

# Alaska State Legislature



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**Representative Kevin Meyer**  
District 30

FOR IMMEDIATE RELEASE: April 5, 2004

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## **Senate Unanimously Approves Limitations on Construction Defect Claims**

*Awards Limited To Actual Cost Of Repair And Other Closely Related Costs*

(JUNEAU) – The Alaska Senate unanimously approved HB 340 today. 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 is 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 is currently only one insurance provider in Alaska who will write general liability policies for contractors and construction professionals. HB 340, coupled with legislation 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 reach of all Alaskans,” Meyer said.

HB 340 now proceeds to the Governor for his consideration and signature.

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