

ALASKA STATE LEGISLATURE



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Sponsor Statement

Senate Bill 208

By Senator Mike Shower

Senate Bill 208 was introduced as a consumer protection bill. Most Alaskans that hire a licensed bonded and insured contractor have a reasonable expectation that because of the licensed, bonded and insured status, they are protected if the contractor does negligent work that results in a catastrophic loss. If the contractor refuses to file an insurance claim to cover the loss, and or refuses to respond to good faith attempts to legally resolve the conflict, under this legislation the contractor's client will still be protected.

Senate Bill 208 protects consumers by increasing liability and property damage insurance minimums from \$20,000 to \$100,000. Because of this insurance increase, the bill also adjusts the lower limit for the handyman type contractors that are not required to get insurance from \$2,500 to \$5,000. Inflation associated with material costs and labor shortages makes a \$5,000 job a very small job with little to no exposure.

Senate Bill 208 requires the contractor to give notice of the levels and limits of the contractor's insurance coverage. It also establishes a criteria for when an owner can bring an action directly against the contractor insurance when the contractor fails to respond to good faith attempts to resolve the dispute.

Lastly, SB 208 protects Alaskan's from contractors that refuses to deal with a potential claim against their insurance and will protect Alaskan's from negligent contractors.