



Connecticut **Business & Industry** Association

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My name is Kevin Hennessy. I am a staff attorney for the Connecticut Business and Industry Association (hereinafter "CBIA"). CBIA represents approximately 10,000 member companies in virtually every industry. They range from large, global corporations to small, family owned businesses. The vast majority of our member companies have fewer than 50 employees.

- CBIA **opposes HB 6897**, *An Act Concerning Liquidated Damages Provisions in Contracts*.
- CBIA **opposes SB 1389**, *An Act Concerning the Tolling of the Statute of Limitations for a Negligence Action by a Minor*;

**HB 6897 An Act Concerning Liquidated Damages Provisions in Contracts:**

CBIA **opposes HB 6897**, *An Act Concerning Liquidated Damages Provisions in Contracts*. Mandating that parties to a contract with a liquidated damages clause initial a clause that conspicuously states "this is a LIQUIDATED DAMAGES provision and I understand it" is unnecessary legislation. Moreover, the clause will likely be ignored and the signing party will dutifully initial where he or she is told. Therefore, it is unnecessary legislation that likely will not protect its targeted beneficiaries.

Currently, the law presumes that parties to a contract have read the terms and conditions to which they have agreed. Additionally, if a party to a contract does not agree to certain provisions, or the contract as a whole, they have the opportunity to negotiate language changes or choose not to become a party to the contract. Moreover, if a contract is unconscionable or a party has undue influence over another party, the validity of the contract can be challenged in court.

Liquidated damages clauses are already narrowly tailored by the court to ensure that they are valid. Sweepingly changing contracting standards for everyone is a rash response to the argument that a few people have been harmed. Businesses, both small and large, do not want to be told how to conduct their daily transactions. Altering how all parties contract is unnecessary and bad public policy.

Because the proposed bill is unnecessary legislation, CBIA urges the members of the Judiciary committee to reject Raised **HB 6897**.

**SB 1389 An Act Concerning the Tolling of the Statute of Limitations for a Negligence Action by a Minor:**

CBIA opposes SB 1389. Extending the statute of limitations for minors' negligence claims from two years, to the age of majority (18 years-old) plus two years will harm businesses and individuals. Specifically, extending the statute of limitations means that a business or individual could be sued for negligence up to twenty years after the alleged act or omission. Although personnel and ownership of a business could have changed, the business could still be held liable. Moreover, a business might not have known that an act of negligence occurred. Holding people accountable this many years after the fact is bad public policy. Businesses operate on strict budgets. They have to forecast their budgets. Extending the statute of limitations for minors will create uncertainty for many businesses.

The extension of the statute of limitations for minors is unnecessary. If the rules are altered for minors, which class of citizens will be next? Currently, the general formula is fairly simple. If you are injured due to someone else's negligence, you have two years from the date of the injury, *or reasonable discovery of the injury*, to recover damages. Rather than changing the current system for the benefit of a few, the Judiciary Committee and the General Assembly should reject such a change.

For the aforementioned reasons, CBIA urges you to reject SB 1389, *An Act Concerning the Tolling of the Statute of Limitations for a Negligence Action by a Minor*.