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MEMORANDUM

TO: Julie Peterson, Risk Manager  
Statewide Risk Management

FROM: James A. (Jamo) Parrish  
General Counsel

DATE: January 4, 2000

RE: General Contracts with Indemnity Agreements

I am writing to advise that the University not enter into agreements relating to the provision of University services that require the University to indemnify, defend or hold harmless other persons or entities from liability or damages unless such agreement is both necessary and its wording has been approved by this office in the context of the particular situation. This would apply to one-time agreements as well as overarching umbrella agreements. It applies whether the agreements are denominated MOAs, MOUs, contracts, agreements, purchase orders, or other.

In general, my advice is and has been that the University should not sign indemnity agreements as a condition of delivering educational services, unless they require little more than the law would normally impose. Defense and hold harmless agreements, in particular, can result in some very difficult and expensive decisions at times when little information is known.

I understand that potential liability must be accepted in some circumstances if the University is to fulfill its educational mission. Eliminating indemnity agreements does not, however, diminish the University's obligation under general law. Avoiding indemnity, defense and hold harmless agreements simply avoids creating liability and legal expense that would not otherwise be there, as well as what I have referred to as a high stakes game of chicken relative to the consequent tenders of defense.

Please let me know if you have any questions or need further information.

JAP/bjb:4134

cc. Chief of Staff Jim Johnsen