

**CONSTRUCTION CLAIMS TASK FORCE**  
**DRAFT**  
**Regular Meeting Minutes**  
**September 19, 2006**

The Construction Claims Task Force met on Tuesday, September 19, 2006, in Room 260, Labor and Industry Building, 350 Winter Street NE, Salem, Oregon.

**Members Present:** David DeHarrport  
Eric Grasberger  
Elsie Jones  
Steve Malany  
Tom Skaar  
Jim Vavrek  
Jon Fahr  
Bill Nesmith  
Laura Schauer

**Members Absent:** None

**Staff Present:** Mark Long, Administrator of Building Codes Division  
Richard Baumann, Building Codes Division  
Chris Huntington, Building Codes Division  
David Dahl, Insurance Division  
Bill Boyd, Construction Contractors Board  
Cece Newell, Insurance Division  
Joel Ario, Administrator of Insurance Division  
Rick Blackwell, Building Codes Division  
Richard Rogers, Building Codes Division  
Michael Morter, Building Codes Division  
Cathy Dixon, Construction Contractors Board  
Craig Smith, Administrator of Construction Contractors Board  
Ravi Mahajan, Building Codes Division

**Guests Present:**

Jim Young, NWCB  
Tom Dymont, CBIC  
Kirk Eland, CBIC  
Janet Adkins, Legislative Committee  
Brian Doherty, Miller Nash  
Alan Seymour, ODOE  
Kristen Leonard, OTLA  
Steve Murrell, State Farm  
Scott Barrie, OHBA  
Kay Erickson, DAS  
Jutta Barney, Oregon Mutual  
John Powell

Stuart Ramsing, OBOA  
Pat Dorney, CBIC  
Larry Peabody, ORA  
Dave Johnson, 2-10 Home Buyer Warranty  
Curtis Rosser, HBW Insurance Service  
Toni Chodrick, Oregon Mutual  
Lana Butterfield, BCS  
Kelly Ross, CBIC  
Jack Munro  
William T. Flynn, American Actuarial Consulting  
Joseph W. Pitts, American Actuarial Consulting

**Action Items**

- Submit public notice for October 25, 2006 meeting.
- Review remaining Phase I proposals.
- Review of Phase II proposals.
- Overview of draft legislative report

**I. TASKFORCE BUSINESS****A. Call to Order:**

Chair Eric Grasberger called the meeting to order at 12:11 p.m.

**B. Approval of Agenda for September 19, 2006 Meeting and Order of Business:**

**MOTION:** Eric Grasberger moved to approve the agenda for the September 19, 2006 meeting.

**VOTE:** 8-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Nesmith, Skaar, and Vavrek.

**MOTION APPROVED**

**C. Approval of August 23, 2006 Meeting Minutes:**

**MOTION:** Eric Grasberger moved to approve the August 23, 2006 minutes with amendment to page 9, item J. Item J is amended to read: “**MOTION:** Steve Malany moved to have staff look at insurance requirements for owners of LLCs architects and engineers, but under the LLCs, investigate circumstances or ability of LLC to dissolve and leave contractors on the hook for the damages.”

**VOTE:** 9-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Nesmith, Schauer, Skaar, and Vavrek.

**MOTION APPROVED**

Task Force members discussed the issue of LLCs going out of business and whether their insurance coverage should cover damages after they have dissolved. Look at ways to require the LLC to ensure that LLCs resolve the damages they are responsible for rather than the general contractor being on the hook for the damages. Eric Grasberger reported that the State of Washington has a statute that requires LLCs and other entities to go through a two-year notice requirement before dissolving the business.

**D. Next Meeting Date:**

**MOTION:** Eric Grasberger moved to approve the next meeting date of October 25, 2006, 9:00 a.m. to 12:30 p.m.

**VOTE:** 9-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Nesmith, Schauer, Skaar, and Vavrek.

**MOTION APPROVED**

**MOTION:** Eric Grasberger moved to approve the meeting dates of November 28, 2006, 1:30 p.m. to 5:00 p.m., December 20, 2006, 9:00 a.m. to 12:30 p.m., and January 12, 2007, 9:00 a.m. to 12:30 p.m.

