Managing Project Risk With Enforceable Indemnity Agreements

Most contracts in the construction industry supply chain require the "downstream" project participant to indemnify those "upstream" against a spectrum of losses or claims relating to the project, write **Shawn M. Doorhy** and **Patrick J. O'Connor, Jr.** on the website of **Faegre Baker Daniels LLP**.

"Upstream participants, such as owners and general contractors, naturally seek the broadest indemnity available under the circumstances. It is not uncommon for owners and general contractors to draft broad indemnity agreements seeking protection from loss due to the indemnitee's own direct fault," they write. "Whether this can be successfully accomplished depends on a number of factors, including the specific language used and the law of the applicable jurisdiction."

They add that – because indemnity agreements often are strictly construed against the party seeking indemnification – careful drafting is especially important.

Read the article.