

SENATE BILL NO. 157

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Introduced: 1/17/12

Referred: Labor and Commerce, Community and Regional Affairs

A BILL

FOR AN ACT ENTITLED

1 **"An Act allowing an insurer to cancel an insurance policy if property becomes**
2 **unoccupied and the vacancy increases the hazard insured against."**

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

4 *** Section 1.** AS 21.36.210(f) is amended to read:

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

7 (1) nonpayment of premiums, including nonpayment of additional
8 premiums, calculated in accordance with the current rating manual of the insurer,
9 justified by a physical change in the insured property or a change in its occupancy or
10 use;

11 (2) conviction of the insured of a crime having as one of its necessary
12 elements an act increasing a hazard insured against;

13 (3) discovery of fraud or material misrepresentation made by the
14 insured or a representative of the insured in obtaining the insurance or by the insured

1 in pursuing a claim under the policy;

2 (4) discovery of a grossly negligent act or omission by the insured that
3 substantially increases the hazards insured against; [OR]

4 (5) physical changes in the insured property that result in the property
5 becoming uninsurable; or

6 **(6) unoccupancy or vacancy of the insured property that increases**
7 **a hazard insured against.**

8 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 APPLICABILITY. AS 21.36.210(f)(6), enacted by sec. 1 of this Act, applies to
11 property that becomes unoccupied or vacant on or after the effective date of this Act.