

1 Amend the Zenzinger floor amendment (SB106\_L.099), page 3, after line  
2 40 insert:

3           **"SECTION 4.** In Colorado Revised Statutes, **add** 13-20-809 as  
4 follows:

**13-20-809. Repeal of part - notice to revisor of statutes.** THIS PART 8 WILL BE REPEALED ON SEPTEMBER 1, 2029, IF THE COMMISSIONER OF INSURANCE DETERMINES THAT CONSTRUCTION PROFESSIONAL LIABILITY INSURANCE FOR BUILDING CONDOMINIUMS HAS NOT DECREASED FROM THE 2023 LEVELS. THE COMMISSIONER OF INSURANCE SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING ON JANUARY 1, 2029, IF THE CONDITION SPECIFIED IN THIS SECTION HAS OCCURRED BY E-MAILING THE NOTICE TO REVISOROFSTATUTES.GA@COLEG.GOV. THIS PART 8 IS REPEALED SEPTEMBER 1, 2029, IF THE REVISOR OF STATUTES IS NOTIFIED THAT CONSTRUCTION PROFESSIONAL LIABILITY INSURANCE FOR BUILDING CONDOMINIUMS HAS NOT DECREASED FROM THE 2023 LEVELS.".

16 Renumber succeeding sections accordingly.

17 Page 4, after line 5 insert:

18       **"SECTION 6.** In Colorado Revised Statutes, **add** part 13 to  
19       article 20 of title 13 as follows:

## PART 13

# CONSTRUCTION DEFECT ACTIONS FOR PROPERTY LOSS AND DAMAGE

23           **13-20-1301. Short title.** THE SHORT TITLE OF THIS PART 13 IS THE  
24 "CONSTRUCTION DEFECT ACTION REFORM ACT OF 2026".

33           **13-20-1303. Definitions.** AS USED IN THIS PART 13, UNLESS THE  
34           CONTEXT OTHERWISE REQUIRES:

35 (1) "ACTION" MEANS A CIVIL ACTION OR AN ARBITRATION  
36 PROCEEDING FOR DAMAGES, INDEMNITY, OR CONTRIBUTION BROUGHT

1 AGAINST A CONSTRUCTION PROFESSIONAL TO ASSERT A CLAIM,  
2 COUNTERCLAIM, CROSS-CLAIM, OR THIRD-PARTY CLAIM FOR DAMAGES OR  
3 LOSS TO, OR THE LOSS OF USE OF, REAL OR PERSONAL PROPERTY OR  
4 PERSONAL INJURY CAUSED BY A DEFECT IN THE DESIGN OR CONSTRUCTION  
5 OF AN IMPROVEMENT TO REAL PROPERTY.

6 (2) "ACTUAL DAMAGES" MEANS THE FAIR MARKET VALUE OF THE  
7 REAL PROPERTY WITHOUT THE ALLEGED CONSTRUCTION DEFECT; THE  
8 REPLACEMENT COST OF THE REAL PROPERTY OR THE REASONABLE COST TO  
9 REPAIR THE ALLEGED CONSTRUCTION DEFECT, WHICHEVER IS LESS,  
10 TOGETHER WITH RELOCATION COSTS AND, WITH RESPECT TO RESIDENTIAL  
11 PROPERTY, OTHER DIRECT ECONOMIC COSTS RELATED TO LOSS OF USE, IF  
12 ANY; INTEREST AS PROVIDED BY LAW; AND THE COSTS OF SUIT AND  
13 REASONABLE ATTORNEY FEES AS MAY BE AWARDABLE PURSUANT TO  
14 CONTRACT OR APPLICABLE LAW. "ACTUAL DAMAGES" AS TO PERSONAL  
15 INJURY MEANS THOSE DAMAGES RECOVERABLE BY LAW, EXCEPT AS  
16 LIMITED BY SECTION 13-20-1308 (4).

17 (3) "CLAIMANT" MEANS A PERSON OTHER THAN THE ATTORNEY  
18 GENERAL OR THE DISTRICT ATTORNEYS OF THE SEVERAL JUDICIAL  
19 DISTRICTS OF THE STATE WHO ASSERTS A CLAIM AGAINST A  
20 CONSTRUCTION PROFESSIONAL THAT ALLEGES A DEFECT IN THE  
21 CONSTRUCTION OF AN IMPROVEMENT TO REAL PROPERTY.

22 (4) "CONSTRUCTION PROFESSIONAL" MEANS AN ARCHITECT,  
23 CONTRACTOR, SUBCONTRACTOR, DEVELOPER, BUILDER, BUILDER VENDOR,  
24 ENGINEER, OR INSPECTOR PERFORMING OR FURNISHING THE DESIGN,  
25 SUPERVISION, INSPECTION, CONSTRUCTION, OR OBSERVATION OF THE  
26 CONSTRUCTION OF ANY IMPROVEMENT TO REAL PROPERTY. IF THE  
27 IMPROVEMENT TO REAL PROPERTY IS TO A COMMERCIAL PROPERTY, THE  
28 TERM "CONSTRUCTION PROFESSIONAL" ALSO INCLUDES ANY PRIOR OWNER  
29 OF THE COMMERCIAL PROPERTY, OTHER THAN THE CLAIMANT, AT THE TIME  
30 THE WORK WAS PERFORMED. AS USED IN THIS SUBSECTION (4),  
31 "COMMERCIAL PROPERTY" MEANS PROPERTY THAT IS ZONED TO PERMIT  
32 COMMERCIAL, INDUSTRIAL, OR OFFICE TYPES OF USE.

