

Alaska State Legislature



Interim:
716 West 4th Ave.
Anchorage, Alaska 99501
(907) 269-0199

Session:
State Capitol Building, Room 513
Juneau, Alaska 99801-1182
(907) 465-4945

Representative Kevin Meyer District 30

FOR IMMEDIATE RELEASE: February 23, 2004

CONTACT: Rep. Kevin Meyer (907) 465-4945

House Passes Limitations on Construction Defect Claims **Awards limited to actual cost of repair and other closely related costs**

(JUNEAU) – The Alaska House of Representatives approved [HB 340](#) by a vote of 37 to 1 on Thursday. Sponsored by Rep. Kevin Meyer (R-Anchorage), HB 340 places a limit on the damages that can be awarded in a construction defect lawsuit to the actual cost of repairing the defect and other closely related costs. The limitation on damages does not apply if the construction defect was caused by gross negligence, reckless or intentional misconduct by the construction professional. Also, it does not pertain to personal injury or death.

“HB 340 is a significant step in assisting homebuilders and contractors in obtaining affordable and adequate general liability insurance,” Meyer said. “The more a builder pays for insurance, the more the homebuyer pays for a house. The cost is passed on to the homebuyer, and this not value added to the home, just an increase in the cost of the home.”

Since 2001, there has been an increase in the cost of general liability insurance, the availability of insurance has declined, and the policies that are issued are limited in coverage. There are currently only two national insurance providers who will write general liability policies in Alaska. HB 340, coupled with legislation that passed last year, will assist in attracting more insurance carriers to Alaska and lowering premiums.

“HB 340 is a necessary measure to attract insurance companies back to Alaska in order to provide state-mandated insurance coverage to our builders, and to assist in keeping the American dream of owning a home, within the reach of all Alaskans,” Meyer said.

HB 340 moves to the Senate for consideration.

###