

CS FOR SENATE BILL NO. 158(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 2/20/98

Referred: Judiciary

Sponsor(s): SENATE JUDICIARY COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to motor vehicle liability insurance covering a person who has**
2 **had the person's driver's license revoked for possession or consumption of alcohol**
3 **while under 21 years of age."**

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

5 *** Section 1.** AS 21.36.210(a) is amended to read:

6 (a) An insurer may not exercise its right to cancel a policy of personal
7 automobile insurance except for the following reasons:

8 (1) nonpayment of premium; or

9 (2) the driver's license or motor vehicle registration of either the named
10 insured or of an operator who resides in the same household as the named insured or
11 who customarily operates a motor vehicle insured under the policy has been under
12 suspension or revocation during the policy period or, if the policy is a renewal, during
13 its policy period or the 180 days immediately preceding its effective date; this
14 paragraph does not apply to administrative revocation as described under

1 AS 21.89.027.

2 * **Sec. 2.** AS 21.89 is amended by adding a new section to read:

3 **Sec. 21.89.027. Motor vehicle insurance following driver's license**
4 **revocation.** (a) Notwithstanding AS 21.36.210, an insurer offering insurance in this
5 state may not (1) refuse to issue or renew motor vehicle liability insurance coverage;
6 (2) cancel an existing policy of motor vehicle liability insurance; (3) deny a covered
7 claim; or (4) increase the premium on a motor vehicle liability insurance policy if the
8 refusal, cancellation, denial, or increase results only from the fact that the person's
9 driver's license was revoked under AS 28.15.183 or 28.15.185 for possession or
10 consumption of alcohol in violation of AS 04.16.050 or a municipal ordinance with
11 substantially similar elements.

12 (b) The provisions of (a) of this section may not prevent an insurer from
13 underwriting or rating for a loss experience in the same manner as it would for a
14 person who has not had the person's driver's license revoked under AS 28.15.183 or
15 28.15.185.

16 * **Sec. 3.** This Act applies to a policy of insurance that is entered into or renewed on or
17 after the effective date of this Act.