

FINAL BILL REPORT

SHB 1559

C 160 L 12
Synopsis as Enacted

Brief Description: Limiting indemnification agreements involving design professionals.

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Haigh, Dammeier and Goodman).

House Committee on Judiciary

Senate Committee on Judiciary

House Committee on Ways & Means

Senate Committee on Labor, Commerce & Consumer Protection

Background:

Indemnification agreements in contracts require one party (the indemnitor) to pay the other party (the indemnitee) for any damages, losses, or expenses the indemnitee may suffer relating to the performance of a contract. Indemnification agreements also may impose a duty on the indemnitor to defend the indemnitee in any action brought against the indemnitee related to performance under the contract.

Indemnification agreements are generally enforceable and interpreted in accordance with the same rules for the enforcement and interpretation of contracts. Statutory law, however, limits the enforcement of indemnification agreements in contracts relating to construction, maintenance, or other work on any structure, project, development, or improvement attached to real estate, or in motor carrier transportation contracts.

In these contracts, a clause that indemnifies against liability for damages caused by or resulting from the sole negligence of the indemnitee is void and unenforceable. A clause that indemnifies against liability for damages caused by or resulting from the concurrent negligence of the indemnitee and indemnitor is enforceable only to the extent of the indemnitor's negligence and only if specifically and expressly provided for in the agreement.

Summary:

Restrictions on the enforceability of indemnification agreements in certain contracts are revised to include contracts for architectural, landscape architectural, engineering, or land surveying services (design professional services), and to specify that indemnification

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includes the duty and cost to defend. In a contract for design professional services, a clause that indemnifies against liability for damages resulting from the sole negligence of the indemnitee is unenforceable, and a clause that indemnifies against liability for damages resulting from the concurrent negligence of the indemnitee and indemnitor is enforceable only to the extent of the indemnitor's negligence and only if specifically and expressly provided for in the agreement.

Votes on Final Passage:

House	98	0	
House	98	0	
Senate	45	1	(Senate amended)
House	98	0	(House concurred)

Effective: June 7, 2012