33 (5) "NOTICE OF CLAIM" MEANS A WRITTEN NOTICE SENT BY A  
34 CLAIMANT TO THE LAST-KNOWN ADDRESS OF A CONSTRUCTION  
35 PROFESSIONAL AGAINST WHOM THE CLAIMANT ASSERTS A CONSTRUCTION  
36 DEFECT CLAIM THAT DESCRIBES THE CLAIM IN REASONABLE DETAIL  
37 SUFFICIENT TO DETERMINE THE GENERAL NATURE OF THE DEFECT,  
38 INCLUDING A GENERAL DESCRIPTION OF THE TYPE AND LOCATION OF THE  
39 CONSTRUCTION THAT THE CLAIMANT ALLEGES TO BE DEFECTIVE AND ANY  
40 DAMAGES CLAIMED TO HAVE BEEN CAUSED BY THE DEFECT.

41 **13-20-1304. List of defects required.** (1) IN ADDITION TO THE  
42 NOTICE OF CLAIM REQUIRED BY SECTION 13-20-1305, IN EVERY ACTION  
43 BROUGHT AGAINST A CONSTRUCTION PROFESSIONAL, THE CLAIMANT

1 SHALL FILE WITH THE COURT OR ARBITRATOR AND SERVE ON THE  
2 CONSTRUCTION PROFESSIONAL AN INITIAL LIST OF CONSTRUCTION DEFECTS  
3 IN ACCORDANCE WITH THIS SECTION.

4 (2) THE INITIAL LIST OF CONSTRUCTION DEFECTS MUST CONTAIN  
5 A DESCRIPTION OF THE CONSTRUCTION THAT THE CLAIMANT ALLEGES TO  
6 BE DEFECTIVE. THE INITIAL LIST OF CONSTRUCTION DEFECTS MUST BE  
7 FILED WITH THE COURT AND SERVED ON THE DEFENDANT WITHIN SIXTY  
8 DAYS AFTER THE COMMENCEMENT OF THE ACTION OR WITHIN SUCH  
9 LONGER PERIOD AS THE COURT IN ITS DISCRETION MAY ALLOW.

10 (3) THE INITIAL LIST OF CONSTRUCTION DEFECTS MAY BE  
11 AMENDED BY THE CLAIMANT TO IDENTIFY ADDITIONAL CONSTRUCTION  
12 DEFECTS AS THEY BECOME KNOWN TO THE CLAIMANT. IN NO EVENT SHALL  
13 THE COURT ALLOW THE CASE TO BE SET FOR TRIAL BEFORE THE INITIAL  
14 LIST OF CONSTRUCTION DEFECTS IS FILED AND SERVED.

15 (4) IF A SUBCONTRACTOR OR SUPPLIER IS ADDED AS A PARTY TO AN  
16 ACTION UNDER THIS SECTION, THE CLAIMANT MAKING THE CLAIM AGAINST  
17 THE SUBCONTRACTOR OR SUPPLIER SHALL FILE WITH THE COURT AND  
18 SERVE ON THE DEFENDANT AN INITIAL LIST OF CONSTRUCTION DEFECTS IN  
19 ACCORDANCE WITH THIS SECTION WITHIN SIXTY DAYS AFTER SERVICE OF  
20 THE COMPLAINT AGAINST THE SUBCONTRACTOR OR SUPPLIER OR WITHIN  
21 SUCH LONGER PERIOD AS THE COURT IN ITS DISCRETION MAY ALLOW. IN NO  
22 EVENT SHALL THE FILING OF A DEFECT LIST UNDER THIS SUBSECTION (4)  
23 DELAY THE SETTING OF THE TRIAL.

24 **13-20-1305. Notice of claim process.** (1) NO LATER THAN  
25 SEVENTY-FIVE DAYS BEFORE FILING AN ACTION AGAINST A CONSTRUCTION  
26 PROFESSIONAL, OR NO LATER THAN NINETY DAYS BEFORE FILING THE  
27 ACTION IN THE CASE OF A COMMERCIAL PROPERTY, A CLAIMANT SHALL  
28 SEND OR DELIVER A WRITTEN NOTICE OF CLAIM TO THE CONSTRUCTION  
29 PROFESSIONAL BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY  
30 PERSONAL SERVICE.

31 (2) FOLLOWING THE MAILING OR DELIVERY OF THE NOTICE OF  
32 CLAIM, AT THE WRITTEN REQUEST OF THE CONSTRUCTION PROFESSIONAL,  
33 THE CLAIMANT SHALL PROVIDE THE CONSTRUCTION PROFESSIONAL AND  
34 ITS CONTRACTORS OR OTHER AGENTS REASONABLE ACCESS TO THE  
35 CLAIMANT'S PROPERTY DURING NORMAL WORKING HOURS TO INSPECT THE  
36 PROPERTY AND THE CLAIMED DEFECT. THE INSPECTION MUST BE  
37 COMPLETED WITHIN THIRTY DAYS AFTER SERVICE OF THE NOTICE OF  
38 CLAIM.

