

## Guide: Shielding Your Crane Company: A Guide to Smart Contract Language

This guide breaks down each clause of the "Terms and Conditions of Contract" and explains in simple, everyday terms how it protects your crane rental business when included on your daily job ticket.

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### 1. INDEMNIFICATION

This clause shifts responsibility to the customer (Lessee) for any injuries, property damage, or claims that result from their use of your crane or their worksite conditions. If someone gets hurt or something gets damaged because of the Lessee's actions (not yours), they must cover all costs—including legal fees and settlements.

→ **Why it protects you:**

It limits your liability and prevents you from being financially responsible for accidents you didn't cause. Even if your equipment is involved in an incident, as long as it wasn't due to your negligence, the customer must handle the legal and financial consequences. It also clarifies that providing insurance doesn't replace the Lessee's duty to cover those risks.

**Important:** Because indemnity laws vary by state (such as in California and Arizona), this provision should be reviewed by legal counsel to ensure it complies with the specific statutes where the crane is operating.

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### 2. INSURANCE

This section requires the Lessee to carry specific insurance policies that name your company as an additional insured and a loss payee. It includes general liability, worker's comp, inland marine (to cover your crane), and umbrella coverage.

→ **Why it protects you:**

If an accident occurs on the job, these insurance policies provide coverage for bodily injury, property damage, and loss or damage to your equipment. Being named as an additional insured ensures their insurance company helps defend and cover your company in claims. You don't have to rely solely on your own policies, which could raise your premiums or create gaps in coverage.

**Important:** Like the indemnity clause, insurance requirements must also comply with local laws and state statutes. It's essential to run this language through legal counsel to ensure it is enforceable and meets the necessary legal standards.

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### 3. OPERATION OF EQUIPMENT (Includes Lift Director Language)

This clause puts the customer in charge of everything that happens with the crane once it's on-site. It even states that your operator, if accepted by the Lessee, is considered the Lessee's employee for legal purposes. It also requires the Lessee to designate a Lift Director who ensures safe crane operations and compliance with ASME B30.5 standards.

→ **Why it protects you:**

If something goes wrong during the lift—like a dropped load or a tip-over—you're not held responsible because you had no operational control. It reinforces that the Lessee is making the decisions and directing the work. The Lift Director language also helps satisfy industry and legal requirements, showing you took proper steps to assign responsibility.

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### 4. CONDITIONS – GROUND / POWERLINES / RIGGING

This clause makes the Lessee responsible for ensuring the crane is set up on stable ground, that all powerlines are handled safely, and that any rigging used is appropriate and safe. Even if they borrow rigging from you, they still own the risk if it fails.

→ **Why it protects you:**

Accidents like cranes tipping over or electrocution incidents near powerlines are major liability events. This language makes it clear that the customer is responsible for inspecting the site and taking safety precautions. It also shifts responsibility for rigging—even if it's your gear—once it's in their control.

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### 5. NO RELIANCE ON LOAD MEASURING DEVICE

If your crane has a load measuring device, this clause states it's not guaranteed to be accurate and shouldn't be the only way the Lessee measures the load. They are responsible for verifying weights independently.

→ **Why it protects you:**

If a lift fails due to a miscalculated load, the customer can't come back and blame your equipment. It sets the expectation that load weights must be verified independently of the crane's built-in tools.

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## 6. AUTHORIZED SIGNATURE

This section confirms that whoever signs your contract on behalf of the customer actually has legal authority to do so.

→ **Why it protects you:**

If a legal dispute arises, the customer can't claim the signer wasn't authorized. It strengthens the enforceability of your agreement and helps ensure the document holds up in court.

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## 7. STORAGE OF EQUIPMENT

If the Lessee stores their equipment at your yard or job site, this clause says it's at their own risk. You aren't responsible for damage or theft, and they should carry their own insurance for those items.

→ **Why it protects you:**

It avoids liability for losses that have nothing to do with your company's actions. If someone steals their gear from your yard, you're not on the hook for it.

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### Final Note

Having these provisions on your daily job ticket isn't just legal protection—it's smart business. They help set expectations, reduce misunderstandings, and shield your company from unnecessary financial risk. Always ensure your team uses the latest version and collects signed acknowledgment from the customer before work begins. These terms act as a protective shield and help you manage operational, legal, and insurance-related risks with confidence.

**And most importantly, for indemnification and insurance provisions to work in your favor, make sure your legal team reviews them for compliance with the laws of each state in which you operate.**