

**BIA-HAWAII**  
**BUILDING INDUSTRY ASSOCIATION**

February 10, 2011

Representative Angus McKelvey, Chair  
Committee on Economic Revitalization & Business  
State Capitol, Room 312  
Honolulu, HI 96813

RE: HB839 and HB924 "Relating to Insurance"

Dear Chair McKelvey and Members of the Economic Revitalization & Business:

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

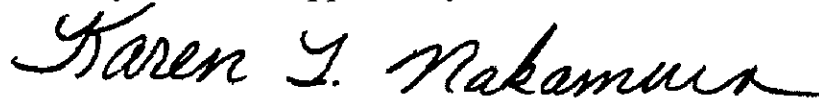
BIA strongly supports HB839/HB924, Relating to Insurance. The intent of the bills is to negate the effects of the *Group Builders and Tradewind Insurance Co. v. Admiral Insurance Co.* court decision, and to ensure that the insurance coverage that contractors, subcontractors, and other construction industry participants have already paid for is provided.

Contractors and others have long paid insurance premiums for insurance coverage in their Commercial General Liability policies that would cover bodily injury and property damage resulting from defective workmanship. The insurance policies themselves support the interpretation of coverage because the insurance carriers calculated the risk in the premiums they charged to their insureds, and the insurance carriers provided coverage for such claims, until the *Group Builders'* decision.

The results of the *Group Builders* decision could be disastrous. A copy of a PBN story from November 2010 discussing the ramifications is attached. Already, some

insurance carriers have denied coverage for claims. Some insurance carriers have issued endorsements, but the endorsements are all different and if they provide coverage, they only provide coverage from the date of the endorsement forward. There is no coverage for work that has been completed. If a catastrophic accident occurred on a project that has already been completed, the insurance carriers would not be legally obligated to cover the claims as a result of the *Group Builders* decision, even though the contractors paid for the coverage.

Thank you for the opportunity to share our views with you.

A handwritten signature in black ink that reads "Karen I. Nakamura". The signature is written in a cursive, flowing style.

Chief Executive Officer  
BIA=Hawaii

---

**From:** Michael Lum [mlum@mlpacific.com]  
**Sent:** Wednesday, February 09, 2011 6:04 PM  
**To:** ERBtestimony  
**Subject:** LATE TESTIMONY - HB839 and HB924" Relating to Insurance"

Representative Angus McKelvey,

I am Michael Lum, president of ML Pacific Inc. I am in support of HB839 and HB924. The consequences to the construction industry and economy will be catastrophic if contractors don't have insurance coverage. Please pass HB839 and HB924.

Michael Lum  
President, ML Pacific Inc.

---

**From:** Conner, Renee [ConnerRB@Pella.com]  
**Sent:** Wednesday, February 09, 2011 7:05 PM  
**To:** ERBtestimony  
**Subject:** LATE TESTIMONY HB839 and HB924 Relating to Insurance

Aloha,  
I would like to register my support for HB839 & HG924 and urge passage of these bills.

Thank you

Renee Conner  
Pella Windows & Doors HSC  
214B Sand Island Access Road  
Honolulu, Hi. 96819  
808-864-1556



---

**From:** Dean Asahina [uci@att.net]  
**Sent:** Wednesday, February 09, 2011 7:28 PM  
**To:** ERBtestimony  
**Subject:** LATE TESTIMONY - Support for HB839/HB924, Relating to Insurance

Dear Chair McKelvey and Members of the Economic Revitalization & Business:

I am Dean Asahina, President of Universal Construction, Inc.

We strongly support HB839/HB924, Relating to Insurance.

Thank you



**LATE TESTIMONY**

P.O. Box 757  
Kailua, HI 96734  
Ph. (808) 263-4900  
Fax (808) 263-5966  
[www.ccs-hawaii.com](http://www.ccs-hawaii.com)

February 10, 2011

Representative Angus McKelvey, Chair  
Committee on Economic Revitalization & Business  
State Capitol, Room 312  
Honolulu, HI 96813

RE: HB839 and HB924"Relating to Insurance"

Dear Chair McKelvey and Members of the Economic Revitalization & Business:

I am Greg Thielen, President and RME of Complete Construction Services. I am a Small Business Owner and have over 20 years experience in the Construction Industry.

I strongly support HB839 and HB924. The intent of the bills is to negate the effects of the *Group Builders and Tradewind Insurance Co. v. Admiral Insurance Co.* court decision, and to ensure that the insurance coverage that contractors, subcontractors, and other construction industry participants have already paid for is provided.

Thank you for the opportunity to provide this testimony.