39 (3) (a) WITHIN THIRTY DAYS FOLLOWING THE COMPLETION OF THE  
40 INSPECTION PROCESS CONDUCTED PURSUANT TO SUBSECTION (2) OF THIS  
41 SECTION, OR WITHIN FORTY-FIVE DAYS FOLLOWING THE COMPLETION OF  
42 THE INSPECTION PROCESS IN THE CASE OF A COMMERCIAL PROPERTY, A  
43 CONSTRUCTION PROFESSIONAL MAY SEND OR DELIVER TO THE CLAIMANT,

1 BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY PERSONAL  
2 SERVICE, AN OFFER TO SETTLE THE CLAIM BY PAYMENT OF A SUM CERTAIN  
3 OR BY AGREEING TO REMEDY THE CLAIMED DEFECT DESCRIBED IN THE  
4 NOTICE OF CLAIM.

5 (b) A WRITTEN OFFER TO REMEDY THE CONSTRUCTION DEFECT  
6 MUST INCLUDE A REPORT OF THE SCOPE OF THE INSPECTION, THE FINDINGS  
7 AND RESULTS OF THE INSPECTION, A DESCRIPTION OF THE ADDITIONAL  
8 CONSTRUCTION WORK NECESSARY TO REMEDY THE DEFECT DESCRIBED IN  
9 THE NOTICE OF CLAIM AND ALL DAMAGE TO THE IMPROVEMENT TO REAL  
10 PROPERTY CAUSED BY THE DEFECT, AND A TIMETABLE FOR THE  
11 COMPLETION OF THE REMEDIAL CONSTRUCTION WORK.

12 (4) UNLESS A CLAIMANT ACCEPTS AN OFFER MADE PURSUANT TO  
13 SUBSECTION (3) OF THIS SECTION IN WRITING WITHIN FIFTEEN DAYS AFTER  
14 THE DELIVERY OF THE OFFER, THE OFFER IS DEEMED TO HAVE BEEN  
15 REJECTED.

16 (5) (a) A CLAIMANT WHO ACCEPTS A CONSTRUCTION  
17 PROFESSIONAL'S OFFER TO REMEDY OR SETTLE BY PAYMENT OF A SUM  
18 CERTAIN A CONSTRUCTION DEFECT CLAIM SHALL DO SO BY SENDING THE  
19 CONSTRUCTION PROFESSIONAL A WRITTEN NOTICE OF ACCEPTANCE NO  
20 LATER THAN FIFTEEN DAYS AFTER RECEIPT OF THE OFFER. IF AN OFFER TO  
21 SETTLE IS ACCEPTED, THEN THE MONETARY SETTLEMENT MUST BE PAID IN  
22 ACCORDANCE WITH THE OFFER.

23 (b) IF AN OFFER TO REMEDY IS ACCEPTED BY THE CLAIMANT, THE  
24 REMEDIAL CONSTRUCTION WORK MUST BE COMPLETED IN ACCORDANCE  
25 WITH THE TIMETABLE SET FORTH IN THE OFFER UNLESS THE DELAY IS  
26 CAUSED BY EVENTS BEYOND THE REASONABLE CONTROL OF THE  
27 CONSTRUCTION PROFESSIONAL.

28 (6) IF NO OFFER IS MADE BY THE CONSTRUCTION PROFESSIONAL OR  
29 IF THE CLAIMANT REJECTS AN OFFER, THE CLAIMANT MAY BRING AN  
30 ACTION AGAINST THE CONSTRUCTION PROFESSIONAL FOR THE  
31 CONSTRUCTION DEFECT CLAIM DESCRIBED IN THE NOTICE OF CLAIM  
32 UNLESS THE PARTIES HAVE CONTRACTUALLY AGREED TO A MEDIATION  
33 PROCEDURE, IN WHICH CASE THE MEDIATION PROCEDURE MUST BE  
34 SATISFIED PRIOR TO BRINGING AN ACTION.

35 (7) IF AN OFFER BY A CONSTRUCTION PROFESSIONAL IS MADE AND  
36 ACCEPTED, AND IF THEREAFTER THE CONSTRUCTION PROFESSIONAL DOES  
37 NOT COMPLY WITH THE OFFER TO REMEDY OR SETTLE A CLAIM FOR A  
38 CONSTRUCTION DEFECT, THE CLAIMANT MAY FILE AN ACTION AGAINST THE  
39 CONSTRUCTION PROFESSIONAL FOR CLAIMS ARISING OUT OF THE DEFECT  
40 OR DAMAGE DESCRIBED IN THE NOTICE OF CLAIM WITHOUT FURTHER  
41 NOTICE.

42 (8) AFTER SENDING A NOTICE OF CLAIM, A CLAIMANT AND A  
43 CONSTRUCTION PROFESSIONAL MAY, BY WRITTEN MUTUAL AGREEMENT,

1 ALTER THE PROCEDURE FOR THE NOTICE OF CLAIM PROCESS DESCRIBED IN  
2 THIS SECTION.

3 (9) AN ACTION COMMENCED BY A CLAIMANT WHO FAILS TO  
4 COMPLY WITH THE REQUIREMENTS OF THIS SECTION SHALL BE STAYED,  
5 WHICH STAY MUST REMAIN IN EFFECT UNTIL THE CLAIMANT HAS COMPLIED  
6 WITH THE REQUIREMENTS OF THIS SECTION.

7 (10) A CLAIMANT MAY AMEND A NOTICE OF CLAIM TO INCLUDE  
8 CONSTRUCTION DEFECTS DISCOVERED AFTER THE SERVICE OF THE  
9 ORIGINAL NOTICE OF CLAIM, BUT THE CLAIMANT MUST OTHERWISE  
10 COMPLY WITH THE REQUIREMENTS OF THIS SECTION FOR THE ADDITIONAL  
11 CLAIMS.

