

# Connecticut Construction Industries Association, Inc.

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## Senate Bill 535, An Act Concerning Contractor Indemnification Government Administration & Elections Committee February 21, 2007

### CCIA Position: Supports

The Connecticut Construction Industries Association provides representation for nearly 400 members drawn from all sectors of the commercial construction industry. CCIA's membership includes firms and organizations that construct, supply, plan and design projects throughout Connecticut.

CCIA **supports** Senate Bill 535 because our common sense dictates that when it comes to accidents and construction failures, liability should be predicated on fault. Or simply put, each party should pay to the extent it is liable. But, when it comes to accidents and failures on construction projects in Connecticut, innocent parties can be forced to reimburse negligent parties for their wrongful acts.

The legislature eliminated this unfair situation created by broad form contractual indemnification provisions in construction contracts between general contractors and subcontractors in Public Act 01-155 §2 which makes hold harmless clauses against public policy. However, in contracts between a public owner and a prime contractor, the contractor is still faced with bearing total responsibility for losses caused solely by the public owner.

Although there may be reasonable risk management principles behind "fault-free" indemnity provisions running in favor of government owners in public contracting, the benefit of such principles must be weighed against the inequity of holding one who plays no role in the creation of the loss to be responsible for making good the costs incurred by another who was solely responsible for it.

CCIA appreciates this opportunity to testify on this important matter. If you have any questions, please contact Matthew Hallisey or Don Shubert at (860) 529-6855.

