

## **APPENDIX B<sup>2</sup>** **INDEMNITY AND INSURANCE**

### **Article 1. Indemnification**

The contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the Contracting agency for a claim of, or liability for, the independent negligence of the Contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. Contractor and Contracting agency, as used within this article, include the employees, agents, and other contractors who are directly responsible, respectively, to each. The term independent negligence is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

### **Article 2. Insurance**

Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30-day prior notice of cancellation, nonrenewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

**2.1. Workers Compensation Insurance:** The contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including, but not limited to, Federal U.S.L.&H. and Jones Act requirements. The policy must waive subrogation against the State.

**2.2. Commercial General Liability Insurance:** covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

**2.3. Commercial Automobile Liability Insurance:** covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

**2.4. Professional Liability Insurance:** covering all errors, omissions or negligent acts in the performance of professional services under this agreement. Limits required per the following schedule.

Contractor's Initials \_\_\_\_\_  
Client's Initials \_\_\_\_\_

	<u>Contract Amount</u>	<u>Minimum Required Limits</u>
	Under \$100,000 . . . . .	\$300,000 per Occurrence/Annual
Aggregate	Aggregate \$100,000-\$499,999 . . . . .	\$500,000 per Occurrence/Annual
Aggregate	\$500,000-\$999,999 . . . . .	\$1,000,000 per Occurrence/Annual
	\$1,000,000 or over . . . . .	Refer to Risk Management

Contractor's Initials \_\_\_\_\_  
Client's Initials \_\_\_\_\_