12 (11) FOR PURPOSES OF THIS SECTION, ACTUAL RECEIPT BY ANY  
13 MEANS OF A WRITTEN NOTICE, OFFER, OR RESPONSE PREPARED PURSUANT  
14 TO THIS SECTION WITHIN THE TIME PRESCRIBED FOR DELIVERY OR SERVICE  
15 OF THE NOTICE, OFFER, OR RESPONSE IS SUFFICIENT DELIVERY OR SERVICE.

16 (12) EXCEPT AS PROVIDED IN SECTION 13-20-1308, A CLAIMANT  
17 SHALL NOT RECOVER MORE THAN ACTUAL DAMAGES IN AN ACTION.

18 **13-20-1306. Restriction on construction defect negligence**  
19 **claims.** (1) A CLAIMANT IS BARRED FROM ASSERTING A NEGLIGENCE  
20 CLAIM SEEKING DAMAGES FOR A CONSTRUCTION DEFECT IF THE CLAIM  
21 ARISES FROM THE FAILURE TO CONSTRUCT AN IMPROVEMENT TO REAL  
22 PROPERTY IN SUBSTANTIAL COMPLIANCE WITH AN APPLICABLE BUILDING  
23 CODE OR INDUSTRY STANDARD; EXCEPT THAT THE CLAIMANT MAY ASSERT  
24 THE CLAIM IF THE FAILURE RESULTS IN ONE OR MORE OF THE FOLLOWING:

25 (a) ACTUAL DAMAGE TO REAL OR PERSONAL PROPERTY;  
26 (b) ACTUAL LOSS OF THE USE OF REAL OR PERSONAL PROPERTY;  
27 (c) BODILY INJURY OR WRONGFUL DEATH; OR  
28 (d) A RISK OF BODILY INJURY OR DEATH TO, OR A THREAT TO THE  
29 LIFE, HEALTH, OR SAFETY OF, THE OCCUPANTS OF THE RESIDENTIAL REAL  
30 PROPERTY.

31 (2) THIS SECTION DOES NOT PROHIBIT, LIMIT, OR IMPAIR THE  
32 FOLLOWING:

33 (a) THE ASSERTION OF TORT CLAIMS OTHER THAN CLAIMS FOR  
34 NEGLIGENCE;  
35 (b) THE ASSERTION OF CONTRACT OR WARRANTY CLAIMS; OR  
36 (c) THE ASSERTION OF CLAIMS THAT ARISE FROM THE VIOLATION  
37 OF ANY STATUTE OR ORDINANCE OTHER THAN CLAIMS FOR VIOLATION OF  
38 A BUILDING CODE.

39 **13-20-1307. Tolling of statutes of limitation.** IF A NOTICE OF  
40 CLAIM IS SENT TO A CONSTRUCTION PROFESSIONAL IN ACCORDANCE WITH  
41 SECTION 13-20-1305 WITHIN THE TIME PRESCRIBED FOR THE FILING OF AN  
42 ACTION UNDER ANY APPLICABLE STATUTE OF LIMITATIONS OR REPOSE,  
43 THEN THE STATUTE OF LIMITATIONS OR REPOSE IS TOLLED UNTIL SIXTY

1 DAYS AFTER THE COMPLETION OF THE NOTICE OF CLAIM PROCESS  
2 DESCRIBED IN SECTION 13-20-1305.

3 **13-20-1308. Limitation of damages - definition.** (1) A  
4 CONSTRUCTION PROFESSIONAL IS NOT LIABLE FOR MORE THAN ACTUAL  
5 DAMAGES UNLESS AND ONLY IF THE CLAIMANT OTHERWISE PREVAILS ON  
6 THE CLAIM THAT A VIOLATION OF THE "COLORADO CONSUMER  
7 PROTECTION ACT", ARTICLE 1 OF TITLE 6, HAS OCCURRED AND IF:

8 (a) THE CONSTRUCTION PROFESSIONAL'S MONETARY OFFER, MADE  
9 PURSUANT TO SECTION 13-20-1305 (3), TO SETTLE FOR A SUM CERTAIN A  
10 CONSTRUCTION DEFECT CLAIM DESCRIBED IN A NOTICE OF CLAIM IS LESS  
11 THAN EIGHTY-FIVE PERCENT OF THE AMOUNT AWARDED TO THE CLAIMANT  
12 AS ACTUAL DAMAGES SUSTAINED, EXCLUSIVE OF COSTS, INTEREST, AND  
13 ATTORNEY FEES; OR

14 (b) THE REASONABLE COST, AS DETERMINED BY THE TRIER OF  
15 FACT, TO COMPLETE THE CONSTRUCTION PROFESSIONAL'S OFFER, MADE  
16 PURSUANT TO SECTION 13-20-1305 (3), TO REMEDY THE CONSTRUCTION  
17 DEFECT DESCRIBED IN THE NOTICE OF CLAIM IS LESS THAN EIGHTY-FIVE  
18 PERCENT OF THE AMOUNT AWARDED TO THE CLAIMANT AS ACTUAL  
19 DAMAGES SUSTAINED EXCLUSIVE OF COSTS, INTEREST, AND ATTORNEY  
20 FEES.

