

Avoid Nullification of Contractual Indemnity Protection

All contractors dread receiving the seemingly inescapable call that a preventable, yet too common, workplace accident occurred such as a crane collapse, the fall of an ironworker, or a delivery vehicle accident, writes **James J. Buldas** of **Pietragallo Gordon Alfano Bosick & Raspanti LLP**.

“Besides the human and project costs these accidents bring, claims and lawsuits nearly always follow,” he warns **in his article**. “While defending claims and lawsuits may cause even the most seasoned contractors to suffer from sleepless nights, responsible parties may take solace in knowing that their counsel negotiated defense and indemnity agreements in their contracts. Why then do such parties sometimes learn that because of the language in an insurance policy, the indemnity clause in the construction contract provides little or no protection?”

Because of unforeseen risk, additional insured endorsements have been revised to link contractual indemnity obligations to additional insured coverage. These new endorsements explicitly limit additional insured status to the indemnity clause of the underlying contract, regardless of whether the endorsement incorporates the “arising out of” or “caused, in whole or in part” language.

Read the article.