Sincerely,

Greg Thielen  
President/RME

**From:** Curt Kiriu [curtk@hawaii.rr.com]  
**Sent:** Wednesday, February 09, 2011 11:37 PM  
**To:** ERBtestimony  
**Subject:** LATE TESTIMONY - HB839 and HB924 Relating to Insurance

Representative Angus McKelvey,

I am a General Contractor and a small business owner. As an Aging-In-Place Specialist, I specialize in modification of homes for seniors and the physically challenged; to make it accessible and adaptable for them to live at their home independently. I wanted to let you know that I firmly support HB839 and HB924 Relating to Insurance, because as contractors we pay a lot for insurance and if there was an incident such as the decision rendered in the *Group Builder* case, it would shut my business down. That would be devastating not only for me and my business, but also for the seniors and physically challenged that need my expertise to help them to live in their own homes; rather than an institutional care home.

I appreciate your time.

Thank you,

Curt Kiriu CAPS, CR, CF

CAPS (Certified Aging-in-Place Specialist)

RRP (Renovate, Repair and Painting) EPA Certified Renovator and EPA Certified Firm

President

CK Independent Living Builders

Phone: (808) 258-8158

License: BC#29528

**C.K. INDEPENDENT  
LIVING  
BUILDERS**

*"Opening the Door to Your Independent Living"*



 Please consider the environment before printing this e-mail.

IMPORTANT NOTICE: This message is intended solely for the review of the person(s) specified above. It may contain information that is confidential to CK Independent Living Builders. If the reader of this message is not the intended recipient or has received this message in error, please immediately delete this message and send a confirmation to this office by email. You are hereby notified that any dissemination, distribution and/or copying of this message is strictly prohibited. Thank you.

---

**From:** Alex Dean [adean@tag-hawaii.com]  
**Sent:** Wednesday, February 09, 2011 10:30 PM  
**To:** ERBtestimony  
**Cc:** khi@biahawaii.org  
**Subject:** LATE TESTIMONY - Re: Hearing HB839 and HB924

To Whom It May Concern:

I am Alex Dean, CEO and President of The Alexander Group, Inc. a professional building and renovation contracting firm.

I support the bills to ensure there is coverage for claims resulting from construction defects for which contractors have already paid. The insurance industry needs to be accountable for what they sell insurance for - if we pay for it it must be honored. It also helps protect the general public which is one of the big reasons why its required in the first place.

Don't waste any more time on this - **pass the bills** and move on to a better more efficient and effective use of our State governments time and our tax dollars. Mahalo.

Sincerely,

Alex Dean  
LEED AP Homes  
CR, CGR, CGP, GCP

President & CEO  
The Alexander Group, Inc  
808-927-4881 Mobile  
[adean@tag-hawaii.com](mailto:adean@tag-hawaii.com)



---

**From:** Maurice Morita [mauricetmorita@gmail.com]  
**Sent:** Wednesday, February 09, 2011 9:10 PM  
**To:** ERBtestimony  
**Cc:** Maurice Morita  
**Subject:** LATE TESTIMONY - HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

THURSDAY, FEBRUARY 10, 2011  
8:00 A.M.  
CONFERENCE ROOM 312

HB 839 & HB 924: RELATING TO INSURANCE

Chair McKelvey & Members of the Committee:

My name is Maurice Morita, Assistant Director of the Hawaii Laborers- Employers Cooperation & Education Trust (Hawaii LECET) and we support both HB 839 & HB 924 which clarifies the laws relating to the interpretation of commercial liability insurance policies affecting construction professions.

This bill will correct some of the problems caused by the Group Builders Case.

Thank you for the opportunity to testify.

# LATE TESTIMONY

## JAYAR CONSTRUCTION, INC.

1176 Sand Island Parkway  
Honolulu, Hawaii 96819  
Tel (808) 843-0500, Fax (808) 843-0067  
Contractor's License ABC-14156

February 9, 2010

**To: The Honorable Angus I. K. McKelvey, Chair and Members of the House  
Committee on Economic Revitalization & Business**

**Subject: H.B. 839 Relating to Insurance  
H.B. 924 Relating to Insurance**

Dear Chair and Members of the Committee,

**Jayar Construction, Inc. strongly supports HB839 and HB924, relating to  
Insurance.**

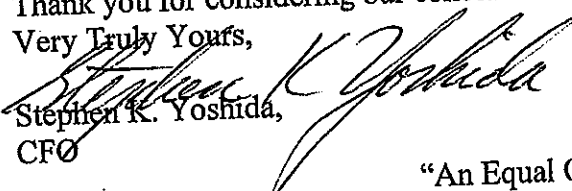
The intent of the bill is to negate the effects of the Group Builders and Tradewind Insurance Co. v. Admiralty Insurance Co. court decision, and to ensure that the insurance coverage that contractors, subcontractors, and other construction industry participants have already paid for is provided. Contractors and others have long paid insurance premiums for insurance coverage in their Commercial General Liability (CGL) policies that would cover bodily injury and property damage resulting from defective workmanship. The insurance policies themselves supports the interpretation of coverage, the insurance carriers calculated the risk in the premiums they charged to their insured, and the insurance carriers provided coverage for such claims, until the Group Builders' decision.