21 (2) IF A CONSTRUCTION PROFESSIONAL DOES NOT SUBSTANTIALLY  
22 COMPLY WITH THE TERMS OF AN ACCEPTED OFFER TO REMEDY OR AN  
23 ACCEPTED OFFER TO SETTLE A CLAIM FOR A CONSTRUCTION DEFECT MADE  
24 PURSUANT TO SECTION 13-20-1305 OR IF A CONSTRUCTION PROFESSIONAL  
25 FAILS TO RESPOND TO A NOTICE OF CLAIM, THE CONSTRUCTION  
26 PROFESSIONAL IS SUBJECT TO THE TREBLE DAMAGES PROVISION OF  
27 SECTION 6-1-113 (2)(a)(III); EXCEPT THAT A CONSTRUCTION  
28 PROFESSIONAL IS SUBJECT TO THE TREBLE DAMAGES PROVISION ONLY IF  
29 THE CLAIMANT OTHERWISE PREVAILS ON THE CLAIM THAT A VIOLATION OF  
30 THE "COLORADO CONSUMER PROTECTION ACT", ARTICLE 1 OF TITLE 6,  
31 HAS OCCURRED.

32 (3) NOTWITHSTANDING ARTICLE 1 OF TITLE 6, THE AGGREGATE  
33 AMOUNT OF TREBLE DAMAGES AWARDED IN AN ACTION UNDER SECTION  
34 6-1-113(2)(a)(III) AND ATTORNEY FEES AWARDED TO A CLAIMANT UNDER  
35 SECTION 6-1-113 (2)(b) MUST NOT EXCEED TWO HUNDRED FIFTY  
36 THOUSAND DOLLARS IN ANY ACTION AGAINST A CONSTRUCTION  
37 PROFESSIONAL.

38 (4) (a) IN AN ACTION ASSERTING PERSONAL INJURY OR BODILY  
39 INJURY AS A RESULT OF A CONSTRUCTION DEFECT IN WHICH DAMAGES FOR  
40 NONECONOMIC LOSS OR INJURY OR DERIVATIVE NONECONOMIC LOSS OR  
41 INJURY MAY BE AWARDED, THE DAMAGES SHALL NOT EXCEED THE SUM OF  
42 TWO HUNDRED FIFTY THOUSAND DOLLARS.

43 (b) THE LIMITATIONS ON NONECONOMIC DAMAGES SET FORTH IN

1 THIS SUBSECTION (4) ARE ADJUSTED FOR INFLATION AS OF JULY 1, 2003,  
2 AND AS OF JULY 1 OF EACH YEAR THEREAFTER UNTIL AND INCLUDING JULY  
3 1, 2008. THE ADJUSTMENTS MADE PURSUANT TO THIS SUBSECTION (4) ARE  
4 ROUNDED UPWARD OR DOWNWARD TO THE NEAREST TEN DOLLAR  
5 INCREMENT.

6 (c) THE SECRETARY OF STATE SHALL CERTIFY THE ADJUSTED  
7 LIMITATION ON DAMAGES WITHIN FOURTEEN DAYS AFTER THE  
8 APPROPRIATE INFORMATION IS AVAILABLE, AND THE ADJUSTED  
9 LIMITATION ON DAMAGES IS THE LIMITATION APPLICABLE TO ALL CLAIMS  
10 FOR RELIEF THAT ACCRUE ON OR AFTER JULY 1, 2003.

11 (d) AS USED IN THIS SUBSECTION (4):

12 (I) "DERIVATIVE NONECONOMIC LOSS OR INJURY" HAS THE  
13 MEANING SET FORTH IN SECTION 13-21-102.5 (2)(a).

14 (II) "INFLATION" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE  
15 UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS  
16 CONSUMER PRICE INDEX FOR DENVER-BOULDER, ALL ITEMS, ALL URBAN  
17 CONSUMERS, OR ITS SUCCESSOR INDEX.

18 (III) "NONECONOMIC LOSS OR INJURY" HAS THE MEANING SET  
19 FORTH IN SECTION 13-21-102.5 (2)(b).

20 (5) CLAIMS FOR PERSONAL INJURY OR BODILY INJURY AS A RESULT  
21 OF A CONSTRUCTION DEFECT ARE NOT SUBJECT TO THE TREBLE DAMAGES  
22 PROVISIONS OF THE "COLORADO CONSUMER PROTECTION ACT", ARTICLE  
23 1 OF TITLE 6.

24 (6) IN ANY CASE IN WHICH THE COURT DETERMINES THAT THE  
25 ISSUE OF A VIOLATION OF THE "COLORADO CONSUMER PROTECTION ACT",  
26 ARTICLE 1 OF TITLE 6, WILL BE SUBMITTED TO A JURY, THE COURT SHALL  
27 NOT DISCLOSE NOR ALLOW DISCLOSURE TO THE JURY OF AN OFFER OF  
28 SETTLEMENT OR OFFER TO REMEDY MADE UNDER SECTION 13-20-1305  
29 THAT WAS NOT ACCEPTED BY THE CLAIMANT.

30 (7)(a) IN ORDER TO PRESERVE COLORADO RESIDENTIAL PROPERTY  
31 OWNERS' LEGAL RIGHTS AND REMEDIES, IN ANY CIVIL ACTION OR  
32 ARBITRATION PROCEEDING DESCRIBED IN SECTION 13-20-1303 (1), ANY  
33 EXPRESS WAIVER OF, OR LIMITATION ON, THE LEGAL RIGHTS, REMEDIES, OR  
34 DAMAGES PROVIDED BY THE "CONSTRUCTION DEFECT ACTION REFORM  
35 ACT OF 2026", THIS PART 13, OR PROVIDED BY THE "COLORADO  
36 CONSUMER PROTECTION ACT", ARTICLE 1 OF TITLE 6, AS DESCRIBED IN  
37 THIS SECTION, OR ANY LIMITATION ON THE ABILITY TO ENFORCE THE  
38 LEGAL RIGHTS, REMEDIES, OR DAMAGES WITHIN THE TIME PROVIDED BY  
39 APPLICABLE STATUTES OF LIMITATION OR REPOSE IS VOID AS AGAINST  
40 PUBLIC POLICY.

