

HOUSE BILL NO. 350

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

BY REPRESENTATIVES CHENAULT AND GRUENBERG

Introduced: 1/9/06

Referred: Labor and Commerce, Judiciary

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to enforcement of insurance unfair claim settlement practices by a**
2 **person affected by a violation; permitting penalties for a single-act unfair claim**
3 **settlement practice; and providing for an effective date."**

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

5 * **Section 1.** AS 21.36.125(b) is repealed and reenacted to read:

6 (b) The provisions of this section may be enforced by the director under
7 applicable law or by a court of competent jurisdiction in an action brought by a person
8 harmed by a violation of this section.

9 * **Sec. 2.** AS 21.36.320(c) is amended to read:

10 (c) If the director **or a court acting under AS 21.36.125(b)** determines that a
11 person violated this chapter, the director shall serve upon the person charged an order
12 requiring that person to cease and desist from engaging in the act or practice.

13 * **Sec. 3.** AS 21.36.320(d) is amended to read:

14 (d) In addition to an order issued under (c) of this section, the director may,

1 after a hearing, order restitution **and** [,] assess a penalty of not more than \$2,500 for
2 each violation or \$25,000 for engaging in a general business practice in violation of
3 this chapter. **In addition to these remedies, a court acting under AS 21.36.125(b)**
4 **may award compensatory or punitive damages as warranted.**

5 * **Sec. 4.** AS 21.36.320(e) is amended to read:

6 (e) If the director **or a court acting under AS 21.36.125(b)** determines after a
7 hearing that the person charged knew or should have known that the person was in
8 violation of this chapter, in addition to the penalty prescribed in (d) of this section, a
9 suspension or revocation of the person's license and a penalty of not more than
10 \$25,000 for each violation or \$250,000 for engaging in the general business practice in
11 violation of this chapter may also be ordered by the director.

12 * **Sec. 5.** AS 21.36.320(h) is repealed.

13 * **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).