

Risk Management Appendix

Professional Services:

Parties: **State** – State of North Dakota, its agencies, officers and employees.

Professional – Professional Engineer or Architect or Professional Engineering or Architectural Firm executing the attached documents, their agencies, officers and employees.

Governmental Entity – A nation, state, tribe, political subdivision, or similar entity that may enter into a related agreement with the State or the Engineer.

Governments – State and Governmental Entity, as defined above.

The Professional agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising from professional errors and omissions. The legal defense provided by the Professional to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Professional also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against the Professional in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.

Required Commercial General Liability, Automobile Liability, and Workers Compensation Insurance:

The Professional shall 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: 1) commercial general liability with limits of at least \$2,000,000 per occurrence, \$2,000,000 aggregate; 2) automobile liability with limits of at least \$2,000,000, combined single limit; and 3) workers compensation insurance in amounts as required by statute; all covering the Professional for any and all claims of any nature applicable to such insurance which may in any manner arise out of or result from this agreement. 4) The Governments shall be endorsed on the commercial general liability and automobile liability policies as additional insureds. The Governments shall have all the benefits, rights and coverages of an additional insured under these policies that shall not be limited to the minimum limits of insurance required by this agreement or by the contractual indemnity obligations of the Contractor. 5) Said endorsement shall contain a "Waiver of Subrogation" waiving any right of recovery the insurance company may have against the Governments. 6) The policies and endorsements may not be canceled or modified without thirty (30) days prior written notice to the undersigned Government representatives. Any attorney who represents the State under this policy must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. Section 54-12-08. **The Professional shall furnish a certificate of insurance evidencing the requirements in 1, 2, 4, and 5 above to the undersigned representatives of the Governments prior to commencement of this agreement.** The State reserves the right to obtain complete, certified copies of all required insurance documents, policies, or endorsements at any time.

When a portion of a Contract is sublet, the Professional shall obtain insurance protection (as outlined above) to provide liability coverage to protect the Professional and the State as a result of work undertaken by the Subcontractor. In addition, the Professional shall ensure that any and all parties performing work under the Contract are covered by public liability insurance as outlined above. All Subcontractors performing work under the Contract are required to maintain the same scope of insurance required of the Professional (as outlined above). The Professional shall be held responsible for ensuring compliance with those requirements by all Subcontractors.

The Professional's insurance coverage shall be primary (i.e., pay first) as respects any insurance, self-insurance or self-retention maintained by the Governments. Any insurance, self-insurance or self-retention maintained by the Governments shall be excess of the Professional's insurance and shall not contribute with it. The insolvency or bankruptcy of the insured Professional shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured Professional from meeting the retention limit under the policy. The Professional's insurance coverage shall be shared equally by the Professional and the Governments until the Professional's insurance coverage is exhausted. Any deductible amount or other obligations under the policy(ies) shall be the sole responsibility of the Professional. This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and be placed with insurers rated "A-" or better by A.M. Best Company, Inc. The Governments will be indemnified, saved and held harmless to the full extent of any coverage actually secured by the Professional in excess of the minimum requirements set forth above.

Required Professional Liability Insurance:

Professional shall secure and keep in force during the term of this agreement and for at least 12 months thereafter from an insurance company authorized to do business in North Dakota, professional liability insurance covering its liability for acts, errors, or omissions in providing or failing to provide professional services, with a minimum coverage limit of \$2,000,000 per claim, \$2,000,000 aggregate.

Professional shall ensure that any Subcontractor providing professional services under the Contract is covered by professional liability insurance as outlined above.

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