



LAWS OF ALASKA

1976

Source

HB 582 am S

Chapter No.

206

AN ACT

Relating to regulation of insurance; and providing for an effective date.

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

* Section 1. AS 21.06.250(a)(1) is amended by adding a new subparagraph to read:

(D) amending certificate of authority...\$10.

* Sec. 2. AS 21.09.070(a) is amended to read:

(a) To qualify for authority to transact any one kind of insurance as defined in ch. 12 of this title, or combination of kinds of insurance as shown below, a foreign insurer, or a domestic insurer applying for its original certificate of authority in this state, or an insurer re-applying for a certificate of authority in this state after having withdrawn from this state for any cause, shall possess and thereafter maintain unimpaired basic paid-in capital stock (if a stock insurer) or unimpaired basic surplus (if a foreign mutual insurer or foreign reciprocal insurer), and shall possess when first so authorized additional funds in surplus as follows:

Kind or Kinds of Insurance	Basic Capital or Basic Surplus	Additional Surplus
Life	\$400,000	\$400,000
Disability	400,000	400,000
Life and Disability	500,000	500,000
Property	400,000	400,000

Casualty excluding vehicle	500,000	500,000
Vehicle	400,000	400,000
Marine & Transportation	450,000	450,000
Surety	500,000	500,000
Title	250,000	250,000
Any two of the following kinds of insurance: pro perty, marine and trans portation, casualty excluding vehicle, surety and disability	550,000	550,000
Multiple Lines (all lines excluding life and title insurance)	750,000	750,000
Legal Expenses	400,000	400,000
Mortgage Guarantee	400,000	400,000

* Sec. 3. AS 21.09.080 is repealed and re-enacted to read:

Sec. 21.09.080. CAPITAL FUNDS REQUIRED - OLD DOMESTIC INSURERS. (a) A domestic insurer holding a valid certificate of authority to transact insurance in this state immediately before the effective date of this Act may continue to transact the same kinds of insurance permitted by the certificate of authority by maintaining after that date unimpaired not less than the same amount of paid-in capital stock (if a stock insurer) or not less than the same amount of surplus (if a mutual or reciprocal insurer) for that authority as required under the laws of this state in force immediately before the effective date of this Act as if the laws had continued in force.

(b) Notwithstanding (a) of this section, a domestic insurer holding a valid certificate of authority to transact insurance in this state immediately before July 1, 1966, may continue to transact the same kinds of insurance permitted by the certificate of authority by maintaining after that date unimpaired not less than the same amount of paid-in capital stock (if a stock insurer) or not less than the same amount of surplus (if a mutual or reciprocal insurer) for that authority as required under the laws of this state in force immediately before July 1, 1966, as if the laws had continued in force.

(c) An insurer described in (a) or (b) of this section may not, after the effective date of this Act, be granted authority to transact any other or additional kind of insurance unless it, at the time of applying for the authority, fully complies with the requirements as to capital and surplus, as applied to all the kinds of insurance it proposes to transact, as provided under sec. 70 of this chapter as to new domestic insurers.

(d) An insurer described in this section may not, after the effective date of this Act, declare a dividend or distribute assets to its shareholders, members, or subscribers until it has a total capital and surplus equal to the total capital and surplus required for a like insurer under sec. 70 of this chapter.

* Sec. 4. AS 21.09.090(b) is amended to read:

(b) The director may not authorize an insurer to transact insurance in this state unless it makes and thereafter maintains in trust in this state through the director for the protection of all its policyholders or of all its policyholders and creditors, a deposit of cash or securities eligible for deposit under AS 21.24.030 in the amount of no less than \$300,000, except that

(1) insurers authorized to transact insurance and transacting insurance immediately before the effective date of this Act, shall have a period of one year from that date within which to comply with any increase in deposit required under this section;

(2) from foreign insurers, in lieu of the deposit or part thereof in this state, the director may accept the certificate in proper form of the public official having supervision over insurers in any other state to the effect that a like deposit or part thereof by the insurer is being maintained in public custody or control under the law in that state in trust for the protection generally of the insurer's policyholders or its policyholders and creditors, in the United States;

(3) from alien insurers, in lieu of the deposit or part thereof in this state, the director may accept evidence satisfactory to him that the insurer maintains within the United States by way of trust deposits with public depositories, or in trust institutions acceptable to the director, assets available for discharge of its United States insurance obligations, which assets shall be in an amount not less than the outstanding liabilities of the insurer arising out of its insurance transactions in the United States together with a surplus equal to the larger of the following sums:

(A) the largest deposit required by this title to be made by a foreign insurer transacting like kinds of insurance; or

(B) \$300,000; which surplus shall for all purposes under this title be considered to be the capital or surplus of the insurer.

* Sec. 5. AS 21.12 is amended by adding new sections to read:

Sec. 21.12.110. MORTGAGE GUARANTY INSURANCE DEFINED. Mortgage guaranty insurance includes insurance against financial loss by reason of non-payment of principal, interest and other sums agreed to be paid under the terms of any note or bond or other evidence of indebtedness secured by a mortgage, deed of trust or other instrument consisting of a lien or charge on real estate.

* Sec. 6. AS 21.21 is amended by adding a new section to read:

Sec. 21.21.600. DEFINITIONS. In this chapter, unless the context requires otherwise, "domestic insurer" has the same meaning as set out in AS 21.90.070 and, in addition, for the purposes of this chapter, includes an insurer which has been authorized to do business in this state and which, during its three preceding fiscal years taken together, or during any lesser period of time if it has been licensed to transact its business in the State of Alaska only for such lesser periods of time, has written an average of more gross premiums in the State of Alaska than it has written in its state of domicile during the same period, and the gross premiums written constitute 33 per cent or more of its total gross premiums written everywhere in the United States for the three year or lesser period, as reported in its three most recent annual statements.

* Sec. 7. AS 21.27.510(a) is amended to read:

(a) "Adjuster" means a person who, for compensation as an independent contractor or as an employee of an independent contractor, or for fee or commission, investigates and adjusts claims arising under insurance contracts on behalf of the insurer. An attorney at law who adjusts insurance losses from time to time incidental to the practice of his profession or a salaried employee of an insurer is not considered to be an adjuster for the purposes of this chapter.

* Sec. 8. AS 21.33.310(4) is amended to read:

(4) insurance of aircraft operated in scheduled interstate flight, or cargo of such aircraft, or insurance against liability, other than workmen's compensation and employers' liability, arising out of the ownership, maintenance or use of the aircraft.

* Sec. 9. AS 21.36.190(c) is amended to read:

(c) This section does not apply to mortgage guaranty insurance, life insurance, disability insurance, or annuity contracts.

* Sec. 10. This Act takes effect July 1, 1976.