

FINANCIAL OPERATION

Policy 3730

Insurance

Liability Insurance

The Board recognizes that legal actions may be initiated from time to time against the School District as a corporate entity, against the Board as a whole, against Board members as individuals, or against District officers, employees or other agents. The Board also recognizes the contribution that is rendered to the students of the District by volunteers and is mindful that legal actions may be initiated against these individuals as well.

To protect members of the Board, District officers, employees, other agents and volunteers in the performance of their duties and responsibilities, the Board will defend its Board members, officers, employees, other agents and volunteers against claims for suits arising out of the performance of their duties and responsibilities. The Board shall indemnify its Board members, officers, employees, other agents and volunteers against all financial liability or loss resulting from such claims or suits including judgments for damages, attorney's fees, fines, court costs and amounts paid in settlement of such matters and reasonable and customary ancillary costs. Ancillary costs may include, for example, travel expenses incurred by Board members or others if they must appear for a case that is being tried outside the area.

The protection provided by this policy shall apply on an occurrence basis, which means that an individual will be indemnified even though he/she is no longer a member of the Board of Education or employed by or otherwise associated with the District when the lawsuit is filed.

The Board reserves the right, however, to deny representation and indemnification to any person covered by their Board policy in any instance in which there would be no coverage under the District applicable liability insurance program in which the claim "results in civil judgment or criminal conviction for" an intentional tort, immoral conduct, violation of any criminal or civil statute or violation of Board policy or regulations or administrative order or directive, whether verbal or written.

As a prerequisite to the right of legal representation and indemnification, any person who is served with legal notice commencing any action or proceeding against him/her for which indemnification is sought is required to immediately notify the Superintendent of the legal action after receipt of such legal notice.

The District shall maintain a program of self-insurance and/or insurance coverage sufficient to provide the legal defense and indemnification described in this policy. However, the District's purchase of liability insurance does not waive the District's entitlement to sovereign immunity.

Newburg R-2 Schools

APPROVED: September 15, 2005