

**Construction Claims Task Force**  
**Phase II Insurance Motions and Proposal Schedule**  
**October 25, 2006**

**Background:**

During Phase II of the Task Force's inquiry into construction claims, the Task Force received testimony and recommendations from representatives of the insurance industry and regulators. On September 19, 2006 staff presented five insurance concepts based on the information received to date. During the course of discussion, Task Force members provided additional guidance and direction for staff to further draft these concepts into proposals. The following list represents the insurance issues under consideration by the Task Force, and their current status:

*Proposals Not Yet Discussed:***First-Party Warranty Proposal**

- Have staff draft a proposal for first-party warranties from the builder covering single-family homes, condominiums, and townhouses.

*Status: staff drafting proposal for October 25, 2006 meeting.*

**General Liability Coverage Proposal**

- Have staff draft a proposal that would require general liability insurance cover completed operations.

*Status: Staff drafting concept for October 25, 2006 meeting.*

**Wrap Project Limits Proposal**

- Have staff draft a proposal to eliminate wrap projects limits.

*Status: Staff drafting concept for October 25, 2006 meeting.*

**Voluntary Loss Control Discounts Proposal**

- Have staff draft a proposal that outlines language concerning voluntary loss control discounts.

*Status: Staff drafting concept for October 25, 2006 meeting.*

**Data Reporting Requirements Proposal**

- Have staff draft a proposal requiring data reporting.

*Status: Staff drafting concept for October 25, 2006 meeting.*

*Items Under Further Consideration:***Clarifying Walsh Construction Co. v. Mutual of Enumclaw**

- Have staff look into the law governing the "additional named insured" coverage issue.

*Status: Staff gathering research.*

**"Bad Faith" in Pursuing Insurance Litigation**

- Private right of action (i.e., the ability to sue) against an insurance company to enforce provisions of the Insurance Code related to responding within certain time periods as to their duty to defend, enforcing their right to gather information, etc, with specific remedies.

*Status: Staff gathering research.*

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**Insurance Requirements for Architects, Engineers and Limited Liability Companies**

- Staff look into insurance requirements for architects, engineers, and limited liability companies.

*Status: Staff researching topic.*

**Mandatory Early Mediation Process**

- Require mandatory mediation at the beginning of a construction defect dispute, before arbitration or litigation.

*Status: Staff researching topic.*

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