**VOTE:** 9-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Nesmith, Schauer, Skaar, and Vavrek.

**MOTION APPROVED**

Elsie Jones reported that she would not be able to attend the December 20 meeting.

**E. Project Update:**

Mark Long, Building Codes Division, reported that today's meeting is a wrap-up of Phase I, over view of the preliminary draft report, and possible consideration of Phase II concepts. The October meeting will be a wrap-up of Phase II and analysis of the draft report. The November 28<sup>th</sup> meeting will be a review of the draft report and public comment on the report. The December 20 and January 12 meetings will be to finalize the report and make final edits. The final report is due to the Legislature January 31, 2007. (**EXHIBIT 1** and **EXHIBIT 2**)

**II. TASK FORCE REVIEW AND CONSIDERATION OF PHASE I PROPOSALS**

**Phase I Proposals:**

Mark Long, Building Codes Division discussed the concepts to be reviewed by the Task Force members. (**EXHIBIT 3** and **EXHIBIT 4**) Mark Long stated that the individual recommendations to the legislature would all work together to resolve the issues that the task force has been charged with studying. Staff recommendations are:

**A. RECOMMENDATION NO. 1: PROPOSAL 1—CLARIFYING BUILDING CODE REQUIREMENTS:**

Mark long clarified that the changes proposed under this proposal could be implemented as code amendments through the administrative rulemaking process and would not necessarily require legislative action. (**EXHIBIT 5**)

**Moisture Content:**

**1. Prohibit building components within a cavity from exceeding 19% before closing.**

Mark Long, Building Codes Division, discussed the recommendation with Task Force members. Staff recommends that this change would become a code standard requirement and would not be inspected. Inspected items are items that relate to life safety issues. Task Force members discussed making sure to document what their intent is on this issue; which is when the wall cavity is closed that the moisture content does not exceed 19 percent. Task Force members also discussed how this requirement would be enforced. Task Force members suggested changing the wording to read: "*Prohibit building components within a cavity from exceeding 19% before covering.*"

**Mechanical Ventilation:**

**2. For mechanical ventilation systems in bathrooms, laundry rooms and similar facilities, require a minimum flow rate of 80 cubic feet per minute (cfm).**

Mark Long, Building Codes Division, discussed the staff recommendation with Task Force members. Task Force members suggested making the requirement easier to understand, such as by stating framing the requirements in terms of fan size.

**3. Require humidity sensors to activate ventilation fans when a certain level of moisture is detected.**

Mark Long, Building Codes Division, discussed the staff recommendation with Task Force members. Task Force members discussed allowing other alternatives such as lights with automatic triggers that turn the fans on. The down side is that people find the fans too noisy and will not turn the light on. Other problems might be natural light coming in the room and no need to turn the light on. Tom Skaar suggested adding “in bathrooms” to the end of the recommendation. Task force members suggested changing the wording to read: *“Require humidity sensors to activate ventilation fans when a certain level of moisture is detected in bathrooms.”*

**4. Restrict the noise level of bathroom fans to less than 2.5 sone levels (approximately 40 decibels).**

Mark Long, Building Codes Division, discussed the staff recommendation with Task Force members.

**5. Locate bathroom fans directly above the shower or tub area.**

Mark Long, Building Codes Division, discussed the staff recommendation with Task Force members. David DeHarpport suggested that staff change the wording to say in the general vicinity because directly above the shower or tub area may not be the best place to install the fan. Task force members suggested changing the wording to read: *“Locate bathroom fans as close as possible to the shower or tub area.”*

**6. Prohibit the use of recirculating range hoods in kitchens.**

Mark Long, Building Codes Division, discussed the staff recommendation with Task Force members. Task Force members suggested revising to read: *“Prohibit the use of recirculating range hoods in kitchens or provide adequate alternate ventilation.”*

**7. Noise produced by kitchen fans should not exceed 4.0 sone levels (approximately 48 decibels).**

Mark Long, Building Codes Division, discussed the staff recommendation with Task Force members.

