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State of Misconsin 2013 - 2014 LEGISLATURE



2013 ASSEMBLY BILL 140

April 9, 2013 – Introduced by Representatives SPIROS, JACQUE, STONE and WEATHERSTON, cosponsored by Senators LASEE and MOULTON. Referred to Committee on Small Business Development.

1 AN ACT to create 895.44 of the statutes; relating to: indemnification provisions

Analysis by the Legislative Reference Bureau

Current law generally affords parties to a contract freedom to determine the terms of the contract, and these contract terms are enforceable in court unless the court determines that the terms are against public policy. Current law generally allows a party to enforce a provision in a contract that indemnifies or holds harmless the party from or against liability for loss or damage resulting from that party's own negligence or intentional acts or omissions, or that requires another person to provide a defense to the party in connection with an assertion of liability for loss or damage resulting from that party's own negligence or intentional acts or omissions (indemnification provision).

Under this bill, in a contract for the sale of services, other than an insurance policy, an indemnification provision is generally against public policy and void. Under the bill, an indemnification provision may be enforced if it is part of a contract for construction work that is entered into by a registered construction contractor.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 895.44 of the statutes is created to read:

² in contracts for the sale of services.

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895.44 Certain indemnification provisions void. Any provision in a 1 $\mathbf{2}$ contract for the sale of services that indemnifies or holds harmless a party from or 3 against liability for loss or damage resulting from that party's own negligence or 4 intentional acts or omissions, or that requires another person to provide a defense to the party in connection with an assertion of liability for loss or damage resulting $\mathbf{5}$ 6 from that party's own negligence or intentional acts or omissions, is against public 7 policy and void. This section does not apply to an insurance policy or to a contract 8 for construction services if at least one party to the contract is a person who is 9 required to register as a construction contractor under s. 101.147. Nothing in this section limits or affects an employer's recovery under s. 102.29. 10

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SECTION 2. Initial applicability.

(1) This act first applies to contracts that are entered into on the effective dateof this subsection.

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(END)