



JCR-CD-2
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SUPPLEMENTAL HOLD HARMLESS CLAUSES

RECOMMENDATION:

Hold Harmless provisions other than those contained in AIA 201 General Conditions of the Contract for Construction incorporated in a construction contract are 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 that 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 "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, insist 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 that it is nearly impossible to recover under the broad term of "Hold Harmless" insurance.

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End of JCR-CD-2

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