

INDEMNIFICATION

What does it mean when your engineering contract requires an engineer to "indemnify" a client?

"Indemnify" simply means to compensate for a loss.

For example, in a contract for engineering services, an indemnification clause might ask for compensation

for damages caused by the engineer's professional negligence.

> The problem is that the INDEMNIFICATION

> > CLAUSE could open the door to much broader and more dangerous

> > > financial risk.

ANY of their actions whether negligent or not,

Unreasonable indemnification clauses may

ask engineers to take financial responsibility for



or even for damages caused by

OTHER PARTIES.

This is called BROAD-FORM

Can you imagine being

asked by another party

to pay for the damages

CAUSED

INDEMNIFICATION

It's unfair, and it should not be allowed

in ANY design professional contracts.

HAVE NO CHOICE **CONTRACT**

Keep in mind that very often engineers and

other design professionals

ENGINEER

The bargaining power is usually

on the client's side.

but to accept unfair

indemnification provisions

what a number of states have done already:

The ONLY WAY

to protect all design professionals

from this financially devastating risk is to do

So we urge you to share this message with your state legislators and encourage them to

MAKE BROAD-FORM INDEMNIFICATION VOID &

in your state.

It's good public policy and the right thing to do.

ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES

UNENFORCEABLE