

**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**

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

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

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

4 (d) This section does not apply to an applicant

5 (1) for a limited license under AS 21.27.150(a)(1) [AS 21.27.150(1)],  
6 (2), [OR] (6), **or (7)**;

7 (2) who, at any time within the two-year period immediately preceding  
8 the date the current pending application is received by the division, had been licensed  
9 in good standing in this state under a license requiring substantially similar  
10 qualifications as required by the license applied for; or

11 (3) whose license in its resident jurisdiction requires the same  
12 qualifications as the license applied for in this state if the license in all jurisdictions  
13 is in good standing.

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

15 **Sec. 21.27.150. Limited licenses.** (a) The director may issue a

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

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

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

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

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

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

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

30 **(A) rents to others, without operators,**

31 **(i) private passenger motor vehicles, including**

1 passenger vans, minivans, and sport utility vehicles; or

2 (ii) cargo motor vehicles, including cargo vans,  
3 pickup trucks, and trucks with a gross vehicle weight of less than  
4 26,000 pounds that do not require the operator to possess a  
5 commercial driver's license;

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

8 (C) transacts only the following kinds of insurance:

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

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

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

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

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

31 (vi) other insurance as may be authorized by

1 regulation by the director;

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

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

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