41 (b) A WAIVER, LIMITATION, OR RELEASE CONTAINED IN A WRITTEN  
42 SETTLEMENT OF CLAIMS, AND ANY RECORDED NOTICE OF THE  
43 SETTLEMENT, BETWEEN A RESIDENTIAL PROPERTY OWNER AND A

1 CONSTRUCTION PROFESSIONAL AFTER THE CLAIM HAS ACCRUED IS NOT  
2 VOIDED BY THIS SUBSECTION (7).

3 (c) THIS SUBSECTION (7) APPLIES ONLY TO THE LEGAL RIGHTS,  
4 REMEDIES, OR DAMAGES OF CLAIMANTS ASSERTING CLAIMS ARISING OUT  
5 OF RESIDENTIAL PROPERTY AND DOES NOT APPLY TO SALES OR DONATIONS  
6 OF PROPERTY OR SERVICES BY A BONA FIDE CHARITABLE ORGANIZATION  
7 THAT IS IN COMPLIANCE WITH THE REGISTRATION AND REPORTING  
8 REQUIREMENTS OF ARTICLE 16 OF TITLE 6.

9 (d) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (7) TO  
10 THE CONTRARY, THIS SUBSECTION (7) APPLIES ONLY TO ACTIONS THAT ARE  
11 GOVERNED BY THE PROVISIONS OF THIS PART 13, ALSO KNOWN AS THE  
12 "CONSTRUCTION DEFECT ACTION REFORM ACT OF 2026", AND DO NOT  
13 ALTER OR AMEND THE LIMITATIONS ON DAMAGES CONTAINED IN THIS PART  
14 13, INCLUDING THE LIMITATIONS ON TREBLE DAMAGES AND ATTORNEY  
15 FEES SET FORTH IN THIS SECTION.

16 (e) THIS SECTION DOES NOT RENDER VOID ANY REQUIREMENT TO  
17 PARTICIPATE IN MEDIATION PRIOR TO FILING A SUIT OR ARBITRATION  
18 PROCEEDING.

19 **13-20-1309. Express warranty - not affected.** THIS PART 13 IS  
20 NOT INTENDED TO ABROGATE OR LIMIT THE PROVISIONS OF ANY EXPRESS  
21 WARRANTY OR THE OBLIGATIONS OF THE PROVIDER OF THE WARRANTY.  
22 THIS PART 13 APPLIES TO THOSE CIRCUMSTANCES WHERE AN ACTION IS  
23 FILED ASSERTING ONE OR MORE CLAIMS FOR RELIEF, INCLUDING A CLAIM  
24 FOR BREACH OF WARRANTY; EXCEPT THAT, IN THE ACTION, SECTION  
25 13-20-1308 (7) DOES NOT APPLY TO A BREACH OF EXPRESS WARRANTY  
26 CLAIMS EXCEPT TO THE EXTENT THAT PROVISIONS OF THE EXPRESS  
27 WARRANTY PURPORT TO WAIVE OR LIMIT CLAIMS FOR RELIEF OTHER THAN  
28 THE BREACH OF EXPRESS WARRANTY CLAIM. THIS PART 13 DOES NOT  
29 REQUIRE A CLAIMANT THAT IS THE BENEFICIARY OF AN EXPRESS  
30 WARRANTY TO COMPLY WITH THE NOTICE PROVISIONS OF SECTION  
31 13-20-1305 TO REQUEST ORDINARY WARRANTY SERVICE IN ACCORDANCE  
32 WITH THE TERMS OF THE WARRANTY. A CLAIMANT THAT REQUIRES  
33 WARRANTY SERVICE MUST COMPLY WITH THE PROVISIONS OF THE  
34 WARRANTY.

35 **13-20-1310. Insurance policies issued to construction**  
36 **professionals - legislative declaration - definitions.** (1) (a) THE  
37 GENERAL ASSEMBLY FINDS AND DETERMINES THAT:

38 (I) THE INTERPRETATION OF INSURANCE POLICIES ISSUED TO  
39 CONSTRUCTION PROFESSIONALS IS OF VITAL IMPORTANCE TO THE  
40 ECONOMIC AND SOCIAL WELFARE OF THE CITIZENS OF COLORADO AND IN  
41 FURTHERING THE PURPOSES OF THIS PART 13;

42 (II) INSURANCE POLICIES ISSUED TO CONSTRUCTION  
43 PROFESSIONALS HAVE BECOME INCREASINGLY COMPLEX, OFTEN

1 CONTAINING MULTIPLE, LENGTHY ENDORSEMENTS AND EXCLUSIONS THAT  
2 CONFLICT WITH THE REASONABLE EXPECTATIONS OF THE INSURED; AND  
3 (III) THE CORRECT INTERPRETATION OF COVERAGE FOR DAMAGES  
4 ARISING OUT OF CONSTRUCTION DEFECTS IS IN THE BEST INTEREST OF  
5 INSURERS, CONSTRUCTION PROFESSIONALS, AND PROPERTY OWNERS.

