

**VERMONT STATE INSURANCE SPECIFICATION**  
**REVISED NOVEMBER 1, 2023**

**1. Applicability and Definitions.**

- a. This Specification applies to providers of goods or services under a Contract or Grant (either is “the Agreement”) for the State of Vermont and is incorporated, whether directly or by reference, into the Agreement.
- b. “Party” shall mean the Contractor or Grantee as stated in the Agreement.

**2. Operation of this Specification.**

- a. Before commencing work under the Agreement, the Party must provide certificates of insurance to show that each and all of the minimum insurance coverages listed below, which are or may be applicable, are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the State throughout the term of this Agreement.
- b. The State does not warrant that the coverages and limits listed in this document or otherwise required for the Agreement are adequate to cover and protect the interests of the Party for the Party’s operations. These are solely minimums that have been established to protect the interests of the State.
- c. It is the Party’s responsibility to timely ask the State and seek clarification if Party is uncertain of any particular application of any provision.

**3. Additional coverages or amounts required although not stated in this Specification.**

In many circumstances, the Party is required by the State to have insurance coverages in addition to those stated in this Specification, or to have higher limits or terms for listed coverages beyond what is required in this Specification. Those additional requirements may be stated in the Agreement or in other attachments or exhibits to the Agreement. It is the Party’s responsibility to meet such additional requirements in the manner and according to the terms stated for coverages listed in this Specification.

**4. *General Liability and Property Damage:*** With respect to all operations performed under the Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- a. Premises - Operations
- b. Products and Completed Operations
- c. Personal Injury Liability
- d. Contractual Liability
- e. The policy shall be on an occurrence form and limits shall not be less than:
  - i. \$1,000,000 Each Occurrence
  - ii. \$2,000,000 General Aggregate
  - iii. \$1,000,000 Products/Completed Operations Aggregate
  - iv. \$1,000,000 Personal & Advertising Injury
- f. If the performance of the Agreement involves construction, then:
  - i. a “per project” aggregate endorsement is required; and
  - ii. completed operations coverage must be carried for three years post project completion.

**5. *Automotive Liability:*** If motor vehicles will be or are used in connection with the Agreement, the Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than \$500,000 combined single limit. For Contracts involving construction or when performance under the Contract would require a commercial or other specialized driver’s license, limits shall not be less than \$1,000,000. When performance includes interstate commerce or transport of hazardous

product or materials regulated by the Federal Motor Carrier Administration and set forth in 49 C.F.R. § 387.9, the coverage shall include the MCS-90 endorsement.

6. ***Umbrella or Excess Liability:*** For Contracts involving construction, or when performance under the Contract would require a commercial or other specialized driver's license, the Party shall carry umbrella or excess liability insurance covering over the underlying general and automotive liability policies. Coverage shall be on an occurrence form and limits shall not be less than \$1,000,000 per occurrence/\$1,000,000 general aggregate unless higher limits are required by the State of Vermont. This requirement need not be met if the Party's applicable underlying coverages meet or exceed \$2,000,000.

7. ***Additional Insured:***

- a. The General Liability, Property Damage, and Umbrella/Excess coverages required for performance of this Agreement shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds using ISO forms CG2010 and CG2037 or their equivalents.
- b. If performance of the Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds.
- c. If third-party cyber liability coverage is required, such coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds.
- d. Additional Insured coverage shall be primary and non-contributory with any other insurance and self-insurance and shall include a waiver of subrogation in favor of the State of Vermont.

8. ***Workers Compensation:***

With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont. The State will accept an out-of-state employer's workers' compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers' compensation policy if necessary to comply with Vermont law.

For work involving construction, workers compensation coverage shall include a waiver of subrogation in favor of the State of Vermont.

9. ***Professional Liability Insurance:***

Whenever the performance of the Agreement is to involve any of (a) licensed professional services, such as but not limited to attorneys, medical providers, financial professionals like accountants or actuaries, architects, engineers, management consultants, and providers of services requiring occupational licenses; (b) technology professional services; or (c) when otherwise required by the Agreement, the Party shall procure and maintain professional liability insurance for any and all services performed under the Agreement, with minimum coverage of \$1,000,000 per claim, or such higher minimum so provided.

Party shall maintain such professional liability insurance for a period of two years following completion of services under the Agreement.

10. ***Cyber Liability and Breach Response Insurance Coverage:***

When the Party's performance involves hosting confidential State data, or services in or on State information technology systems where confidential State data may reside, the Party shall have and maintain cyber liability and breach response insurance coverage at no less than \$1,000,000 per claim, \$2,000,000 aggregate. Such policy shall expressly provide, but not be limited to, coverage for losses arising from the following:

- a. unauthorized use/access of computer systems (including mobile devices), servers, client's data or software;
- b. defense of any regulatory action involving a breach of privacy;

- c. failure to protect the confidential or proprietary information (personal and commercial information) and intellectual property from unauthorized disclosure or unauthorized access;
  - d. failure to adequately protect physical security of servers and systems including from cyber terrorism;
  - e. the costs for: notification, whether or not required by statute, credit file or identity monitoring, identity restoration, public relations or legal experts;
  - f. third-party liability;
  - g. cyber extortion and cyber terrorism; and
  - h. no exclusion for actual or alleged breaches of professional services agreements associated with the above.
11. ***Notice of Cancellation or Change:*** With respect to all required coverage, there shall be no cancellation, change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days prior written notice to the State.