

Indemnification Agreements and Insured Contracts

A web post by Glen A. Murphy for Spilman Thomas & Battle addresses potential issues and concerns that may arise between general contractors, subcontractors and their insurers when claims by outside parties (also known as third-parties) may arise.

Murphy explains:

When a General engages a Sub to perform work on projects, the parties should always reduce their expectations and agreements to a written document in which both sides agree and acknowledge the terms. These documents may go by many names, but they are contracts that bind the parties to the terms. It is a common component of these agreements for the businesses or organizations to take on the liability of another entity, which they might normally not otherwise have. This form of agreement, where one party takes on or assumes the liability of another party by contract, is commonly called a “hold harmless” or an “indemnity” agreement.

Read the article.