

Risk Management Appendix

Small, Low-Risk Leases, Easements, Licenses, and Permits with Private Individuals, Companies, Corporations, Etc. (referred to as Recipient):

Recipient 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. The legal defense provided by the Recipient 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. Recipient 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 Recipient in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this agreement.

Recipient 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, the following insurance coverages:

Commercial general liability insurance – minimum limits of liability required are **\$500,000 per person** and **\$2,000,000 per occurrence**. If it is not practical for Recipient to carry commercial general liability insurance, Recipient **may substitute farm liability insurance, renters insurance, or home owners** insurance in the amount of **at least \$500,000**.

- 1) If Recipient may use an automobile in relation to the attached agreement, Recipient must secure **automobile liability** insurance with a minimum limit of liability of **at least \$500,000**. The above limits may be satisfied through a policy or policies of insurance, primary and excess, including the so called umbrella or catastrophe form. The State of North Dakota 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.
- 3) The State of North Dakota, its agencies, officers, and employees (State) shall be endorsed as an **additional insured** on the above policies.

The Recipient shall furnish a certificate of insurance coverage evidencing the requirements in 1 through 3 above to the undersigned State representative prior to commencement of this agreement.

Recipients' insurance coverage shall be primary (i.e., pay first) as respects any insurance, self-insurance, or self-retention maintained by the State.

The insolvency or bankruptcy of the insured Recipient shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured Recipient from meeting the retention limit under the policy.

The Recipient must secure any necessary Workers Compensation coverage that may be required by State law.

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

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