



DON'T INCREASE HOUSING LIABILITY COSTS ***PLEASE OPPOSE SHB 1393 & SSB 5895***

The AIA|WA understands the concerns being raised by consumers about examples of poor quality construction in some residential construction. Consumers should certainly be able to expect that their homes will be designed and built safely and effectively.

Unfortunately, SHB 1393 and SSB 5895 will not solve the problems in residential construction while definitely increasing the cost of housing.

Oppose Statutory Warranties – Architectural Insurance Does Not Cover Warranties

While statutory warranties might seem like a quick fix, in reality they will provide no relief to consumers and will drive companies out of the residential markets. The legislature enacted voluntary warranties for condominiums in 2004. However, these warranties have not been used. Insurers have found the standards to be too vague and problematic to underwrite effective liability insurance policies.

Further, architects' insurance specifically prevents them from warranting construction work. Architects carry Errors & Omissions insurance. They are only covered for design errors or omissions. Since, insurers will not write warranty coverage for architects, they will either not perform residential design work or will have to do so with no insurance coverage.

The Most Effective Change - License General Contractors

The first step in providing more information to consumers, and holding contractors accountable, is to license general contractors, construction supervisors and the companies involved in residential construction.

Establishing a licensing board at the Department of Licensing to regarding these new licenses would solve many problems. The licensing board could: give consumers a place to file complaints, have those complaints investigated, discipline contractors through fines or revocation of licenses, monitor the performance of companies, note patterns of consumer complaints over time, and track contractors as they change companies.

Difficult to Administer

SHB 1393 and SSB 5895 propose to establish a trade licensing program for specific workers on a home construction project: roofing, foundation, framing, windows and siding. Such a licensing program would be difficult to establish and administer.

Further, licensing construction workers will not provide consumers with greater security in their transactions. General contractors and their construction supervisors

KEY POINTS

- *These bills will not solve problems with residential construction.*
- *These bills will increase the cost of housing making it more difficult in an already down market.*
- *Insurers will not issue warranty coverage for architects; as a result architects will not perform residential design work rather than do so uninsured.*
- *Legislation should look at licensing general contractors, construction supervisors and companies involved in residential construction as a remedy.*
- *Establishment of a contractor's licensing board at the DOL is more effective than an Office of Consumer Education for Home Construction*

American Institute of Architects
Washington Council
724 Columbia St., Suite 120
Olympia, WA 98501

Phone: 360-943-6012
Toll Free: 800-722-0394
Fax: 360-352-1870

Stan Bowman - Exec. Director
E-mail: bowman@aiawa.org

Continued >

continued >

are most often the point of contact for consumers and architects. The general contractors hire the subcontractors and take responsibility for the quality of their work. This provides consumers with a single point of contact.

Office of Consumer Education for Home Construction

The idea of a consumer education office is acceptable. However, the same services could be accomplished through a contractor's licensing board at the Department of Licensing. In fact, a licensing board could be more effective by better tracking general contractors and their companies over time.

A licensing board could discipline contractors who generate consumer complaints and could be fee supported thereby not costing the state.

**DON'T INCREASE HOUSING LIABILITY COSTS
OPPOSE SHB 1393 & SSB 5895**