



**TEXAS CIVIL JUSTICE LEAGUE**  
Leading the Legal Reform Fight Since 1986



## **NEWS RELEASE**

For Immediate Release, February 10, 2009

### **Texas Civil Justice League, Associated General Contractors - Texas Building Branch & Texas Construction Association Reach Accord on Indemnification Legislation SB 555 by Duncan & HB818 by Eiland**

After many months of intense negotiations, the Texas Civil Justice League, the Associated General Contractors - Texas Building Branch, and the Texas Construction Association have reached an agreement on a bill affecting the use of indemnity clauses and additional insured clauses in construction contracts between owners, general contractors and subcontractors. Indemnification clauses obligate a person to pay damages and defense costs for the negligent acts of another person. Additional insured clauses add another person as an insured on a person's liability insurance policy

George Scott Christian, President of the Texas Civil Justice League said, "This agreement will limit the uses of these clauses in cases involving property damage and bodily injury, yet continue to allow for broad indemnity protections to owners in those instances involving a third party lawsuit against the owner by an injured employee of a general contractor or subcontractor. TCJL was pleased to help achieve this agreement."

Mike Chatron, the President of the Associated General Contractors - Texas Building Branch stated, "General contractors are often caught in the middle of the fight over these clauses. The owners place these clauses in their contracts with general contractors, who are then often compelled to pass the obligations down to subcontractors. This agreement strikes a fair balance regarding the use of these clauses."

"I am very impressed with the willingness of the TCJL and AGC-TBB to come to the table on these very contentious issues, work hard at finding a reasonable compromise, and to approve the landmark agreement. We hope that the Legislature will agree that this is a win-win for all the parties involved and approve the legislation," stated Raymond Risk, President of the Texas Construction Association.

**SB 555**, authored by Senator Robert Duncan, and **HB 818**, authored by Representative Craig Eiland, reflect the basic agreement of the parties.

#### **About the Texas Civil Justice League**

The Texas Civil Justice League is a non-partisan, statewide business coalition committed to long-term legal reform advocacy. The League was established in 1986 to enact recommendations from the 1987 House/Senate Joint Committee on Liability. Since that time the League has been instrumental in passing sweeping tort reform legislation through the Texas Legislature.

----OVER-----

**About the Associated General Contractors - Texas Building Branch**

The Associated General Contractors - Texas Building Branch is a statewide trade association made up of eleven building chapters with offices throughout the state. These chapters have a membership of over 4,000 companies whose primary business is the construction of commercial buildings.

**About the Texas Construction Association**

The Texas Construction Association was established in 1998 by Texas construction subcontractor and supplier organizations to promote the political and legislative interest of these organizations in Texas. TCA is currently comprised of 17 Member Associations. These associations have over 2,200 member companies throughout Texas.

**Contacts:**

George Scott Christian

Texas Civil Justice League, 512/320-0474, [info@tcjl.com](mailto:info@tcjl.com)

Mike Chatron

Associated General Contractors – TBB, 512/478-5629, [chatron@agctbb.org](mailto:chatron@agctbb.org)

Raymond Risk

Texas Construction Association, 512/473-3773, [rrisk@texcon.org](mailto:rrisk@texcon.org)