

**Subject** Building and Construction Contracts; Indemnification Provisions

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## Overview

Amends provisions of public building contracts and private building contracts related to indemnification agreements.

## Summary

Section	Description
1	<b>Indemnification agreement.</b> Provides a definition for an “indemnification agreement.”
2	<b>Promisee.</b> Adds the definition of a “promisee” for the sections of chapter 15 relating to public construction contracts.
3	<b>Unenforceability of certain agreements.</b> Limits the application of indemnity agreements in public construction contracts to negligent or intentional actions, or for the purposes of strict liability imposed by environmental regulations. This section also makes requirements that one party in a contract provide insurance for another party for negligent or intentional actions are void, and provides specific exceptions including contracts for work near railroads.
4	<b>Indemnification agreement.</b> Adds “defend” to the definition of “indemnification agreement” to clarify that the term includes the requirement to pay an attorney to defend a case as the term is used related to general construction cases.
5	<b>Agreements valid.</b> Removes “project specific insurance” from the list of exempted insurance requirements in private construction contracts. In private contraction cases, one party is prohibited from requiring another party to provide insurance coverage for the other party’s acts.

Section	Description
6	<b>Effective date.</b> Sections 1 to 5 are effective the day following final enactment and apply to agreements entered into on or after that date.



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