**Flashing**

**8. Require “z” metal flashing over all plant-on trims.**

Mark Long, Building Codes Division, discussed the staff recommendation with Task Force members. Task Force members stated that they felt that specifying “z” metal flashing is too specific. Jon Fahr and Tom Skaar suggested that flashing be horizontally applied. Laura Schauer suggested drafting the flashing recommendations as performance standards rather than specific recommendations. Task force members replaced the term “z-metal” with “appropriate horizontal.”

Task Force members suggested making all eight recommendations above more general policy statements instead of being code specific and perhaps using broader terminology for greater flexibility.

**MOTION:** Tom Skaar moved to approve the recommendations with the amendments that have been discussed for final inclusion in the report.

**VOTE:** 9-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Nesmith, Schauer, Skaar, and Vavrek.

**MOTION APPROVED**

**Other**

**9. Rainscreen:**

Mark Long, Building Codes Division, and Richard Rogers, Structural Program Chief, Building Codes Division, reported that staff feels strongly that it is necessary to continue to examine rainscreen systems as a construction practice, as well as alternatives. A large body of work collected by the Task Force, including testimony from experts suggests that constructing exterior walls according to rainscreen principals helps mitigate moisture problems. While researching this issue, staff found evidence noting the value of construction techniques. Long believed that there should be some way of getting water out of a building cavity.

Richard Rogers reported that in the process of further developing this concept staff would define the term (rainscreen technology) and create a prescriptive standard where the rain can weep or drain out the building. Mark Long noted that there is always an opportunity for alternatives and design solutions. Chair Grasberger asked whether the principles of rainscreen technology were simple, in that an air cavity allows circulation of air and draining of water through a weep system. Rogers stated that there are very simple rainscreen system that can be as simple as a plastic or porous netting that doesn't supply as much open cavity as experts may want, but when moisture gets in gravity will take it out the bottom. The cavity does not necessarily need to be open at the top. If this concept moved forward we would have discussions to decide exactly what we think is appropriate.

Jon Fahr asked what this concept would do to using vapor barriers (such as Tyvek) and lap siding. Typically these types of installations do not have rainscreen. DeHarpport stated that affordable housing was single-wall construction. The next stage would be double-wall construction, but there is no cavity. Skaar sated that this would mandate double-wall construction. Requiring double wall construction affects all types of siding, not just EIFS.

**MOTION:** Tom Skaar moved to table rainscreen technology issue.

**VOTE:** 7-3, Ayes—Deharport, Fahr, Jones, Schauer, Skaar, and Vavrek; Nays—Grasberger, Malany, and Nesmith.

**MOTION APPROVED**

**B RECOMMENDATION NO. 2: PROPOSAL 2—CONSTRUCTION CONTRACTORS BOARD ENFORCEMENT AND LICENSING CHANGES:**

Mark Long, Building Codes Division, and Craig P. Smith, Construction Contractors Board, discussed the recommendation with Task Force members. **(EXHIBIT 6)**

**1. Adding an expedited emergency suspension process outside the Administrative Procedures Act to deal with problem contractor licenses.**

Mark Long, Building Codes Division, and Craig P. Smith, Construction Contractors Board, discussed the staff recommendations with Task Force members. The expedited emergency suspension process would give CCB additional authority to suspend a contractor's license immediately, without prior notice and hearing, for a period of sixty days or less. The contractor would receive a statement of the reasons why the license was suspended within ten days of suspension. Laura Schauer stated that the state needed to provide notice to the licensee in a shorter time period, less than ten days.

