CS FOR SENATE BILL NO. 87(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 3/24/99
Referred: Judiciary
Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

"An Act requiring a license to sell rental car insurance."

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

* Section 1. AS 21.27.060(d) is amended to read:

(d) This section does not apply to an applicant

(1) for a limited license under AS 21.27.150(a)(1) [AS 21.27.150(1)],

(2), [OR] (6), or (7);

(2) who, at any time within the two-year period immediately preceding

the date the current pending application is received by the division, had been licensed

in good standing in this state under a license requiring substantially similar

qualifications as required by the license applied for; or

(3) whose license in its resident jurisdiction requires the same

qualifications as the license applied for in this state if the license in all jurisdictions

is in good standing.

* Sec. 2. AS 21.27.150 is amended to read:

Sec. 21.27.150. Limited licenses. (a) The director may issue a
(1) travel insurance limited producer license to a person whose place of business is located in this state, who sells transportation tickets of a common carrier of persons or property, who is appointed under AS 21.27.100, and whose sole purpose is to be appointed by and [TO] act as an agent for transportation ticket policies of health insurance, baggage insurance on personal effects, and trip cancellation or trip interruption insurance;

(2) health insurance limited producer license to a resident of this state whose sole purpose is to be appointed by and act as an agent for health insurance pertaining to sports and recreation;

(3) title insurance limited producer license to a person whose place of business is located in this state and whose sole purpose is to be appointed by and act on behalf of a title insurer;

(4) bail bond limited producer license to a person whose place of business is located in this state and whose sole purpose is to be appointed by and act on behalf of a surety insurer pertaining to bail bonds;

(5) fraternal benefit society limited producer license to a person whose sole purpose is to be appointed by and [TO] act on behalf of a fraternal benefit society licensed under AS 21.84;

(6) retired insurance producer license to a resident who is retired or retiring from the business of insurance and surrenders all in-force licenses to allow the person to receive a continuing commission in regard to insurance transacted before retirement; a retired insurance producer licensee may not solicit, induce, negotiate, or effectuate contracts of insurance; the director may renew a retired insurance producer license if the licensee ceases to be a resident of this state;

(7) **motor vehicle rental agency limited producer license to a person** and, subject to the approval of the director, to employees of the person licensed that the licensee authorizes to transact the business of insurance on the licensee's behalf if, as to an employee, the licensee complies with (D) of this paragraph and if the licensee

(A) rents to others, without operators,

(i) **private passenger motor vehicles, including**
passenger vans, minivans, and sport utility vehicles; or

(ii) cargo motor vehicles, including cargo vans, pickup trucks, and trucks with a gross vehicle weight of less than 26,000 pounds that do not require the operator to possess a commercial driver's license;

(B) rents motor vehicles only to persons under rental agreements that do not exceed a term of 90 days;

(C) transacts only the following kinds of insurance:

(i) motor vehicle liability insurance with respect to liability arising out of the use of a vehicle rented from the licensee during the term of the rental agreement;

(ii) uninsured or underinsured motorist coverage, with minimum limits described in AS 21.89.020(c) and (d) arising out of the use of a vehicle rented from the licensee during the term of the rental agreement;

(iii) insurance against medical, hospital, surgical, and disability benefits to an injured person and funeral and death benefits to dependents, beneficiaries, or personal representatives of a deceased person if the insurance is issued as incidental coverage with or supplemental to liability insurance and arises out of the use of a vehicle rented from the licensee during the term of the rental agreement;

(iv) personal effects insurance, including loss of use, with respect to damage to or loss of personal property of a person renting the vehicle and other vehicle occupants while that property is being loaded into, transported by, or unloaded from a vehicle rented from the licensee during the term of the rental agreement;

(v) towing and roadside assistance with respect to vehicles rented from the licensee during the term of the rental agreement; and

(vi) other insurance as may be authorized by
regulation by the director;

(D) notifies the director in writing, within 30 days of employment, of the name, date of birth, social security number, location of employment, and home address of an employee authorized by the licensee to transact insurance on the licensee's behalf; and

(E) provides other information as required by the director.

(b) The director may waive the bond required under AS 21.27.530(5) for a person licensed under this section.