

March 2015

Update of a Bulletin from November 2005

INDEMNIFICATION CLAUSES

Many client drafted Client / Architect contracts include "indemnification" language that will expose the architect to obligations and liabilities that are beyond what are already the architect's at law, and will therefore not be covered by professional liability insurance.

The terms and conditions of the Pro-Demnity Policy (or any other insurer's policy) determine whether coverage will be provided *regardless of what you may choose to agree to in a contract.*

It is in the interests of both client and architect that the obligations you assume in a contract are covered by your (and your consultants') professional liability insurance.

When faced with an "Indemnification Clause" prepared by your client consider adding the following to limit your liabilities to those covered by your insurance:

"Notwithstanding the foregoing, the obligations and liabilities of the Architect are limited to the professional liability insurance provided by Pro-Demnity Insurance Company and any specific or excess professional liability insurance in force."

and...

If a client has invested in the preparation of its own form of contract, it should be self evident it is intended to be in the client's interest, not yours. **You should consult your own lawyer respecting the content of any contract before agreeing to the terms.**

If you have any questions respecting the insurance implications of provisions in a contract, please contact the Practice Risk Management service at Pro-Demnity Insurance Company. Contact information can be found on the website: www.prodemnity.com