

ASSEMBLY, No. 1449

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

SYNOPSIS

Requires entities performing certain construction services on public contracts to carry errors and omissions insurance.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning errors and omissions insurance on public
2 contracts and supplementing chapter 32 of Title 52 of the
3 Revised Statutes.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. A construction services contract or agreement, the cost or
9 contract price whereof is to be paid with or out of public funds or
10 out of college funds, as applicable, awarded in accordance with the
11 “Local Public Contracts Law,” P.L.1971, c.198 (C.40A:11-1 et
12 seq.), the “Public School Contracts Law,” N.J.S.18A:18A-1 et seq.,
13 the “State College Contracts Law,” P.L.1986, c.43 (18A:64-52 et
14 seq.), R.S.52:32-2, or P.L.1954, c.48 (C.52:34-6 et seq.) shall
15 require errors and omissions insurance. A copy of the insurance
16 policy shall be provided to the government entity or entities
17 included in the construction services contract or agreement. The
18 contract or agreement shall be subject to the provisions of P.L.1963,
19 c.73 (C.47:1A-1 et seq.) and all of its exemptions, commonly
20 known as the open public records act, and the declarations page, or
21 its substantial equivalent, shall be made available to the public on
22 the official website of the Department of the Treasury, Department
23 of Community Affairs, or Department of Education, as appropriate,
24 and the official website of the municipality the construction is to
25 take place.

26 As used in this section, “construction services” means civil
27 design, mechanical engineering, electrical engineering, plumbing
28 design, and structural engineering

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30 2. This act shall take effect immediately.

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STATEMENT

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35 This bill requires parties in agreement or contracted on public
36 contracts for construction services to carry errors and omissions
37 insurance. No entity would be awarded a contract without
38 sufficient proof of errors and omissions insurance. A copy of the
39 insurance would be provided to the government entity or entities
40 included in the contract or agreement. Errors and omissions
41 insurance is a specialized type of liability protection that is not
42 covered by traditional liability insurance. Errors and omissions
43 coverage is designed to insure members of a particular professional
44 group from the liability arising out of a special risk such as
45 negligence, omissions, mistakes, and errors inherent in the practice
46 of the profession. The construction services outlined in this bill
47 include civil design, mechanical engineering, electrical engineering,
48 plumbing design, and structural engineering. The declarations page

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- 1 will be made available to the public on the official website of the
- 2 Department of the Treasury, Department of Community Affairs, or
- 3 Department of Education, as appropriate, and the official website of
- 4 the municipality the construction is to take place.