State of Alaska
Department of Administration
Office of Procurement and Property Management
Effective Date: 8.21.26
Form: APP-3

APPENDIX B3 - INDEMNITY AND INSURANCE

Article 1. Indemnification

The contractor shall indemnify, hold harmless, and defend the State of Alaska from and against any claim of, or liability for error, omission or negligent act of the contractor under this agreement. The contractor shall not be required to indemnify the State of Alaska for a claim for, or liability for, the independent negligence of the State of Alaska. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the State of Alaska, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. “Contractor” and “State of Alaska”, as used within this and the following article, include the employees, agents, and other contractors who are directly responsible, respectively, to each. The term “independent negligence” is negligence other than in the State of Alaska’s selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor’s work.

Article 2. Insurance

Without limiting the contractor’s indemnification, it is agreed that the contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor’s policy contains higher limits, the State of Alaska shall be entitled to coverage to the extent of such higher limits.

Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. If the insurer does not notify the State of Alaska on policy cancellation it shall be the contractor’s responsibility to notify the State of Alaska of such cancellation.

Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor’s services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21. All policies for general liability shall be primary and non-contributing with any insurance that may be carried by the State of Alaska.

The contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and contractor shall ensure that the State is an additional insured on insurance required from subcontractors.

Policies written on a "claims-made" basis must have a two (2) year tail of coverage, or an unbroken continuation of coverage for two (2) years from the completion of the contract requirements.

2.1 Workers' Compensation Insurance: The contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and Employers Liability with limits of at least $1,000,000. Also, where applicable, the contractor shall provide and maintain any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State of Alaska.

2.2 Commercial General Liability Insurance including:

$2,000,000 General Aggregate
$2,000,000 Products/Completed Operations
$1,000,000 Personal & Advertising Injury
$1,000,000 Each Occurrence
$ 5,000 Medical Payments

The policy must name the State of Alaska as an "additional insured" and the actual policy endorsement shall accompany each Certificate of Insurance. The policy shall be endorsed to waive all rights of subrogation against the State of Alaska by reason of any payment made for claims under this coverage. This policy endorsement shall accompany each Certificate of Insurance

2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the contractor in the performance of services under this agreement with minimum coverage limits of $1,000,000 combined single limit per claim, to include: owned, hired, and non-owned. The policy must name the State of Alaska as an "additional insured' and the actual policy endorsement shall accompany each Certificate of Insurance. The policy shall be endorsed to waive all rights of subrogation against the State of Alaska by reason of any payment made for claims under this coverage. This policy endorsement shall accompany each Certificate of Insurance.

2.4 Cyber/Privacy Liability Insurance with limits not less than **$5,000,000**. The Cyber Coverage shall include, but not be limited to, first-party coverage (data restoration, business interruption, forensic investigation, and crisis management), third-party coverage (regulatory fines, legal defense costs, and media liability), cyber extortion/ransomware (ransom payments and negotiation services), data theft, and privacy and notification (HIPAA violations, breach notification expenses, credit monitoring, and compliance with state and federal laws). Vendor shall maintain continuous coverage for the duration of the agreement and for 2 years following termination.

2.5 Professional Liability Insurance: covering all errors, omissions or negligent acts in the performance of professional services under this agreement. Limits required per the following schedule:

Contract Amount	Minimum Required Limits
Under $100,00.00	$300,000.00 per Claim / Annual Aggregate
$100,000.00 to $499,999.00	$500,000.00 per Claim / Annual Aggregate
$500,000.00 to $999,999.00	$1,000,000.00 per Claim / Annual Aggregate
$1,000,000.00 and over	**Refer to Risk Management**