

Senate Bill No. 548

Passed the Senate May 16, 2005

Secretary of the Senate

Passed the Assembly July 7, 2005

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2005, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 11007 of the Government Code, relating to state construction projects.

LEGISLATIVE COUNSEL'S DIGEST

SB 548, Morrow. State construction projects: insurance.

Existing law generally prohibits property belonging to the state from being insured against risk of damage or destruction by fire, with specified exceptions.

This bill would, notwithstanding this general prohibition, authorize the Director of General Services to establish a master builders' risk insurance program for all state construction projects during construction and would require that program to provide that if a master policy is issued, that policy would require a deductible of at least \$25,000 from the contractor.

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

SECTION 1. Section 11007 of the Government Code is amended to read:

11007. (a) Except as expressly authorized by law or as specifically authorized by the Director of General Services, property belonging to the state shall not be insured against risk of damage or destruction by fire, and the policies of fire insurance upon any property belonging to the state shall not be renewed. This section is not applicable to the State Compensation Insurance Fund nor to property owned by it.

(b) Notwithstanding the provisions of subdivision (a), the Director of General Services may establish a master builders' risk insurance program for all state construction projects during construction.

(c) Insurance authorized by this section shall be procured utilizing insurance procurement procedures approved by the Director of General Services.

(d) The master builders' risk insurance program established pursuant to subdivision (b) shall provide that if a master policy is issued, that policy shall require a deductible from the contractor of at least twenty-five thousand dollars (\$25,000).

Approved _____, 2005

Governor