The task force asked Craig P. Smith if there was already emergency enforcements power. Craig P. Smith reported that the concept would expand current authority under ORS 701.135(2), which allows the Administrator of the Board, after setting forth specific reasons for the findings, to suspend or refuse to renew a license without hearing in any case where the administrator finds a serious danger to the public welfare, including lack of a surety bond or liability insurance, hiring employees while licensed as exempt (without workers compensation insurance), or conduct as a construction contractor that is dishonest or fraudulent. The contractor can request a hearing within 90 days after the date of the notice. If CCB finds a history of taking the money and not doing the work, CCB has authority to immediately suspend that license.

One additional area of concern is when homeowners get a judgment against the contractor, but the contractor doesn't pay. Currently, the CCB then has to go through a lengthy process to suspend that license. It includes notice, hearing, and appeals before the license can be suspended.

CCB needs to be able to suspend the license immediately when a contractor fails to pay a construction debt. A construction debt is any judgment arising out of construction activity that has gone through either the CCB process or through the courts. Mr. Smith believes a modification of ORS 701.135(2) would achieve what is needed.

**2. Deny CCB licenses subject to sanction that attempt to work for another entity a new license or a renewed license.**

Mark Long, Building Codes Division, and Craig P. Smith, Construction Contractors Board, discussed the staff recommendation with Task Force members. This concept would discipline contractors that owe construction debts by prohibiting contractors with construction debts from reincorporating as a new entity. Mark Long said the intent was to focus on corporate officers, not employees.

**3. Deny CCB businesses attempting to dissolve and reform as a new corporate entity should a new business license or a license renewal.**

Mark Long, Building Codes Division, and Craig P. Smith, Construction Contractors Board, discussed the staff recommendation with Task Force members.

Craig P. Smith, CCB, reported that on both proposals 2 and 3 Task Force members might want language that says, "verifies" or "seeks authority". He believes that statutory authority may already exist, particularly with respect to corporate officers,

members of LLCs, and owners. The CCB has legislative concepts aimed at achieving these goals. Currently, LLCs are not required to tell CCB if they change owners. CCB's legislative concepts 764 and 765 will help resolve these issues. Right now individuals of a construction business are "tagged" by the CCB with that construction debt, so if any of the human beings attempt to form a new construction business, they are held accountable for that construction debt. Current LLCs are not required to report changes in their members.

Task Force members discussed these two proposals.

Tom Skaar suggested that the intent of the Task Force should be that no individual who has had a license revoked for egregious conduct, theft, unpaid construction debts, etc., shall become an officer, owner or RMI in any existing or new license (construction company) and seek authority as might be necessary to make sure this doesn't happen. Also the legislature should give CCB authority to set these matters by rule.

Mark Long, Building Codes Division, reported that last session Building Codes Division was given authority to revoke a license for a period of one to five years.

- 4. Require applicants to disclose financial matters that evidence past financial malfeasance—unsatisfied court judgments, insolvencies, fraud, misrepresentation, conversion of funds, and other acts that may unfavorably affect future construction contracts.**
- 5. Require active criminal check through the use of state and federal biometric databases. Staff also recommends conferring on the CCB the authority to acquire criminal records in the course of investigating applicants.**

Mark Long, Building Codes Division, and Craig P. Smith, Construction Contractors Board, discussed these recommendations with Task Force members. Task force members wanted to know how far back the CCB would reach with financial checks. Craig P. Smith stated that it would be for the previous five years. Craig P. Smith stated that this proposal has fiscal impacts for the agency. The agency would need additional resources to implement them. Currently, CCB cannot deny a license to an LLC applicant that has a member who has been convicted of certain felonies. He would like to see this discussed at the policy level.

Task Force members discussed the two proposals and whether criminal and financial background checks are necessary. Also discussed was whether an RMI (who may be an employee) would be included in the criminal and financial background checks. Tom Skaar suggested that the Task Force ask the legislature to grant the CCB authority to require the disclosure of financial matters for owners, officers, and members going back five years in connection with application for a new license and that unsatisfied judgments, convictions, fraud and misrepresentations of funds, etc., will be grounds for the basis of denial of a license. Tom Skaar suggested not recommending criminal background checks. Chair Grasberger suggested extending financial checks to ten years and add criminal and financial background checks as

well. Elsie Jones and Skaar thought that the nature of the crime was important. Mark Long suggested a broad statutory framework that gives the board discretion through administrative rule to fill in the details.

