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# Indemnity Clauses, Liability Limits and Insurance Cover Training for Major Projects

1 – 5 February 2027  
Amsterdam





## Indemnity Clauses, Liability Limits and Insurance Cover Training for Major Projects

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### Programme Summary

Indemnity clauses, liability limits and insurance cover for major projects form the subject of this five-day training course for senior contract, commercial and risk leaders at advanced level, culminating in a risk transfer matrix for a live contract. Loss often lands on the party that misread an indemnity, accepted an uncapped exposure or relied on insurance that did not respond. The approach moves from how risk is allocated, through drafting and negotiating each clause family, to aligning clauses with the cover actually held. Mars Training Centre UK delivers this programme in indemnity clauses and liability limits.

### The Business Case

Risk allocation clauses decide who pays when a project goes wrong, yet they are often agreed late and without checking the insurance programme, leaving uninsured gaps and indemnities wider than intended. Organisations that treat indemnities, caps and insurance as one negotiated package reduce surprise losses and settle incidents faster.

- Uninsured Exposure: Falls as each indemnity and cap is tested against the policies that must respond.
- Contract Negotiation Cycle Time: Shortens as teams work from agreed positions and fallback wording.
- Loss Recovery After Incidents: Improves as notification, subrogation and claims under indemnities are handled in order.

### Principles and Evidence Base

- ISO 31000 Risk Management Guidelines: Its process of identifying, analysing and treating risk structures the allocation exercise in Session 1.
- FIDIC Clause 17 Care of the Works and Indemnities: Its indemnities by each party and shared indemnities serve as the reference model for Session 2.
- FIDIC Clause 19 Insurance: Its required insurances frame the cover review in Session 4.
- Limitation of Liability Practice: Aggregate caps, exclusions and carve-outs guide Session 3.

### Intended Participants

- Leaders who set the organisation's negotiating positions on risk allocation clauses.
- Contracts and commercial managers who draft and mark up indemnity and liability wording.
- Risk and insurance managers who must align contract requirements with placed cover.
- Project directors who approve deviations from standard risk positions.



The programme serves construction, energy, infrastructure and facilities services organisations, on both the client and supplier side.

## Learning Outcomes

1. Participants will be able to evaluate how a contract allocates each major risk between the parties.
2. Participants will be able to construct indemnity and hold-harmless wording that matches the intended scope of protection.
3. Participants will be able to justify a liability cap, exclusions and carve-outs for a given project risk profile.
4. Participants will be able to diagnose gaps and overlaps between contract insurance requirements and the policies held.
5. Participants will be able to prioritise negotiation positions and fallbacks across indemnities, caps, insurance and security.
6. Participants will be able to plan the handling of a claim made under an indemnity or a project policy.

## Programme Structure

### Day 1: Risk Allocation Principles in Major Contracts

Who should carry each risk, and how does the contract say so?

- ISO 31000 Risk Identification and Analysis for Contracts
- Controllability and Insurability Tests for Allocation
- Standard Form Risk Positions Compared
- Contract Risk Register and Allocation Map
- Interaction of Indemnities, Caps and Insurance

### Day 2: Indemnity Clauses and Hold-Harmless Wording

How wide is an indemnity, and how is it drafted with precision?

- Indemnities Versus Damages for Breach
- Hold-Harmless, Defend and Reimburse Obligations
- Indemnities by Contractor, Employer and Shared Indemnities
- Third-Party Claims, Notice and Conduct of Defence
- Indemnity Redlining Exercise

### Day 3: Liability Limits, Exclusions and Carve-Outs

Where should liability stop, and what must sit outside the cap?



- Aggregate and Per-Event Liability Caps
- Linking Caps to Contract Price and Insurance Limits
- Exclusion of Indirect and Consequential Loss and Loss of Profit
- Carve-Outs for Fraud, Gross Negligence and Wilful Misconduct
- Mutual Waivers and Liquidated Damages Ceilings

## Day 4: Insurance Cover and Contract Security

Will the insurance and security actually respond when needed?

- Contractor's All Risks and Erection All Risks Cover
- Third-Party Liability, Professional Indemnity and Employer's Liability
- Insurance Requirement Schedules and Certificate Checks
- Performance Security, Bonds and Parent Guarantees
- Notification, Subrogation and Claims Under Project Policies

## Day 5: Applying Indemnity, Liability and Insurance Strategy

Is the risk transfer matrix ready to guide the next negotiation?

- Applying the Day 1 Allocation Map to a Live Contract
- Testing Day 2 Indemnity Wording Against Day 4 Cover
- Negotiation Positions and Fallbacks From Day 3
- Claim Handling Simulation Under an Indemnity
- Completing the Risk Transfer Matrix

## Methodology

The programme relies on case analysis of contract extracts and incident scenarios from construction, energy and outsourced services. Participants redline clauses, test them against policy wordings, negotiate in pairs and trace a loss to see who pays.

- Suggested activity: Redlining a one-sided indemnity into a balanced position.
- Suggested activity: Matching a contract insurance schedule against a set of policy summaries.
- Suggested activity: Tracing a site incident loss from first notice to final recovery.

## Capstone Output

Each participant completes a risk transfer matrix for a current contract or tender. It records each major risk, the allocated party, the clause wording, the responding policy and the agreed fallback. Teams use it as a negotiation brief and as a checklist before contract award.



## Frequently Asked Questions

### **Is indemnity clauses and liability limits training suitable for senior contract leaders?**

Yes. It is set at advanced level and assumes familiarity with standard form contracts and basic insurance terms.

### **Which models does the indemnity clauses and liability limits programme rest on?**

It rests on ISO 31000 and on the FIDIC indemnity and insurance clauses as reference models.

### **How is the risk transfer matrix from indemnity clauses and liability limits training used at work?**

You can use it to brief negotiators and check insurance requirements before award.

### **How does indemnity clauses and liability limits training differ from a corporate insurance course?**

It works on individual contract clauses and project cover, not overall insurance purchasing.