

SUPPORT FLORIDA'S PROFESSIONAL ENGINEERS



PLEASE SUPPORT INDEMNIFICATION REFORM FOR FLORIDA INFRASTRUCTURE PROJECTS

[SB 888 Senator Jonathan Martin](#) | [HB 699 Representative Bill Conerly](#)

Frequently Asked Questions

→ **What is indemnification?**

Indemnification is common clause in contracts where an engineering firm agrees to compensate, protect or hold harmless the project owner from damages, losses or legal liabilities that are caused by the engineering firm or its subcontractors.

→ **Why is indemnification important?**

Indemnification protects project owners from bearing the cost of mistakes made by an engineer.

→ **What's wrong with the rules of indemnification in Florida?**

Currently, the rules for indemnification are different for publicly funded infrastructure and private projects. For publicly funded infrastructure, the law limits legal liability for engineers to those aspects of the project that are their responsibility. However, for privately funded projects, engineers can be required to indemnify against anything that goes wrong, including activities in which the engineering firm has no control or responsibility. These expansive indemnification clauses are often uninsurable.

→ **How do the current rules of indemnification impact investment in infrastructure?**

Uninsurable clauses in contracts are bad for business and the economy, driving up the cost of professional liability insurance and deterring investment in Florida's economy. Moreover, the current law leads to costly third-party litigation and frivolous lawsuits that target deep pockets rather than responsible parties, which could potentially bankrupt an engineering firm even if they did nothing wrong.

→ **What's the solution?**

Florida law should apply the same rules for indemnification to all infrastructure projects, regardless of how they are funded – by the taxpayer or a private company. The law should limit indemnification for engineering firms to their performance, not the actions of others over which they have no control.

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