



Property Casualty Insurers
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Assistant Vice President, NW Region

March 3, 2014

Alaska State Legislature
Senate Labor and Commerce Committee
120 E. 4th St., Juneau, AK 99801

Sent via electronic transmission to: Sen.Mike.Dunleavy@akleg.gov; Sen.Peter.Micciche@akleg.gov; steven.ricci@akleg.gov

RE: SB 167 – Clarifying Uninsured and Underinsured Motorist (UM/UIM) Coverage

Chairman Dunleavy, Vice Chairman Micciche, and members of the Senate Labor and Commerce Committee,

On behalf of Property Casualty Insurers Association of America (PCI), whose members collectively write 36 percent of the auto insurance policies in force in Alaska, I write in support of SB 167 (UM/UIM stacking provisions) and urge the committee to give this measure a favorable recommendation to the state Senate.

As you may be aware, passage of HB 429 by the Legislature in 1990 resulted in different standards of treatment being applied to policyholders who purchase multiple Uninsured or Underinsured Motorist Coverage through a single insurer or through multiple insurers – and the current statute (AS 28.20.445) also treats “named insureds” differently than others in the same household covered under those policies.

Alaska is the only state in the nation with this discrepancy, and we agree with analyses that suggest that the current statute is not in keeping with original legislative intent, which included the state’s interest in providing the widest array of coverage options and pricing for consumers.

PCI’s research, based on data from the National Association of Insurance Commissioners (NAIC) – the nation’s insurance regulators – suggests that the changes proposed in SB 167 would **benefit insurance consumers overall**. Alaska’s UM/UIM loss cost, which is the average loss per insured vehicle, is currently 9th highest in the nation – about *two-thirds higher* than the countrywide average (\$73.16 – AK vs. \$44.30 – U.S.). Providing consistency in the law could prevent unequal treatment of insureds, improve coverage and pricing options and positively influence loss costs, which contribute to the overall cost of insurance for consumers.

For these reasons, we urge you to give favorable consideration to SB 167. If we can provide any additional information, please do not hesitate to contact me, or PCI’s Alaska lobbyist, Kris Knauss.

Respectfully,

Kenton Brine
Assistant Vice President

