

CHAPTER 337

BUILDING AND CONSTRUCTION CONTRACTS

337.01 Building and construction contracts; indemnification agreements.
 337.02 Unenforceability of certain agreements.

337.03 Nonapplication to certain agreements.
 337.04 Validity of other agreements.
 337.05 Agreements to insure.

337.01 BUILDING AND CONSTRUCTION CONTRACTS; INDEMNIFICATION AGREEMENTS.

Subdivision 1. **Definition.** As used in sections 337.01 to 337.05 the following terms have the meanings assigned to them.

Subd. 2. **Building and construction contract.** "Building and construction contract" means a contract for the design, construction, alteration, improvement, repair or maintenance of real property, highways, roads or bridges. The term does not include contracts for the maintenance or repair of machinery, equipment or other such devices used as part of a manufacturing, converting or other production process, including electric, gas, and telephone utility equipment.

Subd. 3. **Indemnification agreement.** "Indemnification agreement" means an agreement by the promisor to indemnify or hold harmless the promisee against liability or claims of liability for damages arising out of bodily injury to persons or out of damage to property.

Subd. 4. **Promisee.** "Promisee" includes that party's independent contractors, agents, employees or indemnities.

History: 1983 c 333 s 1

NOTE: This section, as added by Laws 1983, chapter 333, section 1, is effective May 1, 1984. See Laws 1983, chapter 333, section 6.

337.02 UNENFORCEABILITY OF CERTAIN AGREEMENTS.

An indemnification agreement contained in, or executed in connection with, a building and construction contract is unenforceable except to the extent that the underlying injury or damage is attributable to the promisor's negligent or otherwise wrongful act or omission, including breach of a specific contractual duty.

History: 1983 c 333 s 2

NOTE: This section, as added by Laws 1983, chapter 333, section 2, is effective May 1, 1984. See Laws 1983, chapter 333, section 6.

337.03 NONAPPLICATION TO CERTAIN AGREEMENTS.

Sections 337.01 to 337.05 do not apply to an agreement by which a contractor responsible for the performance of a building and construction contract indemnifies a person, firm, corporation, or public agency for whose account the construction is not being performed, but who, as an accommodation, permits the contractor to enter upon or adjacent to its property for the purpose of performing the building and construction contract for another. Sections 337.01 to 337.05 do not apply to an indemnification agreement which is an integral part of an offer to compromise or settlement of a disputed claim, if:

(a) the settlement is based on consideration;

(b) the dispute relates to an alleged event which is related to a construction contract and which occurred before the settlement is made; and

(c) the indemnification relates only to claims which have arisen or may arise from the past event.

History: 1983 c 333 s 3

NOTE: This section, as added by Laws 1983, chapter 333, section 3, is effective May 1, 1984. See Laws 1983, chapter 333, section 6.

337.04 VALIDITY OF OTHER AGREEMENTS.

Sections 337.01 to 337.05 do not affect the validity of any insurance contract, workers' compensation agreement, construction bond, or other agreement lawfully issued by an insurer or bonding company.

History: 1983 c 333 s 4

NOTE: This section, as added by Laws 1983, chapter 333, section 4, is effective May 1, 1984. See Laws 1983, chapter 333, section 6.

337.05 AGREEMENTS TO INSURE.

Subdivision 1. Agreements valid. Sections 337.01 to 337.05 do not affect the validity of agreements whereby a promisor agrees to provide specific insurance coverage for the benefit of others.

Subd. 2. Indemnification for breach of agreement. If:

- (a) a promisor agrees to provide specific types and limits of insurance; and
- (b) a claim arises within the scope of the specified coverage; and
- (c) the promisor did not obtain and keep in force the specified coverage;

then the promisee may have indemnification from the promisor to the same extent as the specified coverage.

Subd. 3. When indemnification not available. The indemnification stated in subdivision 2 is not available if:

- (a) the specified insurance was not reasonably available in the market; and
- (b) the promisor so informed the other party to the agreement to insure before signing the agreement, or signed the agreement subject to a written exception as to the nonavailable insurance.

History: 1983 c 333 s 5

NOTE: This section, as added by Laws 1983, chapter 333, section 5, is effective May 1, 1984. See Laws 1983, chapter 333, section 6.