

Laura Curtis
Vice President,
State Government Relations

April 8, 2026

The Honorable Carolyn Hall & Zack Fields
and Alaska House Labor & Commerce Committee
Alaska State Capitol
120 4th Street
Juneau, Alaska 99801

RE: House Bill 316 Adjust Damage Limit; Pers Inj/Wrg Dth

Dear Chairs Hall and Fields:

The American Property Casualty Insurance Association (APCIA) respectfully opposes House Bill 316. APCIA represents approximately 64 percent of Alaska’s property/casualty insurance market, promoting and protecting the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members provide protection for families, communities, and businesses in Alaska, throughout the U.S., and across the globe.

While APCIA appreciates that Alaska’s personal injury and wrongful death non-economic damage caps may reasonably be adjusted in light of changes in the standard cost of living since the caps were enacted in 1997, APCIA opposes HB 316 due to its vast over-reach as the bill requires the caps to absorb 100% of cumulative Consumer Price Index (“CPI”) change since 1997.¹ The proposal would increase claims volatility and severity, and risks significantly higher business and consumer costs.

If passed, HB 316 would represent a major shift regarding how noneconomic damage caps are calculated. To that end, the bill does not simply index the cap going forward; it retroactively loads nearly three decades of inflation into a single step. That turns an inflation adjustment into a wholesale policy reset—resulting in close to doubling the current \$400,000 personal injury non-economic damages cap - without any fiscal analysis demonstrating that so monumental an increase is necessary or reasonable.

Alaska’s current caps were enacted in 1997 as part of a carefully balanced tort-reform framework. Conversely, permanent cumulative indexing in this context has not been specifically studied and prevents lawmakers from reassessing whether increases remain appropriate under changing economic and insurance-market conditions.

And notably, HB 316 would move Alaska against national tort-stability trends. While many states have recently strengthened tort reforms to stabilize insurance markets, HB 316 moves Alaska in the opposite

¹ The proposed formula reads as follows: (e) The maximum amount of damages specified under (b) and (c) of this section shall be adjusted for inflation using 100 percent of the change since 1997 in the Consumer Price Index for all urban consumers for urban Alaska, compiled by the Bureau of Labor Statistics, United States Department of Labor.

direction—creating competitive disadvantages for employers and public entities operating in the state. Florida, Georgia and Louisiana adopted recent tort reform and have already seen marked improvement in affordability.

On the other hand, HB 316 is an insurance cost-driver, likely to lead to increased litigation, excessive settlement demands and increased insurance defense costs, which insurers must price into their underwriting and rates paid by consumers and employers.

Non-economic damages are inherently subjective. Increasing the cap incentivizes the fling of marginal claims, pushing cases to trial rather than resolution, and emphasizing emotional narratives over actual evidence and proof of causation or fault.² This drives up litigation costs even when liability is weak, which ultimately costs consumers, non-profits and businesses.

There is no evidence that Alaska’s non-economic damage caps prevent injured parties or families from recovering fair compensation or restrict access to courts. Absent objective data showing under-compensation, providing for a 29 -year 100% cumulative CPI change represents a policy shift without demonstrated necessity.

Promoting affordability and availability of insurance for Alaskans is of paramount importance in this inflationary era. Alaskans are already paying **\$5744 per household** annually due to excessive litigation,³ and legal system abuse is **costing the state \$5.32 billion dollars per year.**⁴

Inflation concerns can and should be addressed through deliberate legislative review, supported by data and paired with systemic safeguards—not through automatic, cumulative escalation. Absent objective data showing under-compensation, at a minimum, a detailed statement of necessity for the proposed change should be provided to the committee and interested stakeholder.

For these reasons, APCIA respectfully requests your NO VOTE on HB 316 and recommends that any future adjustment to damage caps be adjusted by the CPI going forward but not retroactively, APCIA supports balanced reforms that preserve insurance affordability and availability.

Sincerely,



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Vice President, State Government Relations

² HB 316 would likely have a disproportionate Impact on wrongful-death cases, which already allow expansive recovery for loss of companionship, consortium, and emotional harm under Alaska law. Increasing non-economic caps significantly amplifies exposure in these cases, where juries understandably maximize emotional damages.

³ <https://protectingamericanconsumers.org/wp-content/uploads/2025/04/Perryman-Impact-of-Excess-Tort-Costs-on-Consumers-4-2025.pdf>

⁴ Id.