



## **JCR-13**

### **Supplemental Hold Harmless Clauses**

October 1974

May 1977, October 1999

#### **Recommendations:**

The "hold harmless" provisions contained in AIA A201 General Conditions 1997 Edition, incorporated in a construction contract provide adequate and equitable protection to all parties of the contract and no supplemental "hold harmless" clauses should be included. Any added supplemental clauses of this nature could constitute a demand from the owner that the contractor assume liability for events over which the contractor may have no control. The specifier should not ask for protection for the owner or others beyond that which can be definitely defined and clearly covered by an insurance carrier.

#### **Comments:**

- A. Insurance underwriters are insisting the specific nature of insurance risk be defined.
- B. Many contractors have been advised by their insurance carrier not to submit bids on projects carrying supplemental "hold harmless" provisions. This reduces the competition and may result in substantially higher bid prices.
- C. Contractual blanket liability insurance carriers, even though writing the insurance, insists on certain exposure exceptions, which may affect the intended coverage.
- D. Contractual blanket liability insurance is an added cost which is eventually borne by the owner.
- E. Court cases have indicated it is nearly impossible to recover under the broad term of "hold harmless" insurance.

#### **End of JCR-13**

*This recommendation is the result of considerable discussion and deliberation by the Architect and General Contractor members of the Joint Cooperative Committee of AIA North Carolina and the Carolinas AGC. While its provisions are not binding on individual Architects or General Contractors, the committee believes that adherence to the recommendations will benefit the Owner and the Construction Industry in general.*