THE UNIVERSITY OF MICHIGAN

STANDARD PRACTICE GUIDE

SECTION:	General University Policies and Procedures	**Number:**	601.9
		Revised:	2/1/94
SUBJECT:	Defense and Indemnification	**Date Issued:**	3/1/92
		Attachment(s)	0
APPLIES TO:	Regular Faculty and Staff		
ISSUED BY:	Office of the President		

I. Policy

It is the University's policy to defend and indemnify employees who become parties to legal proceedings by virtue of their good faith efforts to perform their responsibilities of employment.

A. Authority for decisions about the application or revocation of this policy for the Ann Arbor campus rests with the Provost and Vice President for Academic Affairs for personnel in units reporting to the Provost and with the Vice President and Chief Financial Officer for personnel in all other units, in consultation with the President or other executive officers, as appropriate. For the Flint and Dearborn campuses authority for decisions about the application or revocation of this policy rests with the Provost and Vice President for Academic Affairs in consultation with the Chancellors for academic personnel and with the Vice President and Chief Financial Officer in consultation with the Chancellors for nonacademic personnel. In all cases, authority for the selection of appropriate legal counsel rests with the Vice President and Chief Financial Officer.

B. In proceedings in which both the University and an employee are parties, the University shall have the sole discretion to determine when a conflict of interest exists between the University and the employee such that separate representation of the employee shall be provided by the University.

C. The University shall have sole authority over litigation and settlement strategies and decisions for those proceedings for which it is providing legal counsel to an employee. The employee's full cooperation with legal counsel is a condition of continued defense and indemnification.

D. The University reserves the right to revoke its initial decision to defend and indemnify an employee based on information received subsequent to that decision, e.g., that the employee did not satisfy a condition required by this policy. In that event, the University may seek restitution from the employee of expenses, including attorney's fees and costs, incurred prior to the revocation.

E. Employees may, at their own expense, retain separate counsel rather than avail themselves of this policy. In such a situation, the University will not indemnify the employee for any settlement, judgment, or expense incurred.

F. This policy does not apply to an employee's involvement in internal University proceedings.

G. This policy does not apply to a medical professional employee's involvement in legal proceedings arising out of official duties performed within the scope of the medical professional role. Defense and indemnification in such proceedings are provided in accordance with procedures administered by the Office of Risk Management in cooperation with the relevant unit.

H. All inquiries about this policy and about how to seek a determination whether it applies to particular proceedings should be directed to the Office of the General Counsel.