

Assembly Bill No. 2376

Passed the Assembly May 8, 2014

Chief Clerk of the Assembly

Passed the Senate June 26, 2014

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2014, 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

AB 2376, Weber. 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.

Existing law, notwithstanding this general prohibition, authorizes the Director of General Services to establish a master builders' risk insurance program for all state construction projects during construction. Existing law requires a deductible from a contractor of at least \$25,000 for a master policy issued under the master builders' risk insurance program.

This bill would instead require the contractor's deductible under a master policy to be outlined in the request for bids or proposals.

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, as outlined in the request for bids or proposals.

Approved _____, 2014

Governor