

Wisconsin Chapter NECA
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March 2009

Advanced Project Management Seminar

The Wisconsin Chapter will be sponsoring MEI's Advanced Project Management Seminar May 20, 2009 in Madison. Registration was sent to all member firms.

The project management workshop series was designed to help project managers recognize, predict and prevent risk on the jobsite, thereby increasing productivity.

Participants will learn to recognize different types of risk that they routinely encounter, and will learn to manage those risks to better eliminate delays or productivity issues.

Perform a self-assessment of their own project management style and learn how to use their techniques within their company structure

Become acquainted with industry practices relating to division of roles and interaction with field supervision, project managers and corporate executives.

The seminar will be taught by Dr. Perry Daneshgari.

Solar Billboard

Eland Electric, Green Bay, has been rapidly developing their photovoltaic division in recent years and is about to complete a unique new solar project – a billboard along busy Highway 41 near DePere. The billboard will have solar panels located on the top which will produce enough power to supply the billboard. All power generated however, will be purchased by WPS at 25cents per kwh. The board display will state that it is an “energy producing billboard” and will recognize Eland Electric Corporation as the installer, as well as TruPro.org, a marketing group of NECA-IBEW contractors in the Green Bay and Fox Cities areas. It should be a great way to highlight a new technology that NECA Contractors are involved with.

The state committee

A public hearing is scheduled for 10 a.m., April 29, 2009, in Room 3B of the Thompson Commerce Center, 201 West Washington Ave., Madison. See hearing announcement and transmittal documents, PDF file. See draft code language, PDF file

From the Desk of Attorney Kay



COMMERCIAL GENERAL LIABILITY POLICIES DO NOT COVER THE INSURED'S DEFECTIVE WORK, OR MISREPRESENTATIONS

Contractors should have policies of commercial general liability insurance which cover a contractor's liability for damages to third parties. In Stuart v. Weisflog's Showroom Gallery, Inc., decided by the Wisconsin Supreme Court in July, 2008, the question arose whether a home improvement contractor's commercial general liability policy covered the contractor's liability for misrepresentations that the design would comply with building codes. The Wisconsin Supreme Court held that damages stemming from a contractor's misrepresentations were not covered under the contractor's CGL policy and the "your work" business risk exclusion in the CGL policy precluded coverage for damages caused by the contractor's misrepresentations and negligence.

The important aspect of the Supreme Court's decision in Stuart v. Weisflog's Showroom Gallery relates to the degree to which a contractor can rely upon a CGL policy to cover damages awarded to a dissatisfied owner of a construction project. Most contractors do not engage in misrepresentations regarding their work, either as to whether their work will be consistent with building codes or in other respects. Nonetheless, for those contractors who have misrepresented the quality of their work, the Supreme Court advises them in this case that they should not expect their CGL insurance carrier to respond to those misrepresentation damages.

The more pertinent part of the Court's decision as it applies to electrical contractors is the part that relates to the "your work" business risk exclusion that is contained in the CGL policy. In the Stuart v. Weisflog's Showroom Gallery case, the contractor had purchased a CGL policy from American Family, who argued that the following exclusion applied denying insurance coverage:

"1. Damage to Your Work

'Property damage' to 'your work' arising out of it or any part of it and included in the "products-completed operations hazard.'

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor."

The Wisconsin Supreme Court agreed that the exclusion was applicable but noted that American Family had failed to complete its argument explaining why it was applicable. The Court said it was necessary to look at the policy's definition of "products-completed operations hazard" which provided:

"'Products-completed operations hazard' includes all 'bodily injury' and 'property damage' occurring away from premises you own or rent and arising out of 'your product' or 'your work' except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned."

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March 2009

March 4

Madison Membership
Janesville-Beloit Membership

March 5

La Crosse Membership

March 9

Kenosha-Racine Membership

March 11

Northeast and Fox Valley
Joint Membership

March 12

Indianhead Membership

March 19

Wisconsin Valley Membership

Upcoming Meetings

March 22-25, 2009

Midwest Regional Spring Conf.
Kauai, Hawaii

July 29-August 2, 2009

NECA Summer Meeting
Lake Lawn Resort, Delavan

September 12-15, 2009

NECA Convention
Seattle, WA

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Prevailing Wage Law Amendments?

