

50 State Survey

Construction Anti-Indemnity Statutes



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In addition to additional insured coverage afforded to upstream parties, indemnity is an effective risk transfer tool. Indemnity is the right of an injured party to claim reimbursements for its loss, damage, or liability from another party. An indemnification agreement is a "contract between two parties whereby the one undertakes and agrees to indemnify the other against loss or damage arising from some contemplated act on the part of the indemnitor, or from some responsibility assumed by the indemnitee, or from the claim or demand of a third person, that it, to make good to him such pecuniary damage as he may suffer." Black's Law Dictionary 393 (5th ed. 1979). A party's indemnity obligation to another party arises in two situations: common law indemnity and contractual indemnity. This survey focuses solely on the enforceability of contractual indemnity obligations.

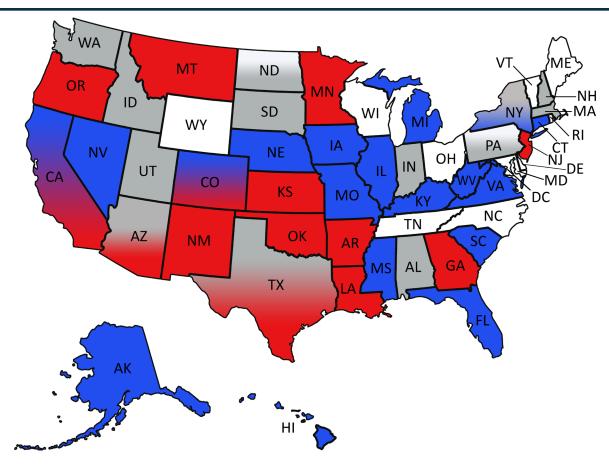
A classic example of a typical contractual indemnity provision is as follows:

"Subcontractor shall defend, indemnify, and hold harmless the Contractor from any claims, damages, losses, and expenses arising out of the performance of the work."

Most states have enacted "anti-indemnity statutes," which limit or prohibit enforcing indemnification agreements in construction contracts. In addition, some states further limit the anti-indemnity statute's application to public and/or design projects. In general, there are two overarching reasons why construction contracts are often singled out for special treatment when it comes to the limitation of indemnification for an indemnitee's own negligence. 1-13 General Liability Insurance Coverage § 13.00 (3rd 2015). First is a concern that a party being indemnified for its own negligence will have less incentive to exercise due care in the performance of its work. *Id.* The other rationale is a concern that general contractors, because of unequal bargaining power, can compel their subcontractors to accept such an onerous contractual term as one that requires a party to assume liability for the negligence of others. *Id.*

To the extent that an anti-indemnity statute applies to a particular contractual indemnity provision, such anti-indemnity statutes limit the scope of indemnity. This survey depicts the states that allow for the following forms of indemnity: indemnity for a party's sole negligence; full indemnity in situations of concurrent negligence. Some states have extended the anti-indemnity principle to contractual requirements for additional insured coverage. Those states are noted in the survey. In addition, the map on the following page identifies which states extend the reach of their anti-indemnity statute to additional insured coverage, either explicitly by the terms of the statute or by court interpretation.





Application of Anti-Indemnity to Additional Insured Coverage

- Anti-Indemnity statute also prohibits additional insured coverage for the sole negligence of the indemnitee.
- Anti-Indemnity statute does not apply to additional insured coverage, by statute or case law.
- Anti-Indemnity statute does not specify whether it applies to additional insureds, and no case law interpreting.
- Unclear or no statute.

Note: States with blended colors have different rules depending on the type of contract (e.g., public v. private, design v. construction).



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		Type of In	demnity Allov	wed			
State	Contracts Affected	Sole Negligence	Concurrent	Negligence	Statute	Application to Additional Insured	Comments
		of Indemnitee	Full Indemnity	Partial Indemnity			
Alabama	Non-Specific	Yes	Yes	Yes	No statute. See Indus. Tile, Inc. v. Stewart, 388 So.2d 171, 175 (Ala. 1980) ("between private parties, indemnity contracts are enforceable if the contract clearly indicates an intention to indemnify against the consequences of the indemnitee's negligence, and such provision was clearly understood by the indemnitor, and there is not shown to be evidence of a disproportionate bargaining position in favor of the indemnitee."); Doster Constr. Co., Inc. v. Marathon Elec. Contractors, Inc., 32 So.3d 1277, 1283 n.2 (Ala. 2009) ("[i]ndemnification for an indemnitee's own negligence requires 'clear and unequivocal language.")	•	Alabama law may limit an indemnitee's ability to recover attorneys' fees when defending claims predicated on its own negligence. See Stone Bldg. Co. v. Star Elec. Contractors, Inc., 796 So.2d 1076, 1092 (Ala. 2000).
Alaska	All Construction and Design Contracts	No	Yes	Yes	Alaska Stat. § 45.45.900.	No Alaska Stat. § 45.45.900.	-
	Public Construction and Design Contracts	No	No	Yes	Ariz. Rev. Stat. § 41-2586. Ariz. Rev. Stat. § 34-226.	Yes Ariz. Rev. Stat. § 34-226(C).	Indemnitor may indemnify person not a party to the construction contract, and who, as an accommodation, enters into an agreement with the subcontractor to enter on or adjacent to its property to perform the construction contract for others.
Arizona	Private Construction and Design Contracts	No	Yes	Yes	Ariz. Rev. Stat. § 32-1159.	-	Indemnitor may indemnify person not a party to the construction contract, and who, as an accommodation, enters into an agreement with the subcontractor to enter on or adjacent to its property to perform the construction contract for others.



