

Indemnification and Insurance

PURPOSE

The purpose of this policy is to ensure that Trustees, officers, employees, and agents of the Presque Isle District Library (“Library”) are protected against personal financial loss arising from the lawful performance of their duties on behalf of the Library.

This policy establishes the Library’s commitment to provide indemnification and maintain adequate insurance coverage in accordance with Michigan law.

GENERAL POLICY

The Library shall indemnify and hold harmless any Trustee, officer, employee, or authorized agent of the Library (hereafter collectively referred to as “covered persons”) who is or was involved in any threatened, pending, or completed legal action, proceeding, or investigation—civil, criminal, administrative, or otherwise—by reason of their service to the Library, provided that the individual:

1. Acted in good faith and in a manner, they reasonably believed to be in, or not opposed to, the best interests of the Library; and
2. In the case of any criminal proceeding, had no reasonable cause to believe their conduct was unlawful. This protection applies to expenses (including attorneys’ fees), judgments, fines, and amounts paid in settlement that are actually and reasonably incurred in connection with such actions.

LIMITATIONS OF INDEMNIFICATION

1. Indemnification shall not apply to any matter in which the individual is adjudged to be liable for negligence, misconduct, or willful violation of law or Library policy, unless a court determines that, despite the adjudication, the individual is fairly entitled to reimbursement for specific expenses incurred.
2. Indemnification shall not extend to actions arising from personal gain, fraud, malice, or gross misconduct.
3. Indemnification is available only for actions taken within the scope of official Library duties.

DETERMINATION OF ELIGIBILITY

Indemnification may be granted only upon determination that the individual has met the applicable standard of conduct as described above. Such determination shall be made: 1. By a majority vote of the Board of Trustees, consisting of members who were not parties to the action; or 2. If a quorum of disinterested Trustees is not obtainable, by independent legal counsel selected by the Board to render a written opinion.

ADVANCEMENT OF EXPENSES

The Library may, at the discretion of the Board of Trustees, pay or reimburse expenses (including legal fees) incurred by a covered person in advance of the final disposition of a proceeding.

As a condition of such advance, the individual must provide a written undertaking to repay the amount if it is ultimately determined that they are not entitled to indemnification.

INSURANCE COVERAGE

1. The Library shall maintain comprehensive insurance policies to protect the Library and its Trustees, officers, and employees from claims that may arise from their lawful actions or omissions while performing official duties.
2. Insurance coverage shall include but not be limited to:
 - General Liability;
 - Property and Casualty Insurance;
 - Public Officials and Employee Liability Insurance (Errors and Omissions); and
 - Workers' Compensation, as required by law.
3. The existence of insurance coverage shall not preclude indemnification under this policy, but indemnification shall be secondary to any benefits provided by such insurance.

CONTINUATION OF RIGHTS

The right to indemnification provided by this policy shall:

- Continue for any individual who has ceased to serve as a Trustee, officer, employee, or agent of the Library;
- Inure to the benefit of their heirs, executors, and administrators; and
- Apply to individuals serving at the request of the Library on boards, committees, or organizations that support or partner with the Library.

EXCLUSIONS AND ETHICAL COMPLIANCE

- Indemnification does not protect any individual from disciplinary action or criminal liability arising from intentional violations of law or Library policies.
- This policy does not relieve any covered person from compliance with the Ethical Conduct Policy, Conflict of Interest Policy, or other applicable rules of professional conduct.

Adopted: April 8th, 2026