

**RISK MANAGEMENT APPENDIX**  
**Indemnification and Insurance Standards**

Indemnification

The State and Contractor each agrees to assume its own liability for any claims of any nature including all costs, expenses and attorneys' fees which may in any manner result from or arise out of this agreement.

Insurance

Contractor shall secure and keep in force during the term of this agreement and Contractor shall require all subcontractors, prior to commencement of an agreement between Contractor and the subcontractor, to secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:

- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 3) Workers compensation coverage meeting all statutory requirements. The policy must provide coverage for all states of operation that apply to the performance of this contract.

**NOTE: OPTIONAL CLAUSE (4) EMPLOYER'S LIABILITY.**

**THIS COVERAGE IS RECOMMENDED FOR CONTRACTORS DOMICILED OUTSIDE THE STATE OF NORTH DAKOTA.**

**DELETE (4) IF CONTRACTING WITH A RESIDENT (NORTH DAKOTA) VENDOR.**

***OPTION: DELETE IF NOT USED***

- 4) Employer's liability or "stop gap" insurance of not less than \$1,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
- 5) Professional errors and omissions, including a three year "tail coverage endorsement," with minimum liability limits of \$1,000,000 per occurrence and in the aggregate.

The insurance coverages listed above must meet the following additional requirements:

- 1) Any deductible or self-insured retention amount or other similar obligation under the policies will be the sole responsibility of the Contractor.
- 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State. The policies must be in form and terms approved by the State.
- 3) The insurance required in this agreement, through a policy or endorsement, must include:

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- a) a “Waiver of Subrogation” waiving any right to recovery the insurance company may have against the State;
- b) a provision that the policy and endorsements may not be canceled or modified without thirty days prior written notice to the undersigned State representative;
- c) the Contractor shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements must be provided as soon as practicable;
- d) failure to provide insurance as required in this agreement is a material breach of contract entitling the State to terminate this agreement immediately.