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Arkansas	All Construction and Design Contracts	No	No	Yes	ARK. CODE ANN. §§ 4-56-104, 22-9-214. Note: There are additional restrictions that apply to the indemnitee and third parties that do not qualify as the contractor's agent, representative, subcontractor, or supplier.	Yes Ark. Code Ann. § 4-56-104(b), (e).	The indemnification shall not exceed any amounts that are greater than that represented by the degree or percentage of negligence or fault attributable to the indemnitors, its agents, representatives, subcontractors, or suppliers. See ARK. CODE ANN. § 4-56-104(e)(1).
	Residential Construction and Design Contracts	No	No	Yes	CAL. CIV. CODE § 2782(a),(c), (d).	Yes CAL. CIV. CODE § 2782(d).	Exceptions for indemnification of adjacent property owner, certain engineers, and geologists. See CAL. CIV. CODE §§ 2782.1, 2782.2, 2782.6.
	Construction Contracts with Public Agency	No	No	Yes	Cal. Civ. Code § 2782(a), (b).	Yes Cal. Ins. Code § 11580.04.	-
California	All Other Construction Contracts	No	No	Yes	CAL. CIV. CODE §§ 2782(a), (c), 2782.05, 2783.	Yes CAL. CIV. CODE § 2782 (C).	Exceptions for indemnification of adjacent property owner, certain engineers, and geologists. See Cal. Civ. Code § § 2782.1, 2782.2, 2782.6.





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		of Indemnitee	Full Indemnity	Partial Indemnity			
District of Columbia	Non-Specific	Yes	Yes	Yes	No statute. See N.P.P. Contractors, Inc. v. John Canning & Co., 715 A.2d 139 (D.C. 1998) (indemnification contract allowed as it was clear and unambiguous); Steele Founds., Inc. v. Clark Constr. Grp., Inc., 937 A.2d 148 (D.C. 2007) (same).		Indemnity provisions will be construed to permit an indemnitee to recover for its own negligence only if "the court is firmly convinced that such an interpretation reflects the intention of the parties." Parker, et al. v. John Moriarty & Assoc., 189 F.Supp.3d 38 (D.D.C. 2016); Schlosser Co., Inc. v. Md. Drywall Co. Inc., 673 A.2d 647, 653 (D.C. 1996)).
Florida	All Construction and Design Contracts (see exception per FLA. STAT. § 725.08)	No, unless contract contains 1) monetary limit on the extent of the indemnification that bears a reasonable commercial relationship to the contract, and 2) is a part of the specification and bid documents.	No, unless contract contains 1) monetary limit on the extent of the indemnification that bears a reasonable commercial relationship to the contract, and 2) is a part of the specification and bid documents.	Yes	Fla. Stat. § 725.06.	No See Cone Bros. Contracting Co. v. Ashland-Warren, Inc., 458 So.2d 851 (Fla. Dist. Ct. App. 1984).	FLA. STAT. § 725.06 (2), (3) provides that public agency construction contracts may require the other party to indemnify and hold harmless to the extent of loss caused by the indemnifying party's negligence, recklessness, or intentional wrongful conduct, but otherwise it is not permitted. FLA. STAT. § 725.08. Allows a public agency to require a design professional to hold that agency harmless for design professional's negligence, recklessness or intentional wrongful conduct.
Georgia	All Construction Contracts, and Engi- neering, Architectural and Land-Surveying Contracts	No	Yes, for Construction Contracts. No, for Engi- neering, Archi- tectural and Land-Survey- ing Contracts.	Yes, for Engineering, Architec- tural and Land-Sur- veying Con- tracts (for negligence, reckless- ness, wrong- ful intentional conduct).	Ga. Code Ann. § 13-8-2(b), (c).		Not applicable to workers' compensation or any insurance agreement.



All Construction and

Design Contracts

Iowa

No

No

Yes



IOWA CODE ANN. § 537A.5.

