

SENATE BILL NO. 106

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY SENATORS BEGICH, Costello, Bishop, Micciche, Wielechowski, Gray-Jackson, Wilson, Shower, Olson, Hughes, Reinbold, Kiehl

Introduced: 4/10/19

Referred: Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to renewal of insurance coverage for homeowners and renters; and**
2 **providing for an effective date."**

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

4 *** Section 1.** AS 21.36.240 is amended to read:

5 **Sec. 21.36.240. Failure to renew.** An insurer may only fail to renew a
6 personal insurance policy on the policy's annual anniversary. An insurer may not fail
7 to renew a policy unless a written notice of nonrenewal is mailed to the named insured
8 **under** [AS REQUIRED BY] AS 21.36.260 at least 20 days for a personal insurance
9 policy, and at least 45 days for a business or commercial insurance policy, before the
10 [EXPIRATION] date [OF] the policy **expires** or [OF] the anniversary date of a policy
11 written for a term longer than one year or with no fixed expiration date. [IF NOTICE
12 OF NONRENEWAL IS NOT GIVEN AS REQUIRED BY THIS SECTION, THE
13 EXISTING POLICY SHALL CONTINUE UNTIL THE INSURER PROVIDES
14 NOTICE FOR THE TIME PERIOD REQUIRED BY THIS SECTION FOR THAT

1 POLICY. THIS SECTION DOES NOT APPLY

2 (1) IF THE INSURER HAS IN GOOD FAITH MANIFESTED ITS
3 WILLINGNESS TO RENEW;

4 (2) IN CASE OF NONPAYMENT OF PREMIUM FOR THE
5 EXPIRING POLICY;

6 (3) IF THE INSURED FAILS TO PAY THE PREMIUM AS
7 REQUIRED BY THE INSURER FOR RENEWAL; OR

8 (4) TO BUSINESS OR COMMERCIAL POLICIES PLACED
9 UNDER AS 21.34.]

10 * **Sec. 2.** AS 21.36.240 is amended by adding new subsections to read:

11 (b) In addition to the requirements in (a) of this section, an insurer may not fail
12 to renew a homeowner's insurance or renter's insurance policy unless a written notice
13 of nonrenewal is mailed to the division at least 20 days before the date the policy
14 expires or the anniversary date of a policy written for a term longer than one year or
15 with no fixed expiration date. In determining whether to renew a homeowner's
16 insurance or renter's insurance policy, an insurer may not use the first claim of the
17 insured made within the three-year period immediately preceding the policy's annual
18 anniversary. In this subsection, "homeowner's insurance" includes coverage for mobile
19 homeowners, manufactured homeowners, and condominium owners.

20 (c) If notice of nonrenewal is not given as required by this section, the existing
21 policy shall continue until the insurer provides notice for the period required by this
22 section for the policy.

23 (d) This section does not apply

24 (1) if the insurer has in good faith manifested its willingness to renew;

25 (2) in case of nonpayment of premium for the expiring policy;

26 (3) if the insured fails to pay the premium as required by the insurer for
27 renewal; or

28 (4) to business or commercial policies placed under AS 21.34.

29 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
30 read:

31 APPLICABILITY. AS 21.36.240, as amended by this Act, applies to an insurance

1 policy or contract entered into or renewed on or after the effective date of secs. 1 - 3 of this
2 Act.

3 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 TRANSITION: REGULATIONS. The director of the division of insurance may adopt
6 regulations necessary to implement the changes made by this Act. The regulations take effect
7 under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law
8 implemented by the regulation.

9 * **Sec. 5.** Section 4 of this Act takes effect immediately under AS 01.10.070(c).

10 * **Sec. 6.** Except as provided in sec. 5 of this Act, this Act takes effect July 1, 2020.