



**CRC Group**

**Wholesale & Specialty**

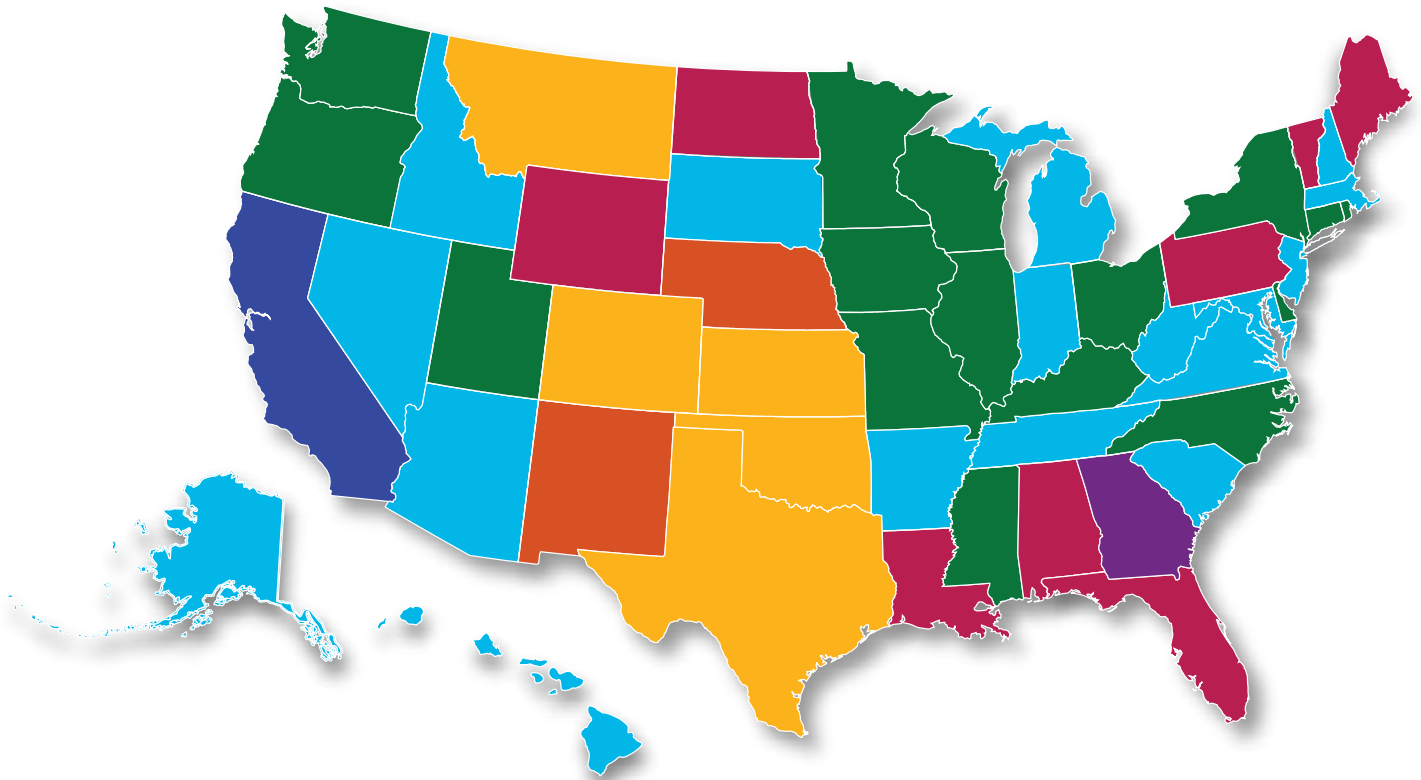
# Risky Business: The Indemnity Map

Indemnity clauses shift the responsibility to pay damages from one party to another party, often without regard to who actually caused the loss. Owners and general contractors have historically insisted on subcontractors and suppliers of goods and services agreeing to indemnity clauses in contracts if they want to get the work.

