

HOUSE No. 3113

The Commonwealth of Massachusetts

PRESENTED BY:

Daniel Cahill

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>Daniel Cahill</i>	<i>10th Essex</i>	<i>2/16/2021</i>

HOUSE No. 3113

By Mr. Cahill of Lynn, a petition (accompanied by bill, House, No. 3113) of Daniel Cahill relative to default insurance programs for certain public construction projects. State Administration and Regulatory Oversight.

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 2018
2 Official Edition is hereby amended by striking out paragraph 2 and inserting in place thereof the
3 following new paragraph:-

4 All trade contracts entered into in accordance with this chapter shall be secured by
5 performance and payment bonds in the full amount of the trade contract from a surety company
6 licensed to do business in the commonwealth and whose name appears on United States Treasury
7 Department Circular 570; provided that the bonds are subject to subsection (3) of section 44F of
8 chapter 149 except for those subcontracts subject to a subcontractor default insurance policy
9 obtained by the construction management at risk firm. The construction manager at risk firm to
10 obtain a subcontractor default insurance policy in lieu of the requirement that all trade
11 contractors obtain payment and performance bonds. The intention to use a subcontractor default

- 12 insurance policy shall be made known by the awarding authority and construction manager at
- 13 risk firm prior to the receipt of trade contractor bids pursuant to subsection (g) of this section.