FINAL BILL REPORT SSB 6674

C 120 L 10

Synopsis as Enacted

Brief Description: Regulating indemnification agreements involving motor carrier transportation contracts.

Sponsors: Senate Committee on Judiciary (originally sponsored by Senators Kline, McCaslin and Hargrove).

Senate Committee on Judiciary House Committee on Judiciary

Background: Agreements or contracts relating to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, highway, road, railroad, excavation, or other structure, project, development, or improvement attached to real estate, including moving and demolition, that indemnify against liability for damages arising out of bodily injury to persons or damage to property that is: (1) caused by or resulting from the sole negligence of the indemnitee, the indemnitee's agents, or employees is void and unenforceable; or (2) caused by or resulting from concurrent negligence of (a) the indemnitee, or agent thereof, and (b) the indemnitor, or agent thereof, is valid and enforceable only to the extent of the indemnitor's negligence and only if it is specifically and expressly provided in the agreement. Furthermore, in scenario (b), the indemnitor may waive his or her immunity only if it is specifically and expressly provided in the agreement, and the waiver was mutually negotiated by the parties.

Summary: A motor carrier transportation contract that indemnifies against liability for damages arising out of bodily injury to persons or damage to property that is: (1) caused by or resulting from the sole negligence of the indemnitee, the indemnitee's agents, or employees is void and unenforceable; or (2) caused by or resulting from concurrent negligence of (a) the indemnitee, or agent thereof, and (b) the indemnitor, or agent thereof, is valid and enforceable only to the extent of the indemnitor's negligence and only if it is specifically and expressly provided in the agreement. Furthermore, in scenario (b), the indemnitor may waive his or her immunity only if it is specifically and expressly provided in the agreement, and the waiver was mutually negotiated by the parties.

Motor carrier transportation contract is defined as a contract, agreement, or understanding covering: (1) the transportation of property for compensation or hire by the motor carrier; (2) entrance on property by the motor carrier for loading, unloading, or transporting property for compensation or hire; or (3) a service incidental to an activity described in (1) or (2) of this

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paragraph including, but not limited to, storage of property, moving equipment or trailers, loading or unloading, or monitoring loading or unloading.

Intermodal shipping is exempt from the provisions of the act.

Votes on Final Passage:

Senate 46 0 House 96 0

Effective: June 10, 2010