Mark Long, Building Codes Division, stated that staff would rewrite the proposal making it broad and ask that CCB be allowed to narrow by rule which crimes would be involved.

**6. Expand prohibited acts by contractors that can be prosecuted by the government as crimes, and expand the range of penalty options to include restitution, enhanced fines and limited incarceration based on the monetary value of the contract, the nature of the offense, and whether a person is a repeat offender.**

Mark Long, Building Codes Division, and Craig P. Smith, Construction Contractors Board, discussed this staff recommendation with Task Force members. This proposal would expand what activities would be criminal activity. Any violation during a determined period of time set in statute could be a criminal offense.

Mr. Smith, CCB, reported increased criminalization of certain acts could help protect consumers. CCB, however, does not prosecute these cases themselves; district attorneys choose whether to prosecute them. Consequently, further criminalizing certain acts may not yield a measurable benefit.

Originally CCB had asked to have the authority for designated staff to write criminal citations. The State of California has this authority.

**MOTION:** Eric Grasberger moved to approve recommendation #2, items 1 through 6 for inclusion in the final report.

**VOTE:** 9-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Nesmith, Schauer, Skaar, and Vavrek.

**MOTION APPROVED**

**7. Criminal Citation Issuance by CCB.**

Tom Skaar proposed adding a proposal recommending CCB have criminal citation issuance authority. Craig P. Smith said the CCB was successful 50% of the time it asks for criminal prosecutions for working without a license. Smith said that the CCB was working out which penalties would be subject to citations by CCB investigators. Chair Grasberger suggested working outside the scope of the license might be an eligible penalty. Mark Long said that the idea was to put up a potential range of penalties that would be figured out. Skaar asked if there is a reason why we can't do criminal citations? Long said there's no current model in Oregon and only one in California. Long also stated that he was not sure how the district attorneys and the Attorney General weighed in, but others would likely have concerns.

**MOTION:** Tom Skaar moved to recommend that CCB be granted the authority, in the final report to the legislature, to issue criminal citations.

**VOTE:** 5-4, Ayes—Fahr, Grasberger, Nesmith, Skaar, and Vavrek; Nays—Deharport, Jones, Malany, and Schauer.

**MOTION APPROVED****8. Change CCB claim period from one year to two years.**

Eric Grasberger suggested that the CCB claim period be expanded from one year to two years or perhaps one year from discovery or two years total. It was determined that this item would be discussed later under the penalty issue discussion. Steve Malany asked if that would automatically increase the warranty to two years. Two years from the occupancy date to give the consumer the right to pick an avenue that would be faster and cheaper than going to court after one year.

**C. RECOMMENDATION NO. 3: PROPOSAL 3—RECOVERY FUND:  
(EXHIBIT 7)**

1. Establish a recovery fund for residential construction only.
2. Limit the applicability of a residential recovery fund to single-family dwellings, two-family dwellings, multi-unit residences and individual condominium units built consistent with the residential specialty code.
3. Allow current CCB dispute resolution services to directly pay out of the recovery fund at the conclusion of dispute resolution proceedings, or payouts based on civil litigation.
4. Confer administrative authority for the recovery fund in the Construction Contractors Board.
5. Assess residential-only contractors a reasonable fee (\$20 to \$40), offset with civil penalty funds and other funding sources.
6. Provide additional assessment authority (\$20 to \$40) to mitigate unforeseen contingencies and to maintain the solvency of the fund.
7. Retain investment income made off recovery fund money for additional resources.
8. Restrict the use of the recovery fund to pay construction defect claims.
9. Set aside a flexible percentage of recovery fund money for administrative expenditures.
10. Require third-party actuarial support to project future claims and reserves.
11. Allow the Construction Contractors Board to pursue subrogation claims to replenish the recovery fund.
12. Allow the Construction Contractors Board to condition, suspend or revoke a license to secure payment from the recovery fund.
13. Cap payouts to \$10,000 per transaction.
14. Cap aggregate liabilities against a person to \$200,000.
15. Limit damage reimbursement to actual damages.
16. Create mechanisms for prorated and proportional share payments from recovery fund.
17. Provide limited ability to Construction Contractors Board to modify orders to protect the integrity of the recovery fund.

