

SENATE BILL NO. 208

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY SENATOR SHOWER

Introduced: 2/22/22

Referred: Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to contractors; and relating to insurance."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 08.18.101(a) is amended to read:

4 (a) Each applicant, at the time of applying for registration or upon renewal of
5 registration, shall file with the commissioner satisfactory evidence that the applicant
6 has in effect

7 (1) to the extent required under AS 23.30, workers' compensation
8 insurance that is purchased from a private insurer who is admitted to do business in the
9 state and that shows coverage in this state, appropriate employee classifications, and
10 rates applicable in this state, or a valid workers' compensation self-insurance
11 certificate issued by the Alaska Workers' Compensation Board; and

12 (2) public liability and property damage insurance covering the
13 applicant's contracting operations in this state in the sum of not less than **\$100,000**
14 [~~\$20,000~~] for damage to property, \$50,000 for injury, including death, to any one
15 person, and \$100,000 for injury, including death, to more than one person; this

1 requirement does not apply to an applicant whose contracting operations are for work
2 on projects where each project has an aggregate contract price, including all labor,
3 materials, and other items of \$5,000 [\$2,500] or less.

4 * **Sec. 2.** AS 08.18.101 is amended by adding new subsections to read:

5 (c) A contractor shall give written notice to each client of the contractor that
6 accurately describes the levels and limits of the contractor's insurance coverage under
7 (a)(2) of this section.

8 (d) A person having a claim against a contractor for grossly negligent work in
9 the contractor's conduct of a contracting business activity may bring a civil action
10 directly against a contractor's insurer if

11 (1) the person has made reasonable attempts to communicate with the
12 contractor about the claim; and

13 (2) the contractor has failed to

14 (A) acknowledge or act promptly on the person's
15 communications about the claim, including failing to respond to telephone
16 calls, electronic mail, certified mail, subpoenas, or other attempts by the person
17 to contact the contractor; and

18 (B) attempt in good faith to resolve the person's claim.

19 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 **APPLICABILITY.** This Act applies to a contract entered into or renewed on or after
22 the effective date of this Act.