

LESSONS LEARNED FROM LOSSES

Monthly Newsletter - July 2016

Indemnity Agreements

Crossing the T's and Dotting the I's

- Consult with your town's solicitor
- Consider consulting with your Risk Management Consultant(RMC) who understands the identification of exposures and transfer of risk.
- Check all indemnification agreements and contracts to make sure your town has been added as an additional insured if that's what the agreement states. There's no time like the present to make sure the terms and conditions of the agreement have been carried out.



EXAMPLE: Member's vehicle rear ended another vehicle causing serious injuries to the driver of the other vehicle. A rescue squad from a neighboring town was operating the member's vehicle as part of an agreement for that rescue squad to provide emergency services in the member's town. The rescue squad was not affiliated with the neighboring town and was a separate entity. The indemnity agreement between the member and the rescue squad was proper. The member was to be named an additional insured on the rescue squad's automobile liability policy and, therefore, indemnified and defended in the event of an accident as per the agreement. Unfortunately, no one confirmed that the member town had been listed as an additional insured and they had not been. Insurance follows the vehicle in New Jersey. So with the member not named as an additional insured, coverage came back to the vehicle which was owned by the member town and insured by the JIF. The claim was settled at \$170,000 from the JIF with a contribution of just \$2,500 from the rescue squad.

Other things to keep in mind

- Cut to the chase on mower safety – njmel.org > Safety > Toolbox Talks > Summer Season
- Backing your fire truck into a garage in the near future? Njmel.org > Safety > Safety Bulletins/Checklists