Mother Nature Is Tough – How About Your Contracts?

What happens to supply contracts when a natural disaster floods entire cities, shuts down factories, cuts off warehouses, washes trucks off the road, and essentially brings an entire supply chain to a screeching halt?

Joe Jones, writing for Squire Patton Boggs' Global Supply Chain Law Blog discusses that question in a **new post**:

"In most US states, UCC Section 2-615 allows sellers to delay or cancel delivery if 'performance as agreed has been made impracticable by the occurrence of a contingency the non-occurrence of which was a basic assumption on which the contract was made.'"

But inn practice, he warns, this "impracticability" defense can be difficult to exercise. For instance, hurricanes are a regular occurrence on the Gulf and Atlantic coasts of the United States, so a customer might argue that a supplier in Houston or Miami should have considered hurricane risk when agreeing to supply products from that location.

Read the article.

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