

Damage Control: Common Errors in Contractually Limiting Damages

Contractual provisions for liquidated damages, indemnification, or other limitations on liability are a few of the most commonly used “damage control” tools, points out **Theresa Y. Kananen** for **Arnall Golden Gregory LLP**.

“In too many cases, however, drafting errors transform the very provisions intended to provide for clear-cut remedies, or clear-cut limitations on remedies, into sources of prolonged and expensive litigation,” she writes.

She lists and discusses three of the most common pitfalls to avoid when using one of these “damage control” provisions in a contract, including liquidated vs. actual damages, indemnity clauses and conspicuous limitations.

Read the article.