Why Indemnity Alone Isn't Enough

Coordinating Contract Risk Protections

October 1, 2026

Gallagher

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HLP

HUDSON LAMBERT PARROTT, LLC

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INDEMNIFICATION DEFINED

- Requires you to bear the costs for certain acts that cause bodily injury, property damage, or other “consequential” damages
- Requires you to bear costs not just for the entity with which you contract but others as well
- Is a “hold harmless” provision different? No, not really
- Is giving a defense different from indemnity/hold harmless? Yes

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TYPES OF INDEMNITY CLAUSES

- Broad Form: Requires indemnity for others even if they are solely at fault
- Intermediate Form: Requires indemnity for others so long as they are not solely at fault
- Limited Form: Compares fault and apportions liability and indemnity based on that allocation of fault. Always legal

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BROAD FORM INDEMNITY CLAUSE

Subcontractor shall defend, indemnify, and hold harmless Contractor, Owner, and Architect and their respective agents, officers, directors, employees, subcontractors, subconsultants, lenders, or shareholders ("Indemnified Parties"), if any, from any and all claims, injuries, damages, losses, suits, damages, or other costs, including without limitation court costs, attorneys' fees, expert fees, or any other such costs, for any activity either directly or indirectly alleged to arise out of or be related to Subcontractor's Work under this agreement, regardless of whether such losses were caused in whole or in part by one or more of the Indemnified Parties and regardless of whether such claim has any merit.

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INTERMEDIATE FORM INDEMNITY CLAUSE

Subcontractor shall defend, indemnify, and hold harmless Contractor, Owner, and Architect and their respective agents, officers, directors, employees, subcontractors, subconsultants, lenders, or shareholders ("Indemnified Parties"), if any, from any and all claims, injuries, damages, losses, suits, damages, or other costs, including without limitation court costs, attorneys' fees, expert fees, or any other such costs, for any activity either directly or indirectly alleged to arise out of or be related to Subcontractor's Work under this agreement, except for injuries and damages caused by the sole negligence of one of the Indemnified Parties.

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LIMITED FORM INDEMNITY CLAUSE

Subcontractor shall defend, indemnify, and hold harmless Contractor, Owner, and Architect and their respective agents, officers, directors, employees, subcontractors, subconsultants, lenders, or shareholders (“Indemnified Parties”), if any, from any and all claims, injuries, damages, losses, suits, damages, or other costs, including without limitation court costs, attorneys’ fees, expert fees, or any other such costs, for any activity either directly or indirectly alleged to arise out of or be related to Subcontractor’s Work under this agreement, but only to the extent that Subcontractor is agreed, adjudicated, or otherwise determined to be liable for such losses.

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AIA A201 INDEMNITY CLAUSES

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

AIA A201 INDEMNITY CLAUSES

§ 9.6.8 Provided the Owner has fulfilled its payment obligations under the Contract Documents, the Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss, or expense is due to the fault or negligence of the party seeking indemnity.

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AIA A201 INDEMNITY CLAUSES

- AIA A201 Index also refers to Sections 9.10.2 (final payment requirements including indemnity for liens) and 11.3 (Waiver of Subrogation)

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ARE THEY ENFORCEABLE?

Broad Form

- A majority of states declare Broad Form clauses as against public policy (By statute: AK, AZ, CA, CT, GA, HI, ID, IN, MD, MI, NJ, SC, SD, TN, UT, VA, WV)

- Other states will enforce if the parties agree to this in clear language (Alabama)

- Still others will enforce only if there is a monetary limit on indemnity (Florida)

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ARE THEY ENFORCEABLE?

Intermediate

- Also called “Full concurrent” indemnity, meaning that you fully indemnify upstream parties even if there is shared negligence and even if that shared negligence is very small
- Regularly encountered in construction contracts
- Hardly ideal, may be difficult to insure

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ARE THEY ENFORCEABLE?

Limited Form

- Absolutely enforceable everywhere. This is what you want
- This is what lawyers call a “comparative negligence” standard—liability is based on proportional responsibility.
- In other words, you will not pay 100% of the loss unless you are 100% responsible

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BREADTH AND DEPTH ISSUES

- Common-law indemnity versus contractual indemnity
- Payment indemnity
- Indemnity for damages/delays caused to other subcontractors
- Holding Contractor harmless for losses Contractor suffers vis a vis the owner
- How far does the clause reach?

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WHAT ARE THE TRICKS?

- Are there limitations by law on how far you can go?
- Does the clause say, “to the fullest extent permitted by law”?
- Are there “magic words” or specific clauses required to invoke indemnity properly?

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WHAT ARE THE TRICKS?

- Can you pass the responsibility to someone else? Do they have the insurance/financial wherewithal to bear it? Do you?

- Is notice required to trigger obligation?

- The biggest one: is the indemnity sought insurable?

