

**Senate Bill No. 2032**

**CHAPTER 558**

An act to add Section 11580.04 to the Insurance Code, relating to indemnity.

[Approved by Governor September 15, 1996. Filed with Secretary of State September 16, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

SB 2032, Mountjoy. Indemnity.

Under existing law, agreements contained in, collateral to, or affecting any construction contract with a public agency that purport to impose on the contractor, or relieve the public agency from, liability for the active negligence of the public agency are void and unenforceable.

This bill would also invalidate an additional insured endorsement for the benefit of a public agency that purports to provide indemnity coverage for the active negligence of the additional insured where an indemnity agreement would be invalid under the above provisions.

*The people of the State of California do enact as follows:*

SECTION 1. Section 11580.04 is added to the Insurance Code, to read:

11580.04. Any additional insured endorsement issued by an admitted or nonadmitted insurer for the benefit of a public agency in connection with, collateral to, or affecting any construction contract to which the provisions of subdivision (b) of Section 2782 of the Civil Code apply, shall not provide any duty of indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under subdivision (b) of Section 2782 of the Civil Code. In any case where a claim or loss encompasses the negligence of the original insured and the active negligence of the additional insured that is not covered because of this section, the insurer's obligation shall be limited to obligations permitted by this section.

Any contract requirement that requires a promisor to procure insurance that is invalid under this section shall be invalid.

