

HOUSE No. 3225

The Commonwealth of Massachusetts

PRESENTED BY:

John H. Rogers

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to default insurance programs for certain public construction projects.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>John H. Rogers</i>	<i>12th Norfolk</i>	<i>2/19/2021</i>

HOUSE No. 3225

By Mr. Rogers of Norwood, a petition (accompanied by bill, House, No. 3225) of John H. Rogers relative to default insurance programs for certain public construction projects. State Administration and Regulatory Oversight.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2773 OF 2019-2020.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act relative to default insurance programs for certain public construction projects.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 1. Section 8 (a) of Chapter 149A of the General Laws as appearing in the 2012
2 Official Edition is hereby amended by striking out paragraph 2 and inserting in place thereof the
3 following new paragraph:- All trade contracts entered into in accordance with this chapter shall
4 be secured by performance and payment bonds in the full amount of the trade contract from a
5 surety company licensed to do business in the commonwealth and whose name appears on
6 United States Treasury Department Circular 570; provided that the bonds are subject to
7 subsection (3) of section 44F of chapter 149 except for those subcontracts subject to a
8 subcontractor default insurance policy obtained by the construction management at risk firm.
9 The construction manager at risk firm shall have the option to obtain a subcontractor default
10 insurance policy in lieu of payment and performance bonds for some or all trade contractors. The

11 intention to use a subcontractor default insurance policy shall be made known by the
12 construction manager at risk firm and the awarding authority after the receipt of trade contractor
13 bids pursuant to subsection (g) of this section. Any trade contractor not covered through the
14 subcontractor default insurance policy program must submit a payment and performance bond at
15 no additional cost to the construction manager at risk firm or the awarding authority. All trade
16 contractor bidders shall include anticipated bonding costs in their bids and, in the event of
17 inclusion in a subcontractor default insurance program, trade contractors shall remit to the
18 construction manager at risk firm a credit equivalent to those anticipated bonding costs.