



Construction Contractors Program

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Guidance on Required Bond or Insurance Documentation

Provide this page to your bond and insurance agent(s) to clarify the required documentation related to the issuance of your initial construction contractor professional license or to renew your existing construction contractor professional license, as applicable.

With this form, provide your bond and insurance agent(s) with a copy of the first page of your completed license application (if you're applying for a new license or business name change) or a copy of your professional license certificate (if you're applying for renewal).

Bond and Insurance Requirements

Bond: Alaska Statute (AS) 08.18.071 requires a construction contractor to provide proof of a **surety bond** running to the state, conditioned upon the applicant's promise to pay: (1) all taxes and contributions due the state and political subdivisions; (2) persons furnishing labor or material or renting or supplying equipment to the contractor; and (3) amounts that may be adjudged against the applicant by reason of negligent or improper work or breach of contract in the conduct of the contracting business or home inspection activity, as applicable, or by reason of damage to public facilities occurring in the course of a construction project. The amount of the bond differs based on license type:

- General contractor: \$25,000
- General contractor with residential endorsement who performs exclusively residential work: \$20,000
- Mechanical or Specialty contractor: \$10,000
- Handyman contractor: \$5,000

Insurance: AS 08.18.101 requires an applicant for a construction contractor professional license provide proof of insurance as well:

- **For all** -- Public liability and property damage insurance covering the applicant's contractor operations in Alaska in the sum of at least \$20,000 for damage to property, \$50,000 for injury (including death) to any one person, and \$100,000 for injury (including death) to more than one person.
- Plus, **for those with employees, required to hold workers' compensation insurance under AS 23.30** – Workers' compensation insurance (purchased from a private insurer who is admitted doing business in Alaska) that shows coverage in Alaska, appropriate employee classifications, and rates applicable to Alaska.

Documentation Requirements

Bond/insurance documentation we need to issue a new professional construction contractor license or when a contractor wants to change their entity ownership or doing business as ("DBA" name) –

- Proof of the required bond and insurance, as noted above.
- Documentation must have been issued by the bond/insurance company within 30 days of the date received in our office. (This doesn't mean the bond/insurance has to have been issued within 30 days, just that the document confirming an active bond/insurance at the required amount must have been generated within that timeframe.)
- Contractor's name must appear exactly the same on the bond/insurance documentation as it does on the applicant's new license/name change application. (See FAQ below for details.)

Bond/insurance documentation we need to renew or reinstate a professional construction contractor license –

- Proof of the required bond and insurance, as noted above.
- Documentation must have been issued by the bond/insurance company within 30 days of the date received in our office. (This doesn't mean the bond/insurance has to have been issued within 30 days, just that the document confirming an active bond/insurance at the required amount must have been generated within that timeframe.)
- Contractor's name must appear exactly the same on the bond/insurance documentation as it does on the applicant's new license/name change application. (See *FAQ below for details*.)
- A bond continuation certificate can be accepted.
- The contractor does not need to obtain a new bond, we simply need proof that their bond is still in effect as required by law.

Frequently Asked Questions

- **How does a business name need to be written on the required bond and insurance documents?**

The way the business is listed on the bond and insurance documents must be identical to how it is listed on the license application (or certificate, if the license has already been issued).

- If the business will be a corporation, LLC, LP, or LLP, then both the corporate entity name and Doing Business As (DBA) name must appear on the bond/insurance documents, unless the entity name and DBA name are identical.
- If the business is a sole proprietor/partnership, rather than an entity, then the bond and insurance documentation need to show the names(s) of the sole proprietor/partners and the DBA name.
- Examples:
 - **Significantly different corporation and DBA names:**
If you are an LLC under the name "Alaska Construction, LLC" and you list your DBA name as "Alaskans Building Things," then your bond/insurance documents should read, "Alaska Construction, LLC DBA Alaskans Building Things."
 - **Slightly different corporation and DBA names:**
If you are an LLC under the name "Alaska Construction, LLC" and you list your DBA name as "Alaska Construction," then your bond/insurance documents should read, "Alaska Construction, LLC DBA Alaska Construction."
 - **Identical corporation and DBA names:**
If you are an LLC under the name "Alaska Construction, LLC" and you list your DBA name as "Alaska Construction, LLC," then your bond/insurance documents should read, "Alaska Construction, LLC". You do not need to repeat the DBA name if it's identical to the corporate entity name.
 - **Sole-proprietorships or partnerships (i.e., no corporation):**
If you are a sole-proprietor or partnership business applying for a construction contractor professional license, then you will need to list the sole proprietor/partners names and the DBA name: "Joe Doe DBA Alaskans Building Things" or "John Doe & Jane Doe DBA Alaskans Building Things".

- **How long before applying for a new license, name change, or renewal do the required bond/insurance document(s) need to be obtained from the bond/insurance agent(s)?**

These documents must be submitted to our office within 30 days of the date they are generated by your bond broker and/or insurance agent.

- This doesn't mean the bond/insurance has to be issued within 30 days of the date we received the documentation, but just that the document verifying current bond/insurance must be dated within 30 days of when we receive it.
- If the documents are dated more than 30 days prior to the date received by our office, they cannot be accepted, and we'll ask the contractor to obtain updated documents before the license can be issued, name can be changed, or license can be renewed, as applicable.

- **Where can I find more information on the bond and insurance requirements and how they differ based on the contractor license type?**

Visit our Construction Contractor Professional Licensing Bond & Insurance Quick Facts, available at <https://www.commerce.alaska.gov/web/CBPL/ProfessionalLicensing/ConstructionContractors.aspx>