability (Required if the Supplier's services include hosting or processing of any KP data)	\$1M for each occurrence if Supplier has access to any KP data and less than 10,000 individual PII/PCI/PHI records \$5M for each occurrence if Supplier has access to between 10,000 and 100,000 individual PII/PCI/PHI records \$15M for each occurrence if Supplier has access to between 100,000 and 1,000,000 individual PII/PCI/PHI records	\$25M for each occurrence if Supplier has access to between 1,000,000 and 5,000,000 individual PII/PCI/PHI records \$50M for each occurrence if Supplier has access to between 5,000,000 and 10,000,000 individual PII/PCI/PHI records \$75M for each occurrence if Supplier has access to 10,000,000 or more individual PII/PCI/PHI records	Required if the Supplier's services include hosting or processing of any personally identifiable information ("PII"), payment card information ("PCI") or protected health information ("PHI"). Policy must cover privacy liability, data breach, and media liability. If policy is on a claims-made basis, then Supplier will maintain continuous coverage for at least three years after the termination or expiration of the agreement or the date Supplier no longer has access or possession of KP's data.

Type of Insurance	Minimum Policy Limits for Medium Loss Exposure	Minimum Policy Limits for High Loss Exposure	Additional Requirements
			<p>KP shall be named as additional insured.</p>
<p>Technology Errors & Omissions (Required if Supplier is providing technology products or services)</p>	<p>If the risk of financial loss to KP is less than \$5M: \$5M Limit</p> <p>Supplier holds, stores, collects, transmits, etc. less than 1,000,000 records of KP data with an executed business associate agreement.</p> <p>If the risk of financial loss to KP is greater than \$5M but less than \$10M: \$10M Limit</p> <p>Supplier holds, stores, collects, transmits, etc. any customer PII or PCI on less than national basis with an executed business associate agreement.</p> <p>Examples:</p> <ul style="list-style-type: none"> Supplier provides services to KP that could result in significant financial loss because of their failure or negligence in the performance of technology services as contracted. Supplier has access to KP systems, with significant concern the Supplier or its employees could breach KP systems but don't have access to customer-facing systems. Media companies where there is moderate concern over infringement of another person or entity's ideas or content. Supplier is providing content to be utilized for internal business purposes only. Advertising company dealing directly with our customers executing a script provided by KP. Software companies with minimal copyright infringement concern 	<p>If the risk of financial loss to KP is higher than \$10M but less than \$25M: \$25M</p> <p>If the risk of financial loss to KP is higher than \$25M, then the limit must equal the amount of potential loss.</p> <p>Supplier holds, stores, collects, transmits, etc. customer PCI, PHI, PII on a national basis whether or not a business associate agreement is executed.</p> <p>Examples:</p> <ul style="list-style-type: none"> Supplier deals with proprietary or Top-Secret KP business information. Supplier is providing technology services directly to KP customers, or providing technology that we are utilizing or depending on which directly impacts the company's ability to make sales transactions. Network Service Provider where there is significant concern that the coverage poses a risk not only to KP but its customers, should there be a breach in security or from a rogue employee. Media companies where there is substantive concern over infringement of another person or entity's ideas or content. 	<p>Policy must cover Supplier's activities, services and/or products as described in the agreement.</p> <p>Policy must cover Supplier's liability arising from acts, errors or omissions in rendering or failing to render services and/or the failure of products to perform the intended function or serve the intended purpose, as set forth in this agreement.</p> <p>Coverage for violation of software copyright should be included.</p> <p>There should be no exclusions for unauthorized access or use of computer networks or systems or for acts, errors or omissions arising out of a network security failure. The insurance shall also cover Supplier's liability for a loss, theft, unauthorized disclosure, access, or use of KP data (which may include, but is not limited to, PII, PCI, and PHI).</p> <p>Coverage shall be maintained for the duration of the agreement and/or for the period in which Supplier (or its subcontractor(s)) maintains, possesses, stores, or has access to KP data, whichever is longer.</p> <p>KP shall be named as additional insured.</p>

Type of Insurance	Minimum Policy Limits for Medium Loss Exposure	Minimum Policy Limits for High Loss Exposure	Additional Requirements
	<ul style="list-style-type: none"> Software Companies where there is minimal concern over their system impacting KP systems and strong safeguards against a system breach. Media or Advertising companies who are not providing original content, or KP owns complete control of vetting and production of content. 	<ul style="list-style-type: none"> Supplier providing content to be utilized for external business purposes. Advertising company dealing directly with our customers operating based on a script developed by them. 	
All-Risk Property	Full replacement cost in the event of damage, loss, or theft covering real and personal property of Supplier		<p>Required if KP has a financial interest in the Supplier's property.</p> <p>KP shall be named as a loss payee.</p> <p>A waiver of subrogation for property insurance in favor of KP is required.</p>
Crime insurance	\$5M covering loss of assets resulting directly from employee dishonesty, theft, fraud		<p>Required if Supplier has care, custody, or control of KP's money, securities, or other tangible property.</p> <p>Coverage shall also include Third Party Crime (aka Client Coverage or Client Asset Coverage). Third Party Crime shall mean loss of KP's assets including money, securities, or other tangible property which is owned or held by the KP for which the KP is legally liable. KP must include Kaiser Foundation Health Plan, Inc., Kaiser Foundation Hospitals, its subsidiaries, its employees, and its patients for whom Insured's services have been charged. KP shall be named as a loss payee on the crime coverage.</p>
Aviation insurance (Required if Supplier is using a manned or	\$5M in limit per seat of aircraft with a \$10M minimum limit covering loss arising out of the ownership, maintenance, or use of an owned or non-owned aircraft, remotely piloted aircraft, unmanned aerial vehicles or drones under the care, custody, control, or direction for which Supplier is responsible.		KP shall be named as additional insured.

Type of Insurance	Minimum Policy Limits for Medium Loss Exposure	Minimum Policy Limits for High Loss Exposure	Additional Requirements
unmanned aircraft or aerial vehicle in connection with work performed under this agreement.)			A waiver of subrogation for Aviation insurance in favor of KP is required.

5. ADDITIONAL REQUIREMENTS FOR SUPPLIER INSURANCE

5.1. Commercial insurance policies must be issued by insurance carriers with an A.M. Best rating of A-, VIII, or better, or equivalent.

KP must be named as an additional insured where it is commercially allowable.

Coverage for the Additional Insureds shall apply on a primary and non-contributory basis irrespective of any other insurance, whether collectible or not.

Upon request, Supplier will provide KP with certificates of insurance evidencing compliance with all insurance provisions noted above.

If work is subcontracted, Supplier must ensure subcontractor carries same required insurance limits or be contractually responsible for the difference in limits required and what the subcontractor carries even if it exceeds any limitation of liability.

Commercial Insurance is excluded from the Limitation of liability set forth in the agreement, and shall not preclude KP from claiming under any insurance placed or provided pursuant to the agreement up to the full amount payable under such insurance.

These requirements are not applicable to agreements or purchases of construction, pharmaceuticals or provider/clinical services, which have requirements specified in the agreements or purchase orders for these goods and services.

6. RISANT HEALTH

6.1. Suppliers offering products and/or services to Risant Health, Inc. must adhere to these requirements. However, Suppliers offering products and/or services to Risant Health’s subsidiaries must adhere to the policies and/or requirements of the specific Risant Health subsidiary purchasing those products and/or services.