

SESSION OF 2006

**SUPPLEMENTAL NOTE ON SUB.
FOR SENATE BILL NO. 338**

As Recommended by Senate Committee
on Judiciary

Brief*

Sub. for SB 338 would amend a statute (KSA 16-121) prohibiting indemnification clauses in construction contracts to prohibit also additional insured provisions in these contract which would require a party to provide liability coverage to another party as an additional insured for the other party's own negligence or intentional acts or omissions.

The bill also would add a definition of "indemnity" and would expand the law to cover intentional acts or omissions in regard to indemnification provisions. The bill would be effective on January 1, 2007.

Background

The topic of indemnification for negligent acts of others in construction contracts and in other business contract settings was studied by the 2005 Special Committee on Judiciary. The Special Committee recommended the original bill which dealt with construction contracts, motor carrier contracts, and oil and gas leases and contracts.

The Senate Judiciary Committee after holding hearings on SB 338, decided to proceed with portions of the original bill. The motor carrier provisions of SB 338 were inserted into Sub. for SB 149. The construction contract provisions were amended into Sub. for SB 338. The Senate Committee decided to deal with oil and gas leases and contracts at a later date.

The bill has no fiscal impact on the state.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>