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Risk transfer in action

Project Owner (transfers as higher tier)

General Contractor (accepts as lower tier & transfers as higher tier)

Subcontractor (accepts as lower tier & transfers as higher tier)

Sub Tier Subcontractor (accepts as lower tier)

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Suspenders – Idea of redundancy / fail safes

Belt /

- Indemnification/Hold harmless/Duty to Defend – **Belt**
- Additional Insured - **Suspenders**

- Broader of the two typically applies
- when both valid

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Additional Insured Endorsements – Suspenders

- Can serve as a backup if an indemnification agreement is ruled null and void
- Can act as an “insurance loophole” in states where anti-indemnification statutes apply only to indemnification agreements
- Many different types of additional insured endorsement providing varying degrees of coverage

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General Liability

A. **Typical Limits:**
   1. $1,000,000 Each Occurrence
   2. $2,000,000 Products/Completed Operations
   3. $2,000,000 General Aggregate

B. **Additional Insured coverage for Ongoing and Completed Operations** (CG2010 10/01 and CG2037 10/01) and other edition dates

C. **Additional Insured Architects & Engineers (CG2032)**

D. **Primary/Non-Contributory status (CG2001)**

E. **Waiver of Subrogation (CG2404)**

F. **Per Project Aggregate (CG2502)**

G. **Completed Operations coverage (Statute of Repose)**

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CG2010 10/01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. **Section II - Who is an Insured** is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

B. With respect to the insurance afforded to these additional insureds, the following exclusion is added:

2. **Exclusions**

This insurance does not apply to "bodily injury" or "property damage" occurring after:

(1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or

(2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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CG2010 07/04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Additional Insured Person(s) or Organization(s):	Location(s) of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II - Who is an Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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CG2010 04/13

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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CG 20 10 04 13

CG2010 12/19

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 10 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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CG2037 10/01

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:
Location and Description of Completed Operations:
Additional Premium:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Section II - Who is an Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" at the location designated and described in the schedule of this endorsement performed for that insured and included in the "products-completed operations hazard".

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CG2037 07/04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Additional Insured Person(s) or Organization(s):	Location and Description of Completed Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II - Who is an Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

CG2037 04/13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) And Description Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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CG 20 37 04 13

CG2037 12/19

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 37 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance**:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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Additional Insured Forms	Ongoing Operations	Products/Completed Operations	Sole Negligence of AI (Arising out of language)	**No Limitation** for "Extent Permitted by Law"	**No Limitation** for "Will Not Be Broader than that which is required by contract"	**No limitation** for "most we will pay is amount required by contract..."
CG2010 11/85	x	x	x	x	x	x
CG2010 10/93	x		x	x	x	x
CG2010 10/01	x		x	x	x	x
CG2010 07/04	x			x	x	x
CG2010 04/13	x					
CG2010 12/19	x					
CG2037 10/01		x	x	x	x	x
CG2037 07/04		x		x	x	x
CG2037 04/13		x				
CG2037 12/19		x				

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Blanket Additional Insured Endorsements

Blanket Additional Insured Forms	Ongoing Operations	Products/Completed Operations	Sole Negligence of AI (Arising out of language)	**No Limitation** for "Extent Permitted by Law"	**No Limitation** for "Will Not Be Broader than that which is required by contract"	**No limitation** for "most we will pay is amount required by contract..."	**No requirement** for Contract Privity *
CG2033 12/19	x						
CG2038 12/19	x						x
CG2039 12/19		x					
CG2040 12/19		x					x

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COMMERCIAL GENERAL LIABILITY
CG 20 01 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

CG2032 07/04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – ENGINEERS, ARCHITECTS OR SURVEYORS NOT ENGAGED BY THE NAMED INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Engineers, Architects Or Surveyors Not Engaged By The Named Insured:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the architects, engineers or surveyors shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations performed by you or on your behalf.

Such architects, engineers or surveyors, while not engaged by you, are contractually required to be added as an additional insured to your policy.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services, including:

1. The preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
2. Supervisory, inspection or engineering services.

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CG2404 05/09

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Project(s):
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section **I** – Coverage **A**, and for all medical expenses caused by accidents under Section **I** – Coverage **C**, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:

1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons or organizations making claims or bringing "suits".
3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

Horizontal Rule of Exhaustion

- What is it?
- Applies to losses in an Additional Insured tender situation
- Other Insurance condition in the umbrella form (Paraphrasing) … Coverage is excess of all primary coverage available to an insured.
- Let's take a look at an illustration of a large claim

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3,000,000 Additional Insured Claim

Sub GL:

$1,000,000

GC GL:

$1,000,000

Sub Umbrella:

$1,000,000

GC Umbrella

$10,000,00

- How is $3mil claim allocated?
- How does the requirement for Primary and Noncontributory endorsement on the Sub's umbrella effect the allocation?

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HUDSON LAMBERT PARROTT, LLC

Gallagher

QUESTIONS
&
ANSWERS

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