
**Subject: BOARD OF DIRECTORS MEMBER AND EXECUTIVE DIRECTOR
INDEMNIFICATION**

1. To the extent permissible under law, and pursuant to any established Rocky Mountain Risk Insurance Group Code of Conduct/Ethics, Board of Directors members and the Executive Director shall be indemnified and held harmless by the Rocky Mountain Risk Insurance Group for any actual or alleged breach of duty, neglect, error, misstatement, misleading statement or omission or similar matter committed during the performance of their duties and within the scope of their employment, unless such act or omission is willful or wanton or in bad faith.

1.1 The indemnification of a Board of Directors member or the Executive Director shall be limited to:

1.1.1 Defending or providing the costs of defense against the acts or omissions covered by this policy.

1.1.2 Payment of all compromises, settlements and/or final judgments resulting from the acts or omissions covered by this policy.

2. Notwithstanding any other provision in this policy, a Board of Directors member or the Executive Director shall not be indemnified nor held harmless by the Rocky Mountain Risk Insurance Group if any of the following circumstances occur:

2.1 The Board of Directors member and/or Executive Director does not provide to the Rocky Mountain Risk Insurance Group timely and adequate notice of any claim or potential claim known to him/her.

2.2 The Board of Directors member and/or Executive Director compromises or settles the claim or admits liability without the consent of the Rocky Mountain Risk Insurance Group.

2.3 The Board of Directors member and/or Executive Director fail to cooperate with the Rocky Mountain Risk Insurance Group, its agents or attorneys in the conduct of litigation or pre-litigation efforts, or in the negotiation of any settlement.

3. This policy shall be construed in a manner consistent with and supplementary to the Colorado Governmental Immunity Act.