

HOUSE BILL REPORT

ESB 5566

*As Reported By House Committee on:
Financial Institutions & Insurance*

Title: An act relating to allowable provisions in construction contracts.

Brief Description: Allowing certain provisions in construction contracts.

Sponsor(s): Senators Rasmussen, Johnson, Owen, Vognild, Moore, Bluechel, Barr and Sellar.

Brief History:

Reported by House Committee on:
Financial Institutions & Insurance, February 28, 1992,
DPA.

**HOUSE COMMITTEE ON
FINANCIAL INSTITUTIONS & INSURANCE**

Majority Report: *Do pass as amended.* Signed by 11 members: Representatives Dellwo, Chair; Zellinsky, Vice Chair; Broback, Ranking Minority Member; Mielke, Assistant Ranking Minority Member; Anderson; Dorn; Inslee; R. Johnson; Paris; Scott; and Winsley.

Minority Report: *Do not pass.* Signed by 2 members: Representatives R. Meyers and Schmidt.

Staff: John Conniff (786-7119).

Background: Washington law prohibits contracts or agreements whereby a person agrees to be responsible for someone else's negligent acts. However, local government entities that hire contractors require contractors to obtain and maintain liability insurance coverage for local government negligence. Similarly, contractors require subcontractors to obtain and maintain liability insurance for the contractor's negligence. This liability insurance is effectuated either through the purchase of insurance directly naming the local government or the contractor as a named insured under the policy or through an endorsement extending coverage to the local government or contractor as an additional insured under the policy.

Summary of Amended Bill: The insurance commissioner is directed to establish an advisory committee to recommend legislation addressing owner and contractor liability insurance coverage endorsements and general contractor liability for workplace injuries.

Amended Bill Compared to Engrossed Bill: All substantive provisions of the bill are replaced with a study of contractor liability for workplace injuries and liability insurance policy endorsements.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Witnesses: None.