

CS FOR SENATE BILL NO. 106()

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATOR BEGICH

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to renewal of insurance coverage for homeowners and renters; and**
2 **providing for an effective date."**

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

4 *** Section 1.** AS 21.36.240 is amended to read:

5 **Sec. 21.36.240. Failure to renew.** An insurer may only fail to renew a
6 personal insurance policy on the policy's annual anniversary. An insurer may not fail
7 to renew a policy unless a written notice of nonrenewal is mailed to the named insured
8 under [AS REQUIRED BY] AS 21.36.260 at least 20 days for a personal insurance
9 policy, and at least 45 days for a business or commercial insurance policy, before the
10 [EXPIRATION] date [OF] the policy expires or [OF] the anniversary date of a policy
11 written for a term longer than one year or with no fixed expiration date. [IF NOTICE
12 OF NONRENEWAL IS NOT GIVEN AS REQUIRED BY THIS SECTION, THE
13 EXISTING POLICY SHALL CONTINUE UNTIL THE INSURER PROVIDES
14 NOTICE FOR THE TIME PERIOD REQUIRED BY THIS SECTION FOR THAT

1 POLICY. THIS SECTION DOES NOT APPLY

2 (1) IF THE INSURER HAS IN GOOD FAITH MANIFESTED ITS
3 WILLINGNESS TO RENEW;

4 (2) IN CASE OF NONPAYMENT OF PREMIUM FOR THE
5 EXPIRING POLICY;

6 (3) IF THE INSURED FAILS TO PAY THE PREMIUM AS
7 REQUIRED BY THE INSURER FOR RENEWAL; OR

8 (4) TO BUSINESS OR COMMERCIAL POLICIES PLACED
9 UNDER AS 21.34.]

10 * **Sec. 2.** AS 21.36.240 is amended by adding new subsections to read:

11 (b) In addition to the requirements in (a) of this section, in determining
12 whether to renew a homeowner's insurance policy, an insurer may not consider the
13 earliest claim made by the insured within the three-year period immediately preceding
14 the policy's annual anniversary. In this subsection, "homeowner's insurance" includes
15 coverage described in AS 21.36.460(i)(7)(B) and (C).

16 (c) If notice of nonrenewal is not given as required by this section, the existing
17 policy shall continue until the insurer provides notice for the period required by this
18 section for the policy.

19 (d) This section does not apply

20 (1) if the insurer has in good faith manifested its willingness to renew;

21 (2) in case of nonpayment of premium for the expiring policy;

22 (3) if the insured fails to pay the premium as required by the insurer for
23 renewal; or

24 (4) to business or commercial policies placed under AS 21.34.

25 * **Sec. 3.** AS 21.36.310(4) is amended to read:

26 (4) "personal insurance" **has the meaning given in AS 21.36.460(i)**

27 [(A) MEANS PERSONAL AUTOMOBILE INSURANCE,
28 OR INSURANCE COVERING

29 (i) LOSS OF OR DAMAGE TO REAL PROPERTY
30 THAT IS USED PREDOMINANTLY FOR RESIDENTIAL
31 PURPOSES AND THAT DOES NOT CONSIST OF MORE THAN

1 FOUR DWELLING UNITS;

2 (ii) LOSS OF OR DAMAGE TO PERSONAL
3 PROPERTY, INCLUDING PERSONAL EFFECTS, HOUSEHOLD
4 FURNITURE, FIXTURES, AND EQUIPMENT LOCATED IN NOT
5 MORE THAN FOUR DWELLING UNITS; OR

6 (iii) LEGAL LIABILITY OF NATURAL PERSONS
7 FOR LOSS OF, DAMAGE TO, OR INJURY TO PERSONS OR
8 PROPERTY IF THE INSURANCE DOES NOT COVER LIABILITY
9 ARISING FROM OR IN CONNECTION WITH BUSINESS OR
10 COMMERCIAL ACTIVITIES;

11 (B) DOES NOT INCLUDE AN ANNUITY CONTRACT OR
12 A POLICY OF LIFE INSURANCE, HEALTH INSURANCE, OR TITLE
13 INSURANCE];

14 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 APPLICABILITY. AS 21.36.240, as amended by secs. 1 and 2 of this Act, and
17 AS 21.36.310(4), as amended by sec. 3 of this Act, apply to an insurance policy or contract
18 entered into or renewed on or after the effective date of secs. 1 - 3 of this Act.

19 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 TRANSITION: REGULATIONS. The director of the division of insurance may adopt
22 regulations necessary to implement the changes made by this Act. The regulations take effect
23 under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law
24 implemented by the regulations.

25 * **Sec. 6.** Section 5 of this Act takes effect immediately under AS 01.10.070(c).

26 * **Sec. 7.** Except as provided in sec. 6 of this Act, this Act takes effect July 1, 2020.