

UNIVERSITY OF DENVER - Colorado Seminary	Date	Section	Page
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EMPLOYEE INDEMNIFICATION			

BE IT RESOLVED by the Board of Trustees of Colorado Seminary that the following policy concerning indemnification of its employees be adopted:

Section 1. Indemnification. Colorado Seminary (the "University") shall indemnify any employee ("Employee") against all costs and expenses, including counsel fees, reasonably incurred by or imposed upon the Employee in connection with or resulting from any claim, demand, action, suit or proceeding ("Claim") or the fair and reasonable settlement thereof prior to final adjudication, to which the Employee is or may be a party, subject, however, to all of the following requirements and provisions.

- a. The act or omission upon which the Claim is based must have been committed or occurred within the scope of course of the Employee's employment in an activity undertaken at the specific request or direction of the University, including, for example, such matters as the evaluation or discipline of students or other employees, the handling of complaints or grievances, and the provision of security for the University's property, student or employees.
- b. The Employee must have acted in good faith and in a manner reasonably intended by the Employee to further the interests of the University within the context of the particular activity undertaken in accordance with Section 1.
- c. The act or omission upon which the Claim was based was not fraudulent, willful, wanton, based upon malice or other similar improper motivation or committed in knowing disregard or violation of instructions or policies of the University.

Section 2. Notice. The indemnification provided in the Section 1. hereof may be limited in such a manner as the University may determine if the Employee willfully and knowingly failed to notify the University of the incident or occurrence which led to the Claim within a reasonable time thereafter if such incident or occurrence could reasonably have been expected to lead to a claim.

Section 3. Punitive Damages. The indemnification provided in Section 1 hereof shall not extend to an award of punitive or exemplary damages (those damages imposed to punish a defendant as opposed to those imposed to compensate the injured party) against an employee unless the University shall, in its sole discretion, determine that the Employee actually believed that the act or omission upon which the Claim was based was in the

best interests of the University. In the event of such a determination, the indemnification for punitive damages shall be limited to an amount determined in the particular situation by the University's Board of Trustees to be appropriate in the light of relevant circumstances, including the availability of funds for indemnification.

Section 4. Defense. It shall be within the discretion of the University whether, in the event of a Claim, it elects to assume the defense of the Employee, Employee providing:

- a. The employee shall reimburse the University for reasonable costs and counsel fees if it shall ultimately be determined that the Employee is not entitled to indemnification in accordance with this policy, and
- b. That the University will not settle the Claim without the consent of the Employee unless it also determines that the Employee is entitled to indemnification in accordance with this policy. If the University elects not to assume the defense of the Employee, the University will reimburse the Employee for the reasonable costs and counsel fees incurred in defending the Claim if it is determined ultimately that the Employee is entitled to indemnification in accordance with this policy.

Expenses incurred by an Employee in defending a Claim may be paid by the University in advance of the final disposition of the Claim if authorized by the University's Board of Trustees and upon such terms and conditions as it may in each situation prescribe. Such terms and conditions may include receipt by the University of an undertaking by or on behalf of the Employee to repay such amount if it should ultimately be determined that the Employee is not entitled to indemnification by the University in accordance with this policy. If the University elects not to assume the defense of the Employee and if the Employee settles the Claim without the consent of the University, such settlement shall constitute a waiver of any entitlement of the Employee to indemnification.

Section 5. Insurance. The University may, at its discretion, purchase and maintain insurance on behalf of its employees against liabilities asserted against them, whether or not such liabilities would be within the scope of the indemnification provided in this policy. To the extent that such insurance shall insure an Employee against a Claim, the insurance shall be deemed to fulfill the indemnification which would otherwise be provided pursuant to the terms of this policy. If insurance coverage is or may be applicable to a Claim, it may be necessary to make appropriate adjustments in the provisions of the defense to accord with the pertinent provisions of the insurance coverage.

Section 6. Other Rights. Except as provided in Section 5 hereof, the indemnification provided by this policy shall not be deemed exclusive of any other rights to which an employee seeking indemnification may hereafter be entitled by law, express agreement or otherwise. This policy is intended to and shall supersede any prior policies or arrangements for indemnification of employees of the University (except where the Employee is also an officer of the University and is entitled to indemnification in that

capacity), provided that any duly authorized agreements with individual employees may be implemented. The indemnification provided pursuant to this policy shall inure to the heirs and personal representatives of the Employee.

Section 7. Applicability The indemnification provided in this policy shall be applicable to Claims made or commended after the adoption of this policy, whether arising from acts or omissions committed or occurring before or after such adoption, and to persons employed by the University on the date that this policy is adopted. To the extent that indemnification would otherwise be applicable, in accordance with its terms, this policy shall apply to persons no longer employed by the University when the Claim is made, provided that the act or omission upon which the Claim is based was committed or occurred while the person was employed by the University.

Section 8. Policy Changes. The University reserves the right to alter, amend or rescind this policy, provided that any such action shall apply only to Claims based on acts or omissions committed or occurring thereafter.

(Adopted by the Colorado Seminary Board of Trustees at their meeting of March 7, 1986 at which a quorum was present.)