Mark Long, Building Codes Division, and Craig P. Smith, Construction Contractors Board, discussed the staff recommendations above with Task Force members. Long discussed implementing a "limited recovery fund," which would narrow the scope of the fund to monies currently collected off of civil penalties. Money would be available annually or biennially for consumers that had a shortfall – everyone would get a certain percentage of the fund (10, 20 cents on the dollar). Long noted that a more robust

recovery fund brings up issues like administration, management, etc. Skaar said he didn't have a problem opening up the recovery fund to condos as long as it was for the individual owners, and not the association.

Task Force members discussed the concept and all agreed to limit the recovery fund to residential claims. They also discussed covering only owner occupied dwellings and adding high-rise condominiums to the proposal. Task Force members discussed the payout since CCB collected approximately \$250,000 in 2005. The annual percentage payout would be between 20 to 50 cents on the dollar using 2005 and 2006 statistics. Task Force members discussed whether an assessment should be charged, and if so, to residential contractors only or all contractors. Task Force members made the following suggested changes:

- Amend 2 to include covering only owner occupied dwellings
- Amend 5 to set the cap at \$20-\$50.
- Eliminate number 6.
- Amend 13 to read: Cap payouts at \$20,000 per claimant.
- Amend 14 to read: Cap aggregate liabilities against a contractor to \$100,000.

**MOTION:** Eric Grasberger moved to accept the recommendations in proposal number 3 with the amendments and include it in the final legislative report.

**VOTE:** 9-0, Ayes—Deharport, Grasberger, Fahr, Jones, Malany, Nesmith, Schauer, Skaar, and Vavrek.

**MOTION APPROVED**

**Bonds:** Craig Smith, CCB, reported CCB has a legislative concept to raise the bond amounts \$5,000 per category.

- \$5,000 → \$10,000 Limited Contractor
- \$10,000 → \$15,000 Specialty Contractor
- \$15,000 → \$20,000 General Contractor

**MOTION:** Eric Grasberger moved to support CCB's \$5,000 bond increase legislative concept and include in the final legislative report.

**VOTE:** 8-1, Ayes—Deharport, Grasberger, Fahr, Malany, Nesmith, Schauer, Skaar, and Vavrek; Nays—Jones.

**MOTION APPROVED**

The Task Force held the remaining proposals over to the next meeting due to lack of time. (**EXHIBIT 8, EXHIBIT 9, EXHIBIT 10, and EXHIBIT 11**)

### **III. OVERVIEW OF DRAFT LEGISLATIVE REPORT**

Due to lack of time this matter was not discussed. (**EXHIBIT 12**)

### **IV. INSURANCE STUDY FINAL REPORT**

Joel Ario, Administrator of Oregon Insurance Division and William T. Flynn and Joseph W. Pitts, American Actuarial Consulting discussed the first five Phase II insurance issues with Task Force members. (**EXHIBIT 20 and EXHIBIT 21**)

**A. Warranty Program (EXHIBIT 15):**

Joel Ario reported that the typical first-party warranty would cover labor and materials for one year, key systems for two years and structural damage for ten years. An enforcement mechanism will be needed. Texas has the best first-party warranty program to review; however, they do not have any enforcement of the program. We will have to define what the warranty should cover. Task Force members discussed having the enforcement of the warrant program go through CCB. Task Force members would like to see the building envelope separately identified in the warranty plan. Joel Ario reported another item to consider is how to deal with disclaimers in contracts that may conflict with items required in the warranty program. Tom Skaar suggested allowing contractors the ability to assign a third-party warranty program for structural only items for up to ten years.