Tom's Code Corner



Have you got a code question for Tom? Let us know and we'll ask him to answer it in a future newsletter.

MANPOWER STATISTICS

For the Month of -- January 2009

Local Union #	14	127	158	159	388	430	577	890	TOTAL
	=====	=====	=====	=====	=====	=====	=====	=====	=====
Local Contractors: NECA	7	3	4	17	5	5	2	6	49
Non-NECA	33	9	14	18	9	16	10	15	124
Total Local Contractors:	40	12	18	35	14	21	12	21	173
Traveling Contractors: NECA	8	6	4	0	4	5	6	9	42
Non-NECA	4	11	5	5	1	4	0	2	32
Total Traveling Contractors:	12	17	9	5	5	9	6	11	74
TOTAL # OF CONTRACTORS - LOCAL AND TRAVELERS:	52	29	27	40	19	30	18	32	247
Contractors More Than Two Months Delinquent in N.E.B.F.	1	2	1	2	3	0	0	0	9
Total Number of Contributing Contractors in Area:	53	31	28	42	22	30	18	32	256
Employees: NECA	247	52	111	524	204	42	151	168	1499
Non-NECA	176	92	150	60	42	59	73	67	719
TOTAL EMPLOYED:	423	144	261	584	246	101	224	235	2218

<u>Union #</u>	<u>NECA Division Name</u>
127	Kenosha Division
158	Northeastern Division
159	Madison Division
388	Wisconsin Valley Division
430	Racine Division
577	Fox Valley Division
890	Janesville-Beloit Division
14	Indianhead/La Crosse Divisions

NOTE: These figures only reflect employees of contractors not more than 2 months delinquent in their N.E.B.F. payments.



From the Desk of Attorney Kay

(Continued from page 3)

The Court felt it was clear from the terms of this exclusion that the “your work” exclusion applied to property damage arising out of the contractor’s work where that work occurred away from the premises owned or rented by the person doing the work, i.e., on the job site itself. In other words, the Court concluded that the “your work” exclusion operated to exclude coverage for damages arising out of negligent construction on the job site. Therefore, when an electrical contractor is negligent in the performance of its work and that negligence causes economic losses to the project owner, the electrical contractor cannot look to its CGL policy to cover the defense or insurance indemnity arising out of the owner’s claim for damages. The reason is that the CGL policy contains an exclusion of its coverage where the damages arise out of the insured contractor’s own work on the job site.

Interestingly, the CGL policy does cover damage caused to construction projects by subcontractors of the insured. In other words, the CGL policy does cover prime contractor damages resulting from its subcontractors’ negligent work performance.

I have argued similar cases to the Wisconsin Supreme Court in the past and I understand that to the average contractor the intricacies of insurance coverage can be exasperating. You should remember that NECA does provide you with free access to my office for questions that arise not only out of construction but out of insurance policy issues involving construction. I will be happy to receive your questions regarding insurance policies as well as construction issues.

Chapter’s MEI Schedule for 2009

May 20, 2009 – Advanced Project Management – Risk Identification and Mitigation with Perry Daneshgari. The seminar will be held in Madison.

June 17 – 18, 2009 – Advanced Estimating with Bob Mooty. This two-day seminar will be held in Wisconsin Dells.

September 2, 2009 – Avoid Killer Jobs by Improving Estimation Accuracy with Perry Daneshgari to be held in Wisconsin Dells.

October 19, 2009 – Managing Payment: Bonds, Liens and Other Collectibles with Marvin Fabryanaske. This seminar will be held in Madison.

November 9, 2009 – Managing Field Productivity with Dr. Awad Hanna to be held in Madison.

December 2, 2009 – Hard Hat Productivity with Norb Slowikowski. The location of this seminar will be Appleton.

As always, the seminars will be open to NECA members and their staff, and we will update you with more details as each approaches.