The results of the Group Builders decision could be disastrous. Insurance carriers have already denied coverage for claims based on this decision. Some insurance carriers have issued endorsements, but the endorsements are all different and if they provide coverage, they only provide coverage from the date of the endorsement forward. There is no coverage for work that has already been completed. If a catastrophic accident occurred on a project that has already been completed, the insurance carriers would not be legally obligated to cover the claims as a result of the Group Builders decision, even though the contractors paid for the coverage. We ask that you support these bills to fix this significant problem.

Jayar Construction, Inc. strongly supports the passage of HB839 and HB924, and respectfully asks that the bills be passed out of the committee.

Thank you for considering our concerns on the above bills.

Very Truly Yours,

  
Stephen K. Yoshida,  
CFO

"An Equal Opportunity Employer"

---

**From:** ERBtestimony  
**Subject:** LATE LATE TESTIMONY - House Bills HB839 & HB924

---

**From:** Kevin Oshiro [mailto:koshiro@ronshawaii.com]  
**Sent:** Thursday, February 10, 2011 8:07 AM  
**To:** ERBtestimony  
**Subject:** House Bills HB839 & HB924

Dear Representative Angus McKelvey,

My name is Kevin Oshiro, an employee of Rons Construction Corporation, a local contracting firm serving the island of Oahu for over thirty years. We wish to inform you of our support for house bills HB839 & HB924.

Thank you very much for your continued public service. Your efforts are greatly appreciated.

Mahalo,

Kevin Oshiro,  
Rons Construction Corporation  
#841-6151

*E Ho'onani 'ia Ke Akua ma na lani  
Ki'eki'e loa, a he malu ho'i ma  
Ka honua: he aloha no i kanaka.*

---

**From:** Wayne Muraoka [wayne@armstrongdevelopment.com]  
**Sent:** Thursday, February 10, 2011 10:01 AM  
**To:** ERBtestimony  
**Subject:** LATE TESTIMONY - Economic Revitalization and Business Committee, HB839 and HB924  
Relating to Insurance, 2/10/11 at 8:00 a.m.

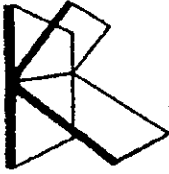
Dear Chair McKelvey and Members of the Economic Revitalization and Business Committee,

I am Wayne Muraoka, Vice President of Armstrong Builders LLC and Armstrong Development, Ltd.

On behalf of these companies, I am writing in **strong support of HB839/HB924** relating to insurance.

Thank you for your consideration,

Wayne Muraoka



# KALU GLASS COMPANY, INC.

99-1405 Koaha Street "C"  
Aiea, Hawaii 96701-5613  
(808) 486-7488 FAX (808) 486-7710  
[allinton@kalu-fuller.com](mailto:allinton@kalu-fuller.com)

## LATE TESTIMONY

February 9, 2011

TO: THE HONORABLE ANGUS I. K. McKELVEY, CHAIR AND  
MEMBERS OF THE HOUSE COMMITTEE ON ECONOMIC  
REVITALIZATION & BUSINESS

SUBJECT: H.B. 839 RELATING TO INSURANCE.  
H.B. 924 RELATING TO INSURANCE.

### NOTICE OF HEARING

DATE: Thursday, February 10, 2011  
TIME: 8:00 AM  
PLACE: Conference Room 312

Dear Chair and Members of the Committee,

Kalu Glass Co., Inc. **strongly support** HB839 and HB924, Relating to Insurance.

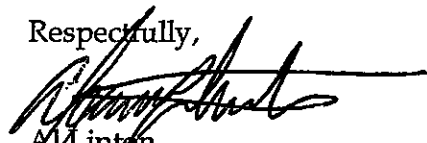
The intent of the bill is to negate the effects of the *Group Builders and Tradewind Insurance Co. v. Admiral Insurance Co.* court decision, and to ensure that the insurance coverage that contractors, subcontractors, and other construction industry participants have already paid for is provided. Contractors and others have long paid insurance premiums for insurance coverage in their Commercial General Liability (CGL) policies that would cover bodily injury and property damage resulting from defective workmanship. The insurance policies themselves supports the interpretation of coverage, the insurance carriers calculated the risk in the premiums they charged to their insured, and the insurance carriers provided coverage for such claims, until the *Group Builders'* decision.

The results of the *Group Builders* decision could be disastrous. Insurance carriers have already denied coverage for claims based on this decision. Some insurance carriers have issued endorsements, but the endorsements are all different and if they provide coverage, they only provide coverage from the date of the endorsement forward. There is no coverage for work that has already been completed. If a catastrophic accident occurred on a project that has already been completed, the insurance carriers would not be legally obligated to cover the claims as a result of the *Group Builders* decision, even though the contractors paid for the coverage. We ask you to fix this significant problem.

Kalu Glass Co. **strongly supports** the passage HB839 and HB924, and respectfully ask that the bill be passed out of the committee.

Thank you for considering our concerns on the above bill.

Respectfully,



Al Linton  
President