Not applicable to "any obligation of strict liability otherwise

imposed by law." IOWA CODE

Ann. § 537A(3).

No

IOWA CODE ANN. § 537A.5.

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		of Indemnitee	Full Indemnity	Partial Indemnity			
Kansas	All Construction and Design Contracts	No, unless agree- ment provides in writing that the indemnity will be supported by liability insurance furnished by indemnitor subject to limitations.	No, unless agreement provides in writing that the indemnity will be supported by liability insurance furnished by indemnitor subject to limitations	Yes	Kan. Stat. Ann. § 16-121(b).	Yes Kan. Stat. Ann. § 16-121(c).	Statute does not apply to agreements that provide in writing that the indemnity provision will be supported by liability insurance furnished by the indemnitor. In those circumstances, Indemnification shall be limited to the amount and scope agreed upon by indemnitor in contract. In the case of unilateral indemnification, indemnitee shall be responsible for cost. § 16-121(d) (6). Contract clauses that waive subrogation rights for losses covered by liability or workers' compensation insurance are nullified, with certain exceptions. Kan. Stat. Ann. § 16-4803, § 16-1903.
Kentucky	All Construction Contracts; No Mention of Design	No	No	Yes	Ky. Rev. Stat. Ann. § 371.180.	No Ky. Rev. Stat. Ann. § 371.180	Not applicable to validity of an insurance contract.



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State	Contracts Affected	Sole Negligence	Concurrent	Negligence	Statute	Application to Additional Insured	Comments
		of Indemnitee					
Louisiana	All Construction and Design Contracts	No, unless provision includes requirement to procure insurance to support indemnity requirement subject to limitation.	No, unless provision includes requirement to procure insurance to support indemnity requirement subject to limitation.	Yes	La. Stat. Ann. § 9:2780.1.	Yes La. Stat. Ann. § 9:2780.1(I).	Applicable to contracts entered into after Jan. 1, 2011. Statute does not apply to agreements that the indemnity provision will be supported by liability insurance furnished by the indemnitor. In those circumstances, Indemnification shall be limited to the amount and scope agreed upon by indemnitor in contract and Indemnitor must recover cost in contract price. But see Roundtree v. New Orleans Aviation Bd., 844 So.2d 1091 (La. Ct. App. 2003) (holding that for contracts entered into before Jan. 1, 2011, indemnification is permitted if the intent is expressed in unequivocal terms).
Maine	Non-Specific	Yes	Yes	Yes	No statute. See State Farm Mut. Ins. Co. v. Koshy, 995 A.2d 651 (Me. 2010) (allowing indemnification contracts if clearly stated).	-	-
Maryland	All Construction & Design Contracts	No	Yes	Yes	Md. Code Ann. § 5-401.	Unclear. See Heat & Power Corp. v. Air Prods. & Chems., Inc., 578 A.2d 1202 (Md. 1990) (explaining that it may arguably be against public policy to require purchase of insurance coverage by indemnitor for indemnitee's own negligence, but holding that in situation where insurance coverage was already procured for such purpose must be provided).	Not applicable to validity of an insurance contract or workers' compensation issues.





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		of Indemnitee	Full Indemnity	Partial Indemnity			
Mississippi	All Construction Contracts	No	No	Yes	Miss. Code Ann. § 31-5-41.	No, unless additional insured coverage agreement is linked to indemnification agreement. See Roy Anderson Corp. et. al. v. Trancon. Ins. Co., 358 F. Supp. 2d (S.D. Miss. 2005).	Not applicable to construction bonds and insurance agreements.
Missouri	All construction con- tracts, except contracts between state and gov- ernmental agencies)	No	No	Yes	MO. REV. STAT. § 434.100.	No Mo. Rev. Stat. § 434.100(2)(2).	Statute does not apply to agreements that require indemnity obligations to be supported by liability insurance furnished by the indemnitor. In those circumstances, Indemnification shall be limited to the amount and scope agreed upon by indemnitor in contract. Indemnitor must recover cost in contract price.
Montana	All Construction Contracts	No	No	Yes	Mont. Code Ann. § 28-2-2111 (private); Mont. Code Ann. § 18-2-124 (public).	Yes MONT. CODE ANN. § 28-2-2111 (private); MONT. CODE ANN. § 18-2-124 (public).	Exception for requirement to procure project specific insurance.
Nebraska	All Construction and Design Contracts	No	No	Yes	Neb. Rev. Stat. § 25-21,187(1).	No NEB. REV. STAT. § 25-21,187(1); Anderson v. Nashua Corp., 560 N.W.2d 446 (Neb. 1997).	Not applicable to construction bonds or insurance agreements.





