

(LIMITED RUN SHOWING ALL ADDITIONAL SPONSORSHIPS)

**CS FOR SENATE BILL NO. 106(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 5/11/19

Referred: Rules

Sponsor(s): SENATORS BEGICH, Costello, Bishop, Micciche, Wielechowski, Gray-Jackson, Wilson, Shower, Olson, Hughes, Reinbold, Kiehl

REPRESENTATIVES Fields, Tarr, Josephson

**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 policy based solely on the earliest claim made by  
13 the insured within the three-year period immediately preceding the policy's annual  
14 anniversary if the claim arises from a criminal act committed by a third party. In this  
15 subsection, "homeowner's insurance" includes coverage described in  
16 AS 21.36.460(i)(7)(B) and (C).

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

20 (d) This section does not apply

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

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

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

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

26 \* **Sec. 3.** AS 21.36.310(4) is amended to read:

27 (4) "personal insurance" **has the meaning given in AS 21.36.460(i)**

28 [(A) MEANS PERSONAL AUTOMOBILE INSURANCE,  
29 OR INSURANCE COVERING

30 (i) LOSS OF OR DAMAGE TO REAL PROPERTY  
31 THAT IS USED PREDOMINANTLY FOR RESIDENTIAL

1 PURPOSES AND THAT DOES NOT CONSIST OF MORE THAN  
2 FOUR DWELLING UNITS;

3 (ii) LOSS OF OR DAMAGE TO PERSONAL  
4 PROPERTY, INCLUDING PERSONAL EFFECTS, HOUSEHOLD  
5 FURNITURE, FIXTURES, AND EQUIPMENT LOCATED IN NOT  
6 MORE THAN FOUR DWELLING UNITS; OR

7 (iii) LEGAL LIABILITY OF NATURAL PERSONS  
8 FOR LOSS OF, DAMAGE TO, OR INJURY TO PERSONS OR  
9 PROPERTY IF THE INSURANCE DOES NOT COVER LIABILITY  
10 ARISING FROM OR IN CONNECTION WITH BUSINESS OR  
11 COMMERCIAL ACTIVITIES;

12 (B) DOES NOT INCLUDE AN ANNUITY CONTRACT OR  
13 A POLICY OF LIFE INSURANCE, HEALTH INSURANCE, OR TITLE  
14 INSURANCE];

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

17 APPLICABILITY. AS 21.36.240, as amended by secs. 1 and 2 of this Act, and  
18 AS 21.36.310(4), as amended by sec. 3 of this Act, apply to an insurance policy or contract  
19 entered into or renewed on or after the effective date of secs. 1 - 3 of this Act.

20 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
21 read:

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

26 \* **Sec. 6.** Section 5 of this Act takes effect immediately under AS 01.10.070(c).

27 \* **Sec. 7.** Except as provided in sec. 6 of this Act, this Act takes effect July 1, 2020.