

ACT 251

H.B. NO. 1833

A Bill for an Act Relating to Unfair Business Practices.

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

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

“§431:10F- Directed suretyship; coercion of contractors. (a) No person may require as a condition precedent to the granting, awarding, or issuing a contract for the construction or renovation of improvements to real property, that the person whose obligation under such contract is to provide, construct, or renovate improvements to real property is to acquire or negotiate a surety bond or other contract guaranteeing completion of such improvements through a particular surety insurer or group of surety insurers, or a particular producer or group of producers.

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

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

SECTION 2. New statutory material is underscored.¹

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

(Approved July 3, 2007.)

Note

1. Edited pursuant to HRS §23G-16.5.