6 (b) THE GENERAL ASSEMBLY DECLARES THAT:

7 (I) THE POLICY OF COLORADO FAVORS THE INTERPRETATION OF  
8 INSURANCE COVERAGE BROADLY FOR THE INSURED;

9 (II) THE LONG-STANDING AND CONTINUING POLICY OF COLORADO  
10 FAVORS A BROAD INTERPRETATION OF AN INSURER'S DUTY TO DEFEND THE  
11 INSURED UNDER LIABILITY INSURANCE POLICIES AND THAT THIS DUTY IS  
12 A FIRST-PARTY BENEFIT TO AND CLAIM ON BEHALF OF THE INSURED;

13 (III) THE DECISION OF THE COLORADO COURT OF APPEALS IN  
14 *GENERAL SECURITY INDEMNITY COMPANY OF ARIZONA v. MOUNTAIN STATES*  
15 *MUTUAL CASUALTY COMPANY*, 205 P.3d 529 (COLO. APP. 2009) DOES NOT  
16 PROPERLY CONSIDER A CONSTRUCTION PROFESSIONAL'S REASONABLE  
17 EXPECTATION THAT AN INSURER WOULD DEFEND THE CONSTRUCTION  
18 PROFESSIONAL AGAINST AN ACTION OR NOTICE OF CLAIM CONTEMPLATED  
19 BY THIS PART 13; AND

20 (IV) FOR THE PURPOSES OF GUIDING PENDING AND FUTURE  
21 ACTIONS INTERPRETING LIABILITY INSURANCE POLICIES ISSUED TO  
22 CONSTRUCTION PROFESSIONALS, WHAT HAS BEEN AND CONTINUES TO BE  
23 THE POLICY OF COLORADO IS CLARIFIED AND CONFIRMED IN THE  
24 INTERPRETATION OF INSURANCE POLICIES THAT HAVE BEEN AND MAY BE  
25 ISSUED TO CONSTRUCTION PROFESSIONALS.

26 (2) AS USED IN THIS SECTION:

27 (a) "INSURANCE" HAS THE MEANING SET FORTH IN SECTION  
28 10-1-102.

29 (b) "INSURANCE POLICY" MEANS A CONTRACT OF INSURANCE.

30 (c) "INSURER" HAS THE MEANING SET FORTH IN SECTION 10-1-102.

31 (d) "LIABILITY INSURANCE POLICY" MEANS A CONTRACT OF  
32 INSURANCE THAT COVERS OCCURRENCES OF DAMAGE OR INJURY DURING  
33 THE POLICY PERIOD AND INSURES A CONSTRUCTION PROFESSIONAL FOR  
34 LIABILITY ARISING FROM CONSTRUCTION-RELATED WORK.

35 (3) IN INTERPRETING A LIABILITY INSURANCE POLICY ISSUED TO A  
36 CONSTRUCTION PROFESSIONAL, A COURT SHALL PRESUME THAT THE WORK  
37 OF A CONSTRUCTION PROFESSIONAL THAT RESULTS IN PROPERTY DAMAGE,  
38 INCLUDING DAMAGE TO THE WORK ITSELF OR OTHER WORK, IS AN  
39 ACCIDENT UNLESS THE PROPERTY DAMAGE IS INTENDED AND EXPECTED BY  
40 THE INSURED. THIS SUBSECTION (3) DOES NOT:

41 (a) REQUIRE COVERAGE FOR DAMAGE TO AN INSURED'S OWN WORK  
42 UNLESS OTHERWISE PROVIDED IN THE INSURANCE POLICY; OR

43 (b) CREATE INSURANCE COVERAGE THAT IS NOT INCLUDED IN THE

1 INSURANCE POLICY.

2 (4) (a) UPON A FINDING OF AMBIGUITY IN AN INSURANCE POLICY,  
3 A COURT MAY CONSIDER A CONSTRUCTION PROFESSIONAL'S OBJECTIVE,  
4 REASONABLE EXPECTATIONS IN THE INTERPRETATION OF AN INSURANCE  
5 POLICY ISSUED TO THE CONSTRUCTION PROFESSIONAL.

6 (b) IN CONSTRUING AN INSURANCE POLICY TO MEET A  
7 CONSTRUCTION PROFESSIONAL'S OBJECTIVE, REASONABLE EXPECTATIONS,  
8 THE COURT MAY CONSIDER THE FOLLOWING:

9 (I) THE OBJECT SOUGHT TO BE OBTAINED BY THE CONSTRUCTION  
10 PROFESSIONAL IN THE PURCHASE OF THE INSURANCE POLICY; AND

11 (II) WHETHER A CONSTRUCTION DEFECT HAS RESULTED, DIRECTLY  
12 OR INDIRECTLY, IN BODILY INJURY, PROPERTY DAMAGE, OR LOSS OF THE  
13 USE OF PROPERTY.

