



Department of Consumer & Business Services

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Construction Claims Task Force Appointed

(Salem) Nine Oregonians have been appointed to serve on a state task force that will study the relationship between construction liability claims and construction industry practices, construction defects, consumer protection, and state-mandated liability insurance requirements for contractors.

The nine members are:

- § **Tom Skaar**, Portland, Pacific Western Homes, Inc., representing single-family dwelling contractors
- § **Steven Malany**, Gresham, P & C Construction Company, representing commercial multi-family dwelling contractors
- § **Laura Schauer**, Portland, O'Brien Constructors, LLC, representing commercial structure contractors
- § **Bill Nesmith**, Salem, representing the Oregon Department of Energy
- § **David DeHarrport**, Beaverton, Four D Construction, representing the state's Residential Structures Board
- § **Jon Fahr**, Bend, Palmer Homes Inc., representing residential construction designers
- § **Elsie Jones**, Portland, Jones Kendall Sauer, Inc., representing insurance agents
- § **Jim Vavreck**, Portland, vice president for commercial underwriting, Liberty Northwest Insurance Corporation, representing insurers that offer contractor liability coverage
- § **Eric Grasberger**, Portland, attorney, Stoel Rives, LLP, representing the public

The task force was mandated by House Bill 2078, which the 2005 Legislature approved in July. Rising construction liability claims, often attributed to new building products and contractor performance issues, have resulted in stiff premium increases for contractor liability insurance in recent years. Contractors complain that coverage is difficult to find and very expensive. Consumers complain that water damage, mold, and other problems require expensive repairs.

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The task force's mission is to make recommendations to the 2007 Legislature to reduce the number of liability claims stemming from construction issues while assuring appropriate protection of Oregon consumers and affordable insurance for contractors. Recommendations could include changes to contractor education, quality control, and building code requirements.

To learn more or to sign up for email notification of task force developments, visit the Web site: <http://egov.oregon.gov/DCBS/CCTF/>

The director of the Department of Consumer & Business Services (DCBS) appointed five task force members and the administrator of the Construction Contractors Board (CCB) appointed three. One member is a representative of the Department of Energy.

“The Construction Claims Task Force will bring together the expertise and perspectives we need at the table to address these issues,” said DCBS Director Cory Streisinger. “Both industry and consumers will benefit if this group can bring a strong, problem-solving focus to its work and establish a common understanding of the facts.”

“The success of the task force is dependent upon its efforts to fully analyze and quantify the problems at hand,” CCB Administrator Craig Smith said. “They must develop solutions that result in improving the quality of structures built in Oregon, while maintaining the lowest reasonable cost to consumers and ensuring a healthy business environment by maintaining a regulatory structure that supports and encourages small businesses.”

DCBS is Oregon's largest regulatory agency. Among other areas, the department administers state laws and rules and protects consumers and workers in the areas of insurance regulation and building codes.

The CCB is a state agency licensing more than 40,000 contractors. Anyone who is paid to repair, improve or build a home must be licensed by the CCB. Consumers can verify a contractor's license at www.ccb.state.or.us or by calling 503-378-4621.

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