

# LESSONS LEARNED FROM LOSSES

## MONTHLY NEWSLETTER

### MARCH 2018

## DEFENSE AND INDEMNITY

- When another company is contracted to complete work or provide services, assuring that company and their insurance carrier will defend and indemnify your town is crucial.
- Consult with your town's solicitor, your Risk Management Consultant(RMC) or one of the other JIF professionals to determine the exposures involved and assess how the risk may be transferred to the other company.
- Check all indemnification agreements and contracts to make sure your town has been added as an additional insured and you have the Certificate of Insurance, the signed and dated Contract itself and any indemnity agreements in your possession.
- Laying the groundwork by assuring these Contracts and agreements are executed properly will assist us in defending any claims brought against your town.



**Example: A resident was walking her dog along the curbside of a newly paved road when she claims she fell due to sloped and uneven pavement and a “crater-like” hole. She sustained serious and permanent injuries as a result. The resident alleged the Township was negligent in failing to properly maintain the condition of the curbside. Through investigation it was determined that the ground’s condition likely occurred as a result of recent paving work done by a paving company. The Township was able to provide the contract between them and the paving company, which contained coverage provisions with defense and indemnification language. This enabled the JIF Solicitor to obtain a defense for the Township from the paving company’s carrier. The claim was ultimately settled for \$147,000 with no contribution from the JIF and a total of only \$67.05 paid in miscellaneous expenses on the claim.**