

Oregon Seismic Safety Policy Advisory Commission

2007 Policy Proposal

Force Majeure (Acts of God)

Issue:

Seismic events are unpredictable and can cause catastrophic effects, particularly if they occur during ongoing construction projects, as such they should be defined as a Force Majeure or Act of God in all public projects.

Findings:

The state of Oregon lays within a an active seismic zone that could, at any time, experience a catastrophic seismic event, resulting in major structural damage or collapse of buildings and infrastructure, coastal inundation, and flooding.

Seismic events cannot be predicted or adequately forecast.

Oregon construction contractors are a vital sector of Oregon's economy.

In the course of construction, all types of construction projects are unusually susceptible to severe damage, partial or total collapse and loss, during a catastrophic seismic event.

Severe damage, partial or total collapse and loss of a partially complete project can place an unusually heavy financial burden on the construction contractor, for which there may be no opportunity to adequately insure against; thereby leading to financial insolvency and/or collapse and loss of an Oregon employer.

Such risk of severe financial loss is unacceptable, therefore be it resolved:

Policy:

It shall be the policy of the State of Oregon to require that all construction contracts in Oregon recognize a catastrophic seismic event as a Force Majeure or Act of God, and such event shall be treated appropriately.