

34TH ALASKA STATE LEGISLATURE

Session

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REPRESENTATIVE ANDREW GRAY

House Bill 316 ver. I Sponsor Statement

March 5, 2026

Noneconomic damages compensate civil litigants for intangible harms: pain and suffering, inconvenience, physical impairment, disfigurement, loss of enjoyment of life, loss of consortium, and other losses that cannot be reduced to a dollar amount on a receipt. These damages are determined by the finder of fact — the jury, or the judge in a bench trial — based on the evidence presented.

But the finder of fact does not have the final word. By statute, noneconomic damages are capped regardless of what a jury believes is fair. The general cap is \$400,000 or the injured person's life expectancy in years multiplied by \$8,000, whichever is greater. For injuries involving severe disfigurement or severe permanent physical impairment, the cap rises to \$1,000,000 or life expectancy multiplied by \$25,000, whichever is greater.

When the legislature enacted these caps in 1997, its stated purpose was to "encourage the efficiency of the civil justice system by discouraging frivolous litigation and by decreasing the amount, cost, and complexity of litigation without diminishing the protection of innocent Alaskans' rights to reasonable, but not excessive compensation for tortious injuries caused by others." In short, the legislature sought balance — protecting defendants from runaway verdicts while ensuring injured Alaskans could still recover meaningful compensation.

That balance has since been lost. Inflation has quietly but dramatically eroded the real value of Alaska's damages caps. In terms of purchasing power, the caps today are worth barely half of what the legislature intended when they were set in 1997. The caps have not moved; the cost of living has. The result is that innocent Alaskans are receiving compensation that, in real terms, is a fraction of what the legislature deemed reasonable thirty years ago.

HB 316 does not seek to expand or rewrite Alaska's damages caps. It simply preserves them. By adding an inflation-adjustment mechanism to existing statute, the bill ensures that the compensation available to injured Alaskans keeps pace with the actual cost of living — nothing more. This is the straightforward fix needed to honor the legislature's original intent: reasonable, but not excessive, compensation for those harmed by the wrongful conduct of others.