

A Bill for an Act Relating to Pooled Insurance.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to allow pooled insurance for specific public works construction projects, or any other construction project in the public interest which is publicly financed in whole or in part, may have multiple sites, or entails ongoing construction in phases as long as the construction is for a specific nature or purpose and its total construction cost is estimated to be \$50,000,000 or more.

SECTION 2. Section 431:10-222.5, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§431:10-222.5]]~~ **Pooled insurance.** (a) Insurers may offer pooled insurance which allows liability insurance and all other types of insurance required by law, not including prepaid health insurance, to be obtained for a construction project. Pooled insurance may be purchased by:

- (1) The State and its public instrumentalities for specific public works construction projects, or any other construction project in the public interest which is publicly financed in whole or in part; or
- (2) A private person or legal entity subject to the State’s tax laws for a specific construction project.

Pooled insurance shall be limited to those construction projects that are estimated to cost \$50,000,000 or more for the total construction project.

(b) For purposes of this section, “pooled insurance” means an insurance policy or policies from licensed private insurers which cover the liability of all developers, contractors, and subcontractors, for their performance directly related to the project. The insurance policy or policies shall cover only a specific public works or private construction project and shall be in effect for the limited period of time required to complete construction of that project; provided that the policy or policies shall cover claims in accordance with the terms of the policy or policies and within the applicable statute of limitations for those claims.

(c) The State, its public instrumentalities, or a private person or entity may obtain a pooled insurance policy or policies and seek contributions or reimbursements of premiums from any contractor or subcontractor who is included as a named insured. In the alternative to the preceding, the State, its instrumentalities, or a private person or entity may arrange a premium payment guarantee from any contractor or subcontractor included as a named insured.

(d) As used in this section, “contractors” and “subcontractors” do not include architects and engineers.

(e) Nothing in this section shall be construed to alter or nullify the liability of any party to the State for claims arising from a public works construction project.

(f) In cases of conflict with section 386-124, this section shall control.

(g) For purposes of this section, the phrases “specific construction project”, “specific public works construction projects, or any other construction project in the public interest”, and “total construction project” shall include those projects that may have multiple sites, and projects that involve ongoing construction in phases.”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 20, 1998.)