

Senate Bill 927

Sponsored by Senator ATKINSON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Reduces minimum required insurance amount for construction contractors and inspectors.

A BILL FOR AN ACT

Relating to insurance for Construction Contractors Board licensees; amending ORS 701.105.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 701.105 is amended to read:

701.105. (1) Except as provided in subsection (2) of this section, a contractor who possesses a license as required under this chapter shall have in effect public liability, personal injury and property damage insurance covering the work of the contractor that is subject to this chapter, for an amount not less than:

(a) [*\$500,000*] **\$250,000** for a general contractor or licensed developer.

(b) [*\$300,000*] **\$250,000** for a residential-only specialty contractor.

(c) [*\$500,000*] **\$250,000** for all other specialty contractors.

(d) \$100,000 for a limited contractor.

(e) [*\$300,000*] **\$250,000** for an inspector.

(2) The Construction Contractors Board by rule, in consultation with the Department of Consumer and Business Services, may allow a general or specialty contractor that is a residential-only contractor to provide an alternative form of security approved by the board instead of procuring a public liability, personal injury and property damage insurance policy. The board may approve an alternative form of security if the board determines that the alternative form of security provides protection to the public equivalent to the protection provided by an insurance policy in the amounts otherwise applicable to the residential-only contractor under subsection (1) of this section. A board-approved alternative form of security may consist of a combination of financial resources.

(3) A residential-only contractor who provides a board-approved alternative form of security under subsection (2) of this section is considered for purposes of this chapter to have obtained insurance described in subsection (1) of this section. This subsection does not subject to regulation as an insurer a person who issues all or part of an alternative form of security, unless the alternative form of security otherwise qualifies as an insurance product.

(4) The contractor shall provide satisfactory evidence to the board at the time of licensure and renewal that the insurance policy or board-approved alternative form of security required by this section has been procured and is in effect.

SECTION 2. ORS 701.105, as amended by section 2, chapter 766, Oregon Laws 2003, is amended to read:

701.105. (1) A contractor who possesses a license as required under this chapter shall have in

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 effect public liability, personal injury and property damage insurance covering the work of the
2 contractor that is subject to this chapter, for an amount not less than:

3 (a) [~~\$500,000~~] **\$250,000** for a general contractor or licensed developer.

4 (b) [~~\$300,000~~] **\$250,000** for a residential-only specialty contractor.

5 (c) [~~\$500,000~~] **\$250,000** for all other specialty contractors.

6 (d) \$100,000 for a limited contractor.

7 (e) [~~\$300,000~~] **\$250,000** for an inspector.

8 (2) The contractor shall provide satisfactory evidence to the Construction Contractors Board
9 at the time of licensure and renewal that the insurance required by subsection (1) of this section
10 has been procured and is in effect.

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