

LESSONS LEARNED FROM LOSSES MONTHLY NEWSLETTER – MARCH 2019

INDEMNITY AGREEMENTS



TO PROTECT AGAINST FUTURE LIABILITIES, PLEASE KEEP THE FOLLOWING IN MIND:

- Consult with your town's Solicitor.
- Consult with your RMC as they have an excellent understanding of identifying exposures and the transferring of risk.
- Check current indemnification agreements and contracts to ensure that they clearly indicate where responsibilities lie.
- If your town was to be named as an additional insured in a Certificate of Insurance or Contract, confirm that the Insurer has your town named as an additional insured. Do not assume the other party carried through with the promise.

Examples:

- The following case is valued at well over \$1,000,000. A member town let a non-related Rescue Squad use their vehicles. The Shared Services Agreement put vehicle maintenance on the town, but any damages/injuries related to the operation of the vehicles was on the Rescue Squad. When serious injuries were sustained by a motorist involved in an accident that was the fault of the operator of the ambulance, the town was held harmless per the Agreement.
- A member town was engaged in a construction project. A person walking her dog tripped over construction materials near the site and sustained lacerations and scarring. A lawsuit was filed against the construction company and the insured. The contract with the construction company dictated that the town should be held harmless and indemnified. The claim settled at \$75,000 with no contribution from the insured/JIF.