



# Contract Review Checklist

## Purpose of Checklist

The following checklist is provided as a tool to help organizations determine whether or not to sign a contract/agreement. This checklist focuses on general risk management issues. Your organization should always follow its own protocol relative to the contract review process and should work with legal counsel and insurance representatives (American Specialty or local broker) as appropriate.

## Using the Checklist

If the answer to any of the questions below is "no," separate action is recommended prior to signing. Contact American Specialty or your local broker should you have any questions pertaining to the checklist below.

<input type="checkbox"/> Yes <input type="checkbox"/> No	Does your organization have a complete, legible copy of the contract?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Are all parties listed by their formal legal names?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Are the effective dates and times of the agreement accurately stated?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Are the individuals to sign the agreement authorized representatives of each party?
<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Is the indemnification and hold harmless provision "acceptable"?</p> <p><b>Ideal:</b> Other party indemnifies and holds your organization harmless for losses, and your organization doesn't indemnify or hold other party harmless.</p> <p><b>Generally acceptable:</b> Each party is responsible for its own negligence - mutual indemnification and hold harmless.</p> <p><b>Probably acceptable, but not preferable:</b> Your organization indemnifies and holds other party harmless <b>but not</b> for losses arising from other party's negligence (or other party's sole or gross negligence).</p> <p><b>Not acceptable:</b> Your organization indemnifies other party and holds them harmless for any and all losses (including those arising from other party's own negligence), and other party doesn't indemnify or hold your organization harmless.</p>
<input type="checkbox"/> Yes <input type="checkbox"/> No	Does your organization carry the insurance coverage required in the contract?
<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Is the additional insured requirement acceptable?</p> <p><b>Ideal:</b> Other party lists your organization as additional insured and has acceptable limits, and you don't list them as additional insured.</p> <p><b>Generally acceptable:</b> Each party lists the other as additional insured and both carry acceptable limits.</p> <p><b>Worst case scenario:</b> Your organization lists the other party as additional insured, and they don't list you.</p> <p><i>Note: If you have mutual indemnification and hold harmless but then list the other party as additional insured and they don't list you, your position is weakened if the other party does not have the financial capacity to cover its indemnification obligation to you.</i></p>
<input type="checkbox"/> Yes <input type="checkbox"/> No	Are the cancellation requirements acceptable (for example, they do not place an undue financial burden on your organization if you need to cancel)?