

Today's Contracts Enforceability Issues, Part III: Decoding Indemnity Clauses

Some of the most boilerplate-looking provisions in contracts are often the most onerous, writes Josh M. Leavitt of Much Shelist, P.C.

He gives an example of how indemnity clauses qualify: an *indemnifying party* (such as a contractor) could find itself owing the indemnified party (such as an owner and its architect) substantial reimbursements and defense costs (including even provision of an attorney) for the defense of third-party claims (such as the claim of a supplier). “This could happen where the indemnifying party (the contractor) was only alleged to have been partially at fault – and even where the contractor may not have been at fault at all.”

He writes that it is important for indemnitors (those giving indemnity rights) and indemnitees (those receiving indemnity rights) to understand the risks involved with these clauses.

Read the white paper.