14 (c) IN CONSTRUING AN INSURANCE POLICY TO MEET A  
15 CONSTRUCTION PROFESSIONAL'S OBJECTIVE, REASONABLE EXPECTATIONS,  
16 A COURT MAY CONSIDER AND GIVE WEIGHT TO ANY WRITING CONCERNING  
17 THE INSURANCE POLICY PROVISION IN DISPUTE THAT IS NOT PROTECTED  
18 FROM DISCLOSURE BY THE ATTORNEY-CLIENT PRIVILEGE, WORK-PRODUCT  
19 PRIVILEGE, OR PART 2 OF ARTICLE 72 OF TITLE 24 AND THAT IS  
20 GENERATED, APPROVED, ADOPTED, OR RELIED ON BY THE INSURER OR ITS  
21 PARENT OR SUBSIDIARY COMPANY OR AN INSURANCE RATING OR POLICY  
22 DRAFTING ORGANIZATION, SUCH AS THE INSURANCE SERVICES OFFICE,  
23 INC., OR ITS PREDECESSOR OR SUCCESSOR ORGANIZATION; EXCEPT THAT  
24 THIS SUBSECTION (4)(c) DOES NOT RESTRICT, LIMIT, EXCLUDE, OR  
25 CONDITION COVERAGE OR THE INSURER'S OBLIGATION BEYOND THAT  
26 WHICH IS REASONABLY INFERRED FROM THE WORDS USED IN THE  
27 INSURANCE POLICY.

28 (5) IF AN INSURANCE POLICY PROVISION THAT APPEARS TO GRANT  
29 OR RESTORE COVERAGE CONFLICTS WITH AN INSURANCE POLICY  
30 PROVISION THAT APPEARS TO EXCLUDE OR LIMIT COVERAGE, THE COURT  
31 SHALL CONSTRUE THE INSURANCE POLICY TO FAVOR COVERAGE IF  
32 REASONABLY AND OBJECTIVELY POSSIBLE.

33 (6) IF AN INSURER DISCLAIMS OR LIMITS COVERAGE UNDER A  
34 LIABILITY INSURANCE POLICY ISSUED TO A CONSTRUCTION PROFESSIONAL,  
35 THE INSURER BEARS THE BURDEN OF PROVING BY A PREPONDERANCE OF  
36 THE EVIDENCE THAT:

37 (a) A POLICY'S LIMITATION, EXCLUSION, OR CONDITION IN THE  
38 INSURANCE POLICY BARS OR LIMITS COVERAGE FOR THE INSURED'S LEGAL  
39 LIABILITY IN AN ACTION OR NOTICE OF CLAIM MADE PURSUANT TO SECTION  
40 13-20-1305 CONCERNING A CONSTRUCTION DEFECT; AND

41 (b) AN EXCEPTION TO THE LIMITATION, EXCLUSION, OR CONDITION  
42 IN THE INSURANCE POLICY DOES NOT RESTORE COVERAGE UNDER THE  
43 POLICY.

1 (7) (a) AN INSURER'S DUTY TO DEFEND A CONSTRUCTION  
2 PROFESSIONAL OR OTHER INSURED UNDER A LIABILITY INSURANCE POLICY  
3 ISSUED TO A CONSTRUCTION PROFESSIONAL IS TRIGGERED BY A  
4 POTENTIALLY COVERED LIABILITY DESCRIBED IN:

5 (I) A NOTICE OF CLAIM MADE PURSUANT TO SECTION 13-20-1305;  
6 OR

7 (II) A COMPLAINT, CROSS-CLAIM, COUNTERCLAIM, OR  
8 THIRD-PARTY CLAIM FILED IN AN ACTION AGAINST THE CONSTRUCTION  
9 PROFESSIONAL CONCERNING A CONSTRUCTION DEFECT.

10 (b) (I) AN INSURER SHALL DEFEND A CONSTRUCTION  
11 PROFESSIONAL THAT HAS RECEIVED A NOTICE OF CLAIM MADE PURSUANT  
12 TO SECTION 13-20-1305, REGARDLESS OF WHETHER ANOTHER INSURER  
13 MAY ALSO OWE THE INSURED A DUTY TO DEFEND THE NOTICE OF CLAIM,  
14 UNLESS AUTHORIZED BY LAW. IN DEFENDING THE CLAIM, THE INSURER  
15 SHALL:

16 (A) REASONABLY INVESTIGATE THE CLAIM; AND  
17 (B) REASONABLY COOPERATE WITH THE INSURED IN THE NOTICE  
18 OF CLAIM PROCESS.

19                   (II) THIS SUBSECTION (7)(b) DOES NOT REQUIRE THE INSURER TO  
20 RETAIN LEGAL COUNSEL FOR THE INSURED OR TO PAY ANY SUMS TOWARD  
21 SETTLEMENT OF THE NOTICE OF CLAIM THAT ARE NOT COVERED BY THE  
22 INSURANCE POLICY.

**13-20-1311. Part to take effect - notice to revisor of statutes.**

30 THIS PART 13 WILL TAKE EFFECT ON SEPTEMBER 1, 2029, IF THE  
31 COMMISSIONER OF INSURANCE DETERMINES THAT CONSTRUCTION  
32 PROFESSIONAL LIABILITY INSURANCE FOR BUILDING CONDOMINIUMS HAS  
33 NOT DECREASED FROM THE 2023 LEVELS. THE COMMISSIONER OF  
34 INSURANCE SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING ON  
35 JANUARY 1, 2029, IF THE CONDITION SPECIFIED IN THIS SECTION HAS  
36 OCCURRED BY E-MAILING THE NOTICE TO  
37 REVISOROFSTATUTES.GA@COLEG.GOV. THIS PART 13 TAKES EFFECT  
38 SEPTEMBER 1, 2029, IF THE REVISOR OF STATUTES IS NOTIFIED THAT  
39 CONSTRUCTION PROFESSIONAL LIABILITY INSURANCE FOR BUILDING  
40 CONDOMINIUMS HAS NOT DECREASED FROM THE 2023 LEVELS.".

41 Renumber succeeding section accordingly.

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