



April 23, 2025

Health Coverage, Insurance and Financial Services Committee
Senator Bailey and Representative Mathieson – Chair(s)
100 State House Station
Augusta, ME 04333

RE: LD 1761 An Act to Prohibit Indemnification Agreements

I am writing to express my strong support for LD 1761. My name is Arthur Batson III, and I serve as the President and CEO of Lucas Tree Experts. Founded in Maine in 1926, our company employs approximately 600 certified arborists across ten U.S. states and three Canadian provinces, providing essential Utility Vegetation Management services.

As a company that regularly contracts with large corporations, municipalities, and governmental entities across various states and provinces, we believe that reasonable limits on indemnification clauses serve the public interest, promote fairness and accountability, and help ensure a competitive business environment.

Overly broad indemnification provisions unfairly shift liability from the responsible party to subcontractors or smaller contractors—often regardless of fault. Such clauses may require one party to indemnify another even in cases where the latter is solely responsible for negligence or damage. While larger organizations like ours may have the legal and financial resources to negotiate these terms, most small businesses do not.

Erosion of Fairness, Accountability and Safety

When general contractors or large corporations use broad indemnity provisions to insulate themselves from liability, they reduce their own incentives to maintain safe practices and responsible oversight. True accountability—where liability rests with the at-fault party—is essential to ensuring ethical business conduct and public safety.

Increased Costs and Reduced Market Access

Smaller contractors, when forced to bear the cost of insuring against others' negligence, often either raise their bid prices or are discouraged from bidding altogether. This restricts competition and can significantly increase the cost of both public and private projects. A single, unjustified claim under a broad indemnity clause can bankrupt a small business, even if it bears no responsibility for the incident.

States such as Texas, North Carolina, and New York to name a few, have recognized these issues and enacted legislation to limit the scope of indemnification clauses. These statutes are not about removing accountability; it is about ensuring it rests where it rightly belongs.

Lucas Tree Experts began as a small business without the expertise or leverage to negotiate complex legal terms. We believe that fostering a fair legal landscape is essential for the continued growth and success of emerging businesses in Maine. Supporting LD 1761 is a step in the right direction.

Thank you for your time and thoughtful consideration of this important matter.

Respectfully

A handwritten signature in black ink, appearing to read 'A. Batson III', with a stylized flourish at the end.

Arthur Batson III

President & CEO

www.lucastree.com