



GOV. MSG. NO. 1022

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 3, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on July 3, 2007, the following bill was signed into law:

HB1833 HD1 SD1

A BILL FOR AN ACT RELATING TO UNFAIR
BUSINESS PRACTICES.
(ACT 251)

Sincerely,

A handwritten signature in black ink, appearing to read "L. Lingle".

LINDA LINGLE

A BILL FOR AN ACT

RELATING TO UNFAIR BUSINESS PRACTICES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 431, Hawaii Revised Statutes, is
2 amended by adding a new section to article 10F to be
3 appropriately designated and to read as follows:

4 "§431:10F- Directed suretyship; coercion of contractors.

5 (a) No person may require as a condition precedent to the
6 granting, awarding, or issuing a contract for the construction
7 or renovation of improvements to real property, that the person
8 whose obligation under such contract is to provide, construct,
9 or renovate improvements to real property is to acquire or
10 negotiate a surety bond or other contract guaranteeing
11 completion of such improvements through a particular surety
12 insurer or group of surety insurers, or a particular producer or
13 group of producers.

14 (b) The commissioner may examine and investigate the
15 insurance related activities of any person whom the commissioner
16 believes may be in violation of this section. Any person may
17 submit to the commissioner a complaint or any material pertinent
18 to the enforcement of this section.

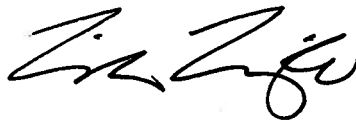


1 (c) Nothing in this section shall prevent a person who
2 grants, awards, or issues contracts for the construction or
3 renovation of improvements to real property from requiring a
4 person to acquire or negotiate a surety bond or other contract
5 guaranteeing completion of the improvements through authorized
6 surety insurers or producers licensed to do business in the
7 State or both."

8 SECTION 2. New statutory material is underscored.

9 SECTION 3. This Act shall take effect upon its approval.

APPROVED this 3 day of JUL , 2007



GOVERNOR OF THE STATE OF HAWAII

