



# LAWS OF ALASKA

1970

Source

Chapter No.

HB 596 am

34

## AN ACT

Relating to surplus line insurance; and providing for an effective date.

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

- \* Section 1. AS 21.33.160 is amended to read:

Sec. 21.33.160. FILING SURETY BOND AS A CONDITION TO LICENSE. Before receiving a license the applicant shall file with the department a surety bond in favor of the state in the penal sum of \$25,000. The bond shall be issued by an authorized corporate surety approved by the department. The bond shall be conditioned on the conduct of business under the license in conformity with the provisions of this title, including the payment of all taxes required to be paid by this title. The applicant shall keep the bond in effect during the period of the license. The surety may terminate the bond by giving at least 30 days written notice to the department.

- \* Sec. 2. AS 21.33.180 is repealed and re-enacted to read:

Sec. 21.33.180. FINANCIAL REQUIREMENTS FOR INSURERS OF SURPLUS LINES. (a) A surplus line broker shall ascertain the financial condition of an insurer before placing insurance with him. A broker may not place surplus line insurance with an insurer which he knows to be financially unsound, nor may the broker place surplus line insurance with an insurer which has capital and surplus of less than \$600,000 unless there is on file with the department a copy of a trust agreement, certified by the trustee, evidencing an existing trust of at least \$450,000 which is deposited by the insurer in a United States bank or a United States trust company and held for the protection of the insurer's United States policyholders. The department may waive the financial requirements in this subsection in circumstances in which insurance on risks located in this

state cannot be procured under the requirements.

(b) A surplus line broker who violates (a) of this section is punishable by a fine of not less than \$50 or more than \$250 for each offense. The department shall also revoke his license and may not license him as a surplus line broker for a period of two years thereafter.

\* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.