

INDEMNIFICATION POLICY

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Approved by:	President Board of Trustees
Oversight Unit:	RISK & INSTURANCE
Level:	Admin. Policy

Purpose

To describe Northern Michigan University's indemnification policy.

Applicability

This policy applies to current and former:

1. Members of the Board of Trustees.
2. Employees, including officers, faculty, staff and student employees.
3. Students.
4. Volunteers.

Full Description

Northern Michigan University ("University") will defend and indemnify individuals who have an action, claim, or proceeding brought against them because of their reasonable and good faith performance of authorized duties on behalf of, or at the direction of, the University.

This indemnification will be against expenses, including attorney's fees, judgments, penalties, fines, insurance deductibles, and amounts in settlement actually and reasonably incurred by the individual in connection with the action, suit, or proceeding.

As a condition of defense and indemnification, the trustee, official, employee, student, or volunteer is required to cooperate fully on a continuous basis with the University Attorney and the Risk Management Department. The University will select counsel and manage the defense.

Individuals may, at their own expense, retain separate counsel rather than avail themselves of this policy. In this situation, the University will not indemnify the individual for any settlement, judgment, or expense incurred.

Indemnification for the expenses of defense may be in advance of the final disposition of the action, suit, or proceeding, and conditioned on the terms of any Reservation of Rights letter issued by the Risk Management Department in consultation with University Counsel. The individual to be indemnified may be required to furnish a general, unsecured obligation to repay

the University if it is ultimately decided by the University, wholly at its discretion, that the individual is not entitled to be indemnified.

Indemnification will be made only to the extent that the individual is not made whole for his/her losses and expenses from all other sources, including insurance. To the extent permissible, all other non-University insurance coverage will be filed as primary coverage; NMU coverage is excess. In no case will indemnification be in an amount which, when combined with the indemnification from all other sources, exceeds the actual amount of expenses, attorney's fees, judgments, penalties, fines, insurance deductibles, and amounts in settlement actually and reasonably incurred by the individual in connection with the action, suit, or proceeding. The authority to apply or revoke this policy rests with the President of the University. Appeals regarding the President's decision shall be presented to a panel consisting of the President, University Counsel, and a member of the Executive Committee of the Board of Trustees.

The authority to apply or revoke this policy for legal proceedings naming the President and/or any member of the Board of Trustees lies with the full Board of Trustees. In this case, the Executive Committee of the Board will make a recommendation to the full Board of Trustees, whose decision shall be final.