



[HB24-1083 Construction Professional Insurance Coverage Transparency](#) | Rep. Jenny Willford (D), Rep. Kyle Brown (D), Sen. Lisa Cutter (D)

Summary: The bill requires the division of insurance to conduct a study of construction liability insurance for construction professionals in Colorado. The study must include 1) All insurers offering construction liability policies in Colorado 2) an analysis of the rates charged for liability insurance in Colorado, 3) the factors used to set the insurance rates, 4) a cost comparison of insurance rates in other states, 5) policy coverage terms, and 6) common limitations/exclusions from coverage. The bill also requires that the seller of the property must provide the purchaser and the county with information regarding the insurance coverage for the property.

The Chamber opposes HB24-1083: The Chamber strongly opposes this bill. While the bill is positioned as a study on insurance coverage, in practice it would increase construction litigation and further discourage condominium development. One of the chamber's main priorities is ensuring Colorado builds a pathway to an increased housing supply. This bill would put contractors in a litigation chokehold, further exacerbating our housing shortage.

Helpful sources:

- [New condos are hard to find in Colorado. Getting developers to build more will roil the Capitol next year.](#)
- [Two bills are reviving the construction-defects fight at the Colorado Capitol](#)
- [Commonsense Institute Report](#)
- [Where have all of Colorado's most affordable rental units gone?](#)

Testimony:

- Bill Intro/Position
 - Carly West, VP of Government Affairs for the Denver Metro Chamber of Commerce, comprised of more than 1,000 members in Colorado. We are also home to the Metro Denver Economic Development Corporation, a regional economic development organization that attracts new businesses to our region and helps expand existing companies.
 - Through the EDC's work, we hear from companies on the issue of housing as a top concern.
 - [According to state data](#), between 2010 and 2020, housing production in Colorado decreased by 40% while the state's population increased by 15%.
 - From 2018 to 2022, condo construction in the Denver metro area fell to about 600 new units per year, down 80% from 2002 to 2006, according to data gathered by Zonda, a company that does quarterly housing surveys of the eight-county metro area.
 - The Denver Metro Chamber has taken an oppose position to House Bill 1083
 - Our concerns really lie in a question of whether the study as introduced would produce a pre-determined outcome, potentially worsening Colorado housing shortage through more litigation, rather than addressing that problem.
 - We share the sponsor's intent to better understand the root causes of Colorado's housing shortage so that we can take the right steps to address it. We welcome data to

make those decisions, but also know it is essential that the language is right so that we avoid unintended though well-intentioned consequences.

- Additionally, we know that there are barriers to increasing Colorado's housing stock, and gathering information should not impede taking steps to address specific issues that we have already identified.
- We appreciate the sponsors willingness to work with stakeholders on concerns. Thank you.