

Chapter 636

(House Bill 871)

AN ACT concerning

Agreements to Defend or Pay the Cost of Defense – Void

FOR the purpose of providing that certain agreements to defend or pay the costs of defending certain promisees or indemnitees against liability for certain damages are against public policy and are void and unenforceable under certain circumstances; providing for the application of this Act; and generally relating to certain agreements to defend or pay the costs of defending certain promisees or indemnitees.

BY repealing and reenacting, with amendments,
Article – Courts and Judicial Proceedings
Section 5–401(a)
Annotated Code of Maryland
(2013 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Courts and Judicial Proceedings

5–401.

(a) (1) A covenant, promise, agreement, or understanding in, or in connection with or collateral to, a contract or agreement relating to architectural, engineering, inspecting, or surveying services, or the construction, alteration, repair, or maintenance of a building, structure, appurtenance or appliance, including moving, demolition, and excavating connected with those services or that work, purporting to indemnify the promisee against liability for damages arising out of bodily injury to any person or damage to property caused by or resulting from the sole negligence of the promisee or indemnitee, or the agents or employees of the promisee or indemnitee, is against public policy and is void and unenforceable.

(2) A COVENANT, A PROMISE, AN AGREEMENT, OR AN UNDERSTANDING IN, OR IN CONNECTION WITH OR COLLATERAL TO, A CONTRACT OR AN AGREEMENT RELATING TO ARCHITECTURAL, ENGINEERING, INSPECTING, OR SURVEYING SERVICES, OR THE CONSTRUCTION, ALTERATION, REPAIR, OR MAINTENANCE OF A BUILDING, A STRUCTURE, AN APPURTENANCE, OR AN APPLIANCE, INCLUDING MOVING, DEMOLITION, AND EXCAVATING CONNECTED WITH THOSE SERVICES OR THAT WORK, PURPORTING TO REQUIRE THE PROMISOR OR INDEMNITOR TO DEFEND OR PAY THE COSTS OF DEFENDING THE PROMISEE OR INDEMNITEE AGAINST LIABILITY FOR DAMAGES ARISING OUT OF BODILY INJURY TO

ANY PERSON OR DAMAGE TO PROPERTY CAUSED BY OR RESULTING FROM THE SOLE NEGLIGENCE OF THE PROMISEE OR INDEMNITEE, OR THE AGENTS OR EMPLOYEES OF THE PROMISEE OR INDEMNITEE, IS AGAINST PUBLIC POLICY AND IS VOID AND UNENFORCEABLE.

[(2)] (3) This subsection does not affect the validity of any insurance contract, workers' compensation, any general indemnity agreement required by a surety as a condition of execution of a bond for a construction or other contract, or any other agreement issued by an insurer.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any cause of action arising before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Approved by the Governor, May 19, 2016.