

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 1670

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H.P. 1179


House of Representatives, March 26, 1997

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**An Act to Limit Indemnification in Construction Contracts.**

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Reference to the Committee on Business and Economic Development suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative PLOWMAN of Hampden.  
Cosponsored by Representatives: CIANCHETTE of South Portland, MADORE of Augusta,  
NASS of Acton, Senator: MILLS of Somerset.

Be it enacted by the People of the State of Maine as follows:

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Sec. 1. 10 MRSA §1117-A is enacted to read:

§1117-A. Indemnification

1. Indemnification provision. Any portion of a construction contract, or any guarantee of a construction contract, by an owner, contractor, subcontractor or a material supplier that refers to indemnification from liability for damages to persons or property caused in whole or in part by any act, omission or default of that party arising from the contract or its performance is void and unenforceable.

2. Liability insurance. An additional or named insured endorsement on a liability insurance policy, procured by a contractor or subcontractor, covering liability for damages arising out of bodily injury to persons or damage to property:

A. Is valid and enforceable only to the extent of the injury or damage caused in whole or in part by the procuring contractor, subcontractor or the agents, employees or material suppliers of that contractor or subcontractor; or

B. If fault is not a requirement of liability, is valid and enforceable only to the extent the injury or damage arose in whole or in part through the fault of the procuring contractor, subcontractor or the agents, employees or material suppliers of that contractor or subcontractor.

Nothing in this subsection prohibits an owner from procuring a liability insurance policy covering liability for damages arising out of a bodily injury to persons or damage to property by a contractor, subcontractor or other persons or entities.

**SUMMARY**

This bill prohibits broad form and intermediate hold harmless provisions in construction contracts.