



3100 Humboldt Ave S
Minneapolis, MN 55408

March 18, 2021

RE: HF 803 Letter of Support

Dear Chair Becker-Finn and Members of the Judiciary Finance and Civil Law Committee,

The Electrical Association is an organization of 400 Electrical Contractors and Electrical Employers and provides education, workforce strategies and government advocacy for its members, most of whom are small employers throughout the State of Minnesota. Seventy-five percent of my members have 2-10 employees.

I am writing in support of HF 803. Currently Minnesota law allows for contracts to require subcontractors to buy insurance to cover the upstream party's legal fees, even when the upstream party is at fault. This is called "the duty to defend." Contractors are obligated to enter into these unfair contracts or walk away from the work. The practice is common and the terms are often non-negotiable. Small contractors enter into these contracts often putting themselves at significant risk.

This is my membership's number one issue for the 2021 legislative session. We've been in discussions regarding fixing these inequities since 2013. My hope is we can fix these unfair contractual practices this year and pave the way for small business growth.

Best regards,

Michelle Dreier
Member Engagement & Govt. Affairs Mgr
Electrical Association