

ENROLLED HOUSE  
BILL NO. 2083

By: Liebmann, Duncan and  
Bingman of the House

and

Jolley of the Senate

An Act relating to contracts; defining term;  
declaring certain provisions void and unenforceable;  
stating exceptions; stating applicability of act;  
providing for codification; and providing an  
effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 221 of Title 15, unless there is  
created a duplication in numbering, reads as follows:

A. For purposes of this section, "construction agreement" means  
a contract, subcontract, or agreement for construction, alteration,  
renovation, repair, or maintenance of any building, building site,  
structure, water or sewer system, or other works dealing with  
construction, or for any moving, demolition, excavation, materials,  
or labor connected with such construction.

B. Except as provided in subsection C or D of this section, any  
provision in a construction agreement that requires an entity or  
that entity's surety or insurer to indemnify, insure, defend or hold  
harmless another entity against liability for damage arising out of  
death or bodily injury to persons, or damage to property, which  
arises out of the negligence or fault of the indemnitee, its agents,  
representatives, subcontractors, or suppliers, is void and  
unenforceable as against public policy.

C. The provisions of this section do not affect any provision  
in a construction agreement that requires an entity or that entity's  
surety or insurer to indemnify another entity against liability for  
damage arising out of death or bodily injury to persons, or damage  
to property, but such indemnification shall not exceed any amounts  
that are greater than that represented by the degree or percentage  
of negligence or fault attributable to the indemnitor, its agents,  
representatives, subcontractors, or suppliers.

D. This section shall not apply to construction bonds nor to  
contract clauses which require an entity to purchase a project-  
specific insurance policy, including owners' and contractors'  
protective liability insurance, project management protective  
liability insurance, or builder's risk insurance.

E. Any provision, covenant, clause or understanding in a construction agreement that conflicts with the provisions and intent of this section or attempts to circumvent this section by making the agreement subject to the laws of another state, or that requires any litigation, arbitration or other dispute resolution proceeding arising from the agreement to be conducted in another state, is void and unenforceable.

SECTION 2. This act shall become effective November 1, 2006.

Passed the House of Representatives the 26th day of May, 2006.

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Presiding Officer of the House of  
Representatives

Passed the Senate the 26th day of May, 2006.

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Presiding Officer of the Senate