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January 25, 2012

Senate Committee on Labor & Commerce  
Alaska State Senate  
Room 105, Thomas Stewart Building  
Juneau, Alaska 99801

Re: SB 157 — Cancellation of Insurance on Vacant or Unoccupied Property

Dear Senate Labor & Commerce Committee:

State Farm strongly supports SB 157. It is universally accepted that insurers must be able to cancel insurance where the risk has changed. In line with this, almost every other state has a statute that allows cancellation of insurance on property that has become vacant or unoccupied, or even more broadly allows cancellation whenever the risk increases. Unfortunately, it has come to our attention that Alaska's cancellation statute is less than clear. SB 157 would clarify that in Alaska, like the vast majority of other states, insurance may be cancelled when the insured property becomes vacant or unoccupied which increases a hazard insured against. This simple yet important bill is also supported by the National Association of Mutual Insurance Companies, who has 73 members writing insurance in Alaska representing 34% of the P & C market. Please consider moving this bill out of your committee.

Sincerely, 

Sheldon E. Winters  
Lobbyist for State Farm Insurance Companies

SEW/lg  
Senate L & C letter in support.wpd