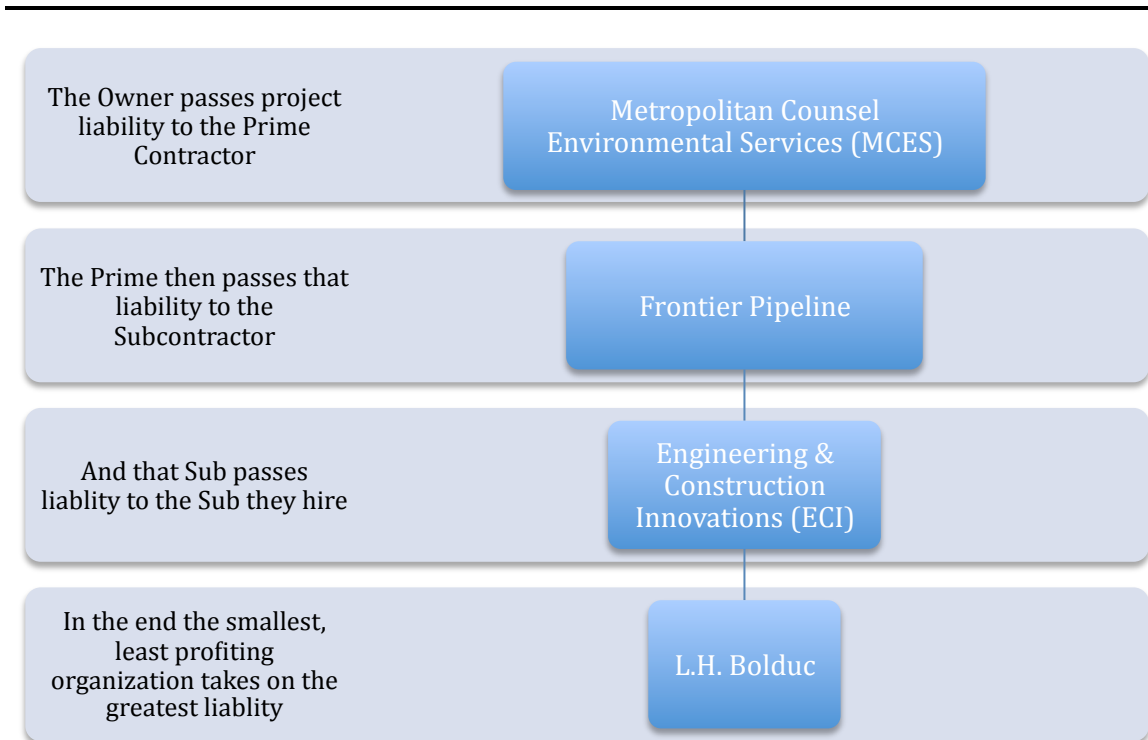


## **Minnesota's Anti-Indemnification Clause & Exception:**

### **Cram-Down Clause Results In Useless Protection For Subcontractors**

**THE SIMPLE FACTS:** Under Minnesota Statute 337.05, subcontractors with the least bargaining power can be forced to bear sole liability for an entire construction project, including for the sole negligence of another.

Even if the subcontractor is found **0% negligent** they are held **100% liable** because of an exception to the anti-indemnity statute that ensures small subcontractors will provide insurance coverage for someone else's sole negligence!



**THE EXAMPLE ABOVE:** Bolduc signed a contract and was supposed to be paid around \$32,000 for their work. To get the job Bolduc had to insure and indemnify another party higher in the employment chain. A jury found Bolduc 0% percent negligent. The other parties were 100% negligent. But Minnesota's unfair anti-indemnification statute ended up costing Bolduc over \$235,000.

**THE HARD REALITY:** Subcontractor goes from earning \$32,000... to paying more than \$235,000 for someone else's negligence...

**THE ASK:** Subcontractors want to pay for their negligence - only. Repeal § 337.05 to remove the exception to the anti-indemnification rule or amend the exception to prevent parties from being responsible for the negligence of others.