

Understanding the Importance of Indemnification Clauses

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In this episode of OK at Work, attorneys Sarah Sawyer and Russell Berger of Offit Kurman explain why indemnification clauses—often buried in the “miscellaneous” section of contracts—deserve close attention. They describe indemnification as a key risk-allocation tool that determines who pays for defense costs and liability when third-party claims arise. They also discuss how smaller businesses may face more aggressive indemnity terms from larger companies, the importance of negotiating reasonable limits, and the need to understand accepted risk upfront to avoid surprises when an indemnification claim arises.