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		of Indemnitee			I Comments		
New Mexico	All Construction and Design Contracts	No	No	Yes	N.M. Stat. Ann. § 56-7-1.	N.M. STAT. ANN. § 56-7-1(A); First Mercury Ins. Co. v. Cin- cinnati Ins. Co., 882 F.3d 1289 (10th Cir. 2018) (hold-	quires a party to purchase a project-specific insurance policy is enforceable. N.M. Stat. Ann. §



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New York	Construction Contracts	No	No	Yes	N.Y. GEN. OBLIG. LAW § 5-322.1 (construction contracts); N.Y. GEN. OBLIG. LAW § 5-324 (design contracts).	Cappellino v. Atco Mech., 273 A.D.2d 265 (N.Y. Sup. Ct. 2000) (holding that insurance provisions are separable from indemnification agreements, to which the anti-indemnity law applies).	* Proposed legislation pending may change application to additional insured: "A provision in a construction contract that requires the purchase of additional insurance coverage, or any coverage endorsement, or provision within an insurance policy providing additional insured coverage, is void and unenforceable to the extent that it requires coverage, the scope of which is prohibited under N.Y. GEN. OBLIG. LAW § 5-322.1." 2021 N.Y. A.B. 5768. Does not apply to insurance contracts, workers' compensation, or agreement issued by an insurer.
North Carolina	Construction and Design Contracts	No	No	Yes	N.C. GEN. STAT. § 22B-1.	Unclear. Technically, no. But see Penn. Nat'l Mut. Cas. Ins. Co. v. Assoc. Scaffolders & Equip. Co., Inc., 579 S.E.2d 404 (N.C. Ct. App. 2003) (holding that insurer no did not have to provide defense or indemnity when coverage was only based on "insured contract" and contract was deemed void by the anti-indemnity statute).	An agreement where an indemnitor promises to indemnify another for the indemnitor's sole negligence is enforceable. Does not affect the validity of any insurance contract, workers' compensation, or other agreement issued by an insurer. Not applicable to a public utility as an indemnitee, or to contracts entered into by the DOT.





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Oklahoma	Construction Agreements	No	No	Yes	Okla. Stat. tit. 15, § 221.	Yes OKLA. STAT. tit. 15, § 221(B), (C). Exception for contract clauses which require procurement of a project-specific insurance policy, including owners' and contractors' protective liability insurance, project management protective liability insurance, or builder's risk insurance.	Does not affect any provision in a construction agreement that requires an entity or that entity's surety or insurer to indemnify another entity against liability for damage arising out of death or bodily injury to persons, or damage to property, but such indemnification shall not exceed any amounts that are greater than that represented by the degree or percentage of negligence or fault attributable to the indemnitor, its agents, representatives, subcontractors, or suppliers.
Oregon	Construction and Design Contracts	No	No	Yes	Or. Rev. Stat. § 30.140.	Yes OR. REV. STAT. § 30.140; Walsh Constr. Co. v. Mut. Enumclaw, 104 P.3d 1146 (Or. 2005).	Statute does not apply to rail- roads as defined in OR. Rev. STAT. § 824.200
	Construction design contracts where design professional is the indemnitee	No	No	No	68 Ра. Cons. Sтат. § 491.	-	-
Pennsylvania	Construction Contracts	Yes	Yes	Yes	No statute. See Ocean Spray Cranberries, Inc. v. Refrigerated Food Distribs., Inc., 936 A.2d 81 (Pa. Super. Ct. 2007) (allowing indemnification contracts if clearly and explicitly stated).	-	-







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West Virginia	Construction Contracts	No	Yes	Yes	W. Va. Code § 55-8-14.	No W. VA. CODE § 55-8-14.	Does not apply to construction bonds or insurance contracts.
Wisconsin	Construction Contracts	Yes	Yes	Yes	See Wis. Stat. § 895.447 (rendering a provision in contract purporting to limit or eliminate tort liability void, though it has been narrowly interpreted); But see Gunka v. Consolidated Papers, Inc., 508 N.W.2d 426 (Wis. Ct. App. 1993) (indemnification of sole negligence of indemnitee allowed if provision is clear and unambiguous); Compare with Gerdmann by Habush v. U.S. Fire Ins. Co., 350 N.W.2d 730 (Wis. Ct. App. 1984) (holding indemnity provision in contract did not violate statute and was a question of law).	-	-
Wyoming	Non-Specific	Yes	Yes	Yes	No statute. See <i>Union Pac. Resources Co. v. Dolenc</i> , 86 P.3d 1287 (Wyo. 2004) (indemnification agreements allowed if clearly stated). <i>But see</i> Wyo. STAT. § 30-1-131 (voiding covenants or promises pertaining to "any well for oil, gas or water, or mine for any mineral" which purports to indemnify the indemnitee from loss or liability caused by his or her own negligence).	-	-

