

SENATE BILL NO. 327

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY SENATOR DONLEY

Introduced: 2/19/02

Referred: Transportation, State Affairs

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to motor vehicle insurance; and providing for an effective date."**

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

3 *** Section 1.** AS 21.89.020(c) is amended to read:

4 (c) An insurance company offering automobile liability insurance in this state
5 for bodily injury or death shall, initially and at each renewal, offer coverage prescribed
6 in AS 28.20.440 and 28.20.445 or AS 28.22 for the protection of the persons insured
7 under the policy who are legally entitled to recover damages for bodily injury or death
8 from owners or operators of uninsured or underinsured motor vehicles. The limit
9 written may not be less than the limit in AS 28.20.440 or AS 28.22.101. Coverage
10 required to be offered under this section must include the following options:

11 (1) policy limits equal to the limits voluntarily purchased to cover the
12 liability of the person insured for bodily injury or death; **this paragraph does not**
13 **require coverage for punitive damages awarded against an uninsured or**
14 **underinsured person;**

15 (2) except when the coverage consists of motorcycle liability

1 insurance, and except for a named insured required to file proof of financial
 2 responsibility under AS 28.20 or an applicant required to file proof of financial
 3 responsibility under AS 28.20, policy limits in the following amounts when these
 4 limits are greater than those offered under (1) of this subsection:

5 (A) \$100,000 because of bodily injury to or death of one person
 6 in one accident, and, subject to the same limit for one person, \$300,000
 7 because of bodily injury to or death of two or more persons in one accident;

8 (B) \$300,000 because of bodily injury to or death of one person
 9 in one accident, and, subject to the same limit for one person, \$500,000
 10 because of bodily injury to or death of two or more persons in one accident;

11 (C) \$500,000 because of bodily injury to or death of one person
 12 in one accident, and, subject to the same limit for one person, \$500,000
 13 because of bodily injury to or death of two or more persons in one accident;

14 (D) \$500,000 because of bodily injury to or death of one person
 15 in one accident, and, subject to the same limit for one person, \$1,000,000
 16 because of bodily injury to or death of two or more persons in one accident;

17 (E) \$1,000,000 because of bodily injury to or death of one
 18 person in one accident, and, subject to the same limit for one person,
 19 \$2,000,000 because of bodily injury to or death of two or more persons in one
 20 accident;

21 (3) other policy limits at the option of the insurer.

22 * **Sec. 2.** AS 21.89.020 is amended by adding new subsections to read:

23 (i) An insurance company offering automobile liability insurance in this state
 24 for injury to or destruction of property shall, initially and at each renewal, offer, in
 25 writing, to cover the insured person against medical expenses as a result of bodily
 26 injury or death resulting from the operation of a motor vehicle. An insured who
 27 declines coverage offered under this subsection shall sign a waiver of coverage.

28 (j) An insurance company providing comprehensive coverage for loss or
 29 damage to a motor vehicle shall offer coverage for at least 50 percent of the cost of
 30 replacing a safety belt in the covered motor vehicle.

31 (k) For purposes of this section, "automobile liability insurance" does not

1 include coverage provided only on an excess or umbrella basis.

2 * **Sec. 3.** AS 28.20.445(e) is amended to read:

3 (e) Uninsured and underinsured motorists coverage

4 (1) may not apply to bodily injury, sickness, disease, or death of an
5 insured or damage to or destruction of property of an insured until the limits of
6 liability of all bodily injury and property damage liability bonds and policies that
7 apply have been used up by payments, judgments, or settlements;

8 (2) shall be a single combined coverage; [AND]

9 (3) may be rejected by the insured in writing; if the insured has
10 rejected the coverage, the coverage shall not be included in any supplemental,
11 renewal, or replacement policy unless the insured subsequently requests the coverage
12 in writing; **and**

13 **(4) need not insure against liability for punitive damages.**

14 * **Sec. 4.** AS 28.22.101(e) is amended to read:

15 (e) A motor vehicle liability policy must provide coverage under
16 AS 28.22.201 - 28.22.231 in the amounts set out in (d) of this section for the
17 protection of the persons insured under the policy who are legally entitled to recover
18 damages from the owner or operator of an uninsured or underinsured motor vehicle
19 because of bodily injury or death, or damage to or destruction of property arising out
20 of the ownership, maintenance, or use of the uninsured or underinsured motor vehicle.

21 **This subsection does not require coverage for punitive damages awarded against**
22 **an uninsured or underinsured person.**

23 * **Sec. 5.** This Act takes effect July 1, 2002.