

*Judice*

1 IN THE SENATE

BY SENATOR BARNES, BY REQUEST

2 SUBSTITUTE FOR SENATE BILL NO. 99

3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTY-FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act to supplement Chapter 2, Title 42,  
7 Alaska Compiled Laws Annotated 1949, by  
8 adding Sections 