

**Indemnification and Medical Liability Insurance**(Reference CD-0036)

---

- (a) This section outlines the terms of the subcontract, specifically clarifying the relationship between PanTeXas Deterrence, LLC (the Company) and the Seller.
- (1) **Independent Contractor Status:** It is explicitly agreed that this is a non-personal services subcontract. The professional services provided by the Seller are rendered in the Seller's capacity as an **independent contractor**, not as an employee of the Company.
  - (2) **Company's Role (Limited Control):** While the Company may assess the quality of the professional and administrative services, it **does not control the professional aspects** of the services. This includes, for example, the Seller's professional medical judgment, diagnosis, or specific medical treatments.
  - (3) **Seller's Responsibility and Indemnification:** The Seller is solely responsible for any acts or omissions by itself, its employees, or agents that lead to liability. The Seller expressly agrees to **indemnify** (protect and compensate) the Company against any such liability.
  - (4) **Insurance Requirement:** Throughout the duration of this subcontract, the Seller must maintain liability insurance from a reputable carrier. The minimum coverage amounts are:
    - i. **\$1,000,000 per specialty per occurrence**
    - ii. **\$5,000,000 aggregate**
- (b) Before the subcontract is awarded, any offeror who appears to be successful must, if requested by the Company, provide proof that they can obtain the medical liability insurance specified in paragraph (a) of this clause.
- (c) The required liability insurance can be either an "occurrences basis" or a "**claims-made basis**" policy.
- (1) If the policy is on a claims-made basis, the Seller must also provide an **extended reporting endorsement (tail)**. This tail coverage must last for at least three years beyond the end of the subcontract term.
- (d) **Proof of Insurance:**
- (1) A certificate of insurance proving the required coverage must be submitted to the Company **before** services begin under this subcontract.
  - (2) **For claims-made policies:** If evidence of an extended reporting endorsement (tail) is not provided at the start of services, it must be provided to the Company before the subcontract expires.
  - (3) **Withholding Final Payment:** Final payment for services under this subcontract will be withheld until the Company receives evidence of the extended reporting endorsement (tail), if applicable.
- (e) **Insurance Policy Endorsements and Changes:**
- (1) **Notice of Change or Cancellation:** The insurance policies must include an endorsement stating that if there is any cancellation or significant change that negatively affects the Company's interests, it **will not take effect until 30 days after** the insurance company or the Seller provides written notice to the Company.
  - (2) **Changing Insurance Providers:** If the Seller switches insurance providers during the subcontract's performance period, the Seller must demonstrate that the Company will remain indemnified (protected) up to the limits specified in paragraph (a) for the **entire duration of the**



## Indemnification and Medical Liability Insurance

(Reference CD-0036)

---

**subcontract.** This can be achieved either through the new policy alone or by combining coverage from both the old and new policies.

(f) **Subcontractor Requirements:**

- (1) **Flow-Down Clause:** The Seller must include the exact wording of this entire clause (paragraphs a through f) in all subcontracts they issue for healthcare services performed under this primary subcontract.
- (2) **Subcontractor Insurance:** The Seller must also ensure that any of their subcontractors provide and maintain the same insurance coverage as specified in paragraph (a) of this clause.
- (3) **Proof of Subcontractor Insurance:** The Seller must provide the Company with evidence of this required insurance for any subcontractor **at least 5 days before** that subcontractor begins work.