**B. General Liability Coverage Concept (EXHIBIT 16):**

Joel Ario reported that the staff is looking into drafting a proposal that would require general liability insurance to cover completed operations with enforcement through the CCB. Task Force members asked for clarity on how many years completed operations coverage should cover; the entire ten years of the statute of repose or a lesser period of time. Does it currently cover occurrences for a full ten years in Oregon?

**C. Wrap Project Limits Concept (EXHIBIT 17):**

Joel Ario reported that the staff is working on a proposal to lower the limit for wrap projects from \$90 million to \$10 million. The task force later recommended the limit be removed altogether. Group general liability insurance includes wraps and workers compensation coverage. Safety groups exclude workers compensation coverage.

**D. Voluntary Loss Control Discounts Concept (EXHIBIT 18):**

Joel Ario reported that the staff is looking into a concept offering voluntary loss control discounts. Some voluntary discounts are already allowed by the Insurance Division; they would publish a bulletin to get the word out about allowing discounts. Task Force members discussed whether solvency laws would come into play when allowing discounts. Also whether there should be a cap on the amount that can be discounted.

**E. Data Reporting Requirements Concept (EXHIBIT 19):**

Joel Ario reported that the staff is researching what data should be required in the data reporting. What is practical data without causing carriers too much hardship. Task Force members discussed under what format the data would be required ISO or SIC code. Should surplus lines be required to report data in Oregon as well? The Task Force asked Joel to come back at the next meeting with more detail in this concept. Joel added that a bill pending in Congress will prohibit states from requiring surplus lines insurers to report any data not required by their home state

**V. POSSIBLE REVIEW AND DISCUSSION OF PHASE II CONCEPTS**

Phase II concepts were discussed under the Insurance Study Final Report agenda item. Further direction was provided to staff to further research draft the concepts for presentation at the October meeting. (EXHIBIT 13 and EXHIBIT 14)

**VI. ADJOURNMENT**

Chair Grasberger adjourned the meeting 5:07 p.m.

*Exhibits:*

- 1 – Strategy/Schedule for completion (2 pages) – *Agenda item I-E*
- 2 – CCTF Agenda/Timeline (1 page) – *Agenda item I-E*
- 3 – Status report on Phase I proposals (1 page) – *Agenda item II*
- 4 – Phase I Motions and Proposal Schedule (3 pages) – *Agenda item II*
- 5 – Building Code Amendments proposal (5 pages) – *Agenda item II*
- 6 – CCB Enforcement powers proposal (7 pages) – *Agenda item II*
- 7 – Recovery fund proposal (19 pages) – *Agenda item II*
- 8 – Consumer information proposal (3 pages) – *Agenda item II*
- 9 – Residential permits (4 pages) – *Agenda item II*
- 10 – Building envelope certification (13 pages) – *Agenda item II*
- 11 – Envelope design details (2 pages) – *Agenda item II*
- 12 – Draft legislative report (7 pages) – *Agenda item III*
- 13 – Status report on Phase II concepts (1 page) – *Agenda item V*
- 14 – Phase II insurance issues (2 pages) – *Agenda item V*
- 15 – First party warranty concept (3 pages) – *Agenda item V*
- 16 – General liability coverage concept (2 pages) – *Agenda item V*
- 17 – Wrap project limits concept (1 page) – *Agenda item V*
- 18 – Voluntary loss control discounts concept (1 page) – *Agenda item V*
- 19 – Data reporting requirements concept (2 pages) – *Agenda item V*
- 20 – Insurance study final report (541 pages) – *Agenda item V*
- 21 – Issues and elements document (1 page) – *Agenda item I-E*
- A – AACG – insurance study final report presentation (9 pages) – *Agenda item IV*
- B – Edward Yorty – written testimony (3 pages) – *Agenda item VI*