Many states have enacted legislation intended to place the financial responsibility for accidents and injuries on the party responsible for causing them. There are three forms of indemnity agreements that we have identified in the attached map of the U.S., designed to assist our CRC brokers in recognizing contractual exposures for insureds:

- 1. Broad:** The subcontractor must indemnify regardless of who is at fault, and indemnifies the owner/general contractor for the owner/general contractor's sole negligence, the subcontractor's sole negligence, and any joint negligence of the two. The entire risk of loss is transferred to the subcontractor. This is the most onerous of indemnity clauses and the one most targeted by anti-indemnity legislation.
- 2. Intermediate:** Subcontractor assumes responsibility for its own sole negligence or partial negligence. If the owner/general contractor is solely at fault, there is no indemnity. Intermediate indemnity may include "full indemnity" where the subcontractor pays all the damages if they are determined to be even partially at fault, and "partial indemnity" where the subcontractors responsibility for damages is based on a sliding scale based on the extent of their negligence.
- 3. Limited:** Subcontractor assumes only the responsibility for its own negligence - if it is solely at fault. There is no protection if the owner/general contractor is even partially at fault. All states allow limited indemnity provisions, and therefore some states will not permit Additional Insureds to be added to the contract.

# Indemnity Laws By State



- No Statutes Exist**
  - Prohibits Additional Insureds and Intermediary Indemnity**
  - Prohibits Broad Indemnity and Additional Insureds**
  - Prohibits Additional Insureds**
- Prohibits Broad Indemnity and Intermediary Indemnity**
  - Prohibits Intermediary Indemnity**
  - Prohibits Broad Indemnity**

*\* Indemnity Laws Relating to Private Contracts*

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For more information, contact your CRC, CRC Swett or SCU broker.  
 To find a conveniently located broker visit us on the web at:  
[crcins.com](http://crcins.com), [crswett.com](http://crswett.com) or [scui.com](http://scui.com).

The information in this document is a general summary of the anti-indemnity statutes and laws for all 50 states as it relates to private contracts. It should serve as a starting point for research in this confusing and detailed area of law - not an ultimate research tool or final authority on the subject. This area of the law is a fast-moving target. Although every effort has been made by Matthiesen, Wickert & Lehrer, S.C. to see to it that this information is accurate, it is provided as a convenience to our friends and clients only and the individual laws of each state should be checked and/or counsel should be consulted to make sure that this information is and remains accurate and complete.

STATE	PROHIBITS BROAD INDEMNITY	PROHIBITS INTERMEDIARY INDEMNITY	PROHIBITS BROAD INDEMNITY AND INTERMEDIARY INDEMNITY	PROHIBITS ADDITIONAL INSUREDS	PROHIBITS BROAD INDEMNITY AND ADDITIONAL INSUREDS	PROHIBITS ADDITIONAL INSUREDS AND INTERMEDIARY INDEMNITY	NO STATUTES EXIST
Alabama							X
Alaska	X						
Arizona	X						
Arkansas	X						
California			X				
Colorado						X	
Connecticut		X					
Delaware		X					
District of Columbia							X
Florida							X
Georgia					X		
Hawaii	X						
Idaho	X						
Illinois		X					
Indiana	X						
Iowa		X					
Kansas						X	
Kentucky		X					
Louisiana							X
Maine							X
Maryland	X						
Massachusetts	X						
Michigan	X						
Minnesota		X					
Mississippi		X					
Missouri		X					
Montana						X	
Nebraska				X			
Nevada	X						
New Hampshire	X						
New Jersey	X						
New Mexico				X			
New York		X					
North Carolina		X					
North Dakota							X
Ohio		X					
Oklahoma						X	
Oregon		X					
Pennsylvania							X
Rhode Island		X					
South Carolina	X						
South Dakota	X						
Tennessee	X						
Texas						X	
Utah		X					
Vermont							X
Virginia	X						
Washington		X					
West Virginia	X						
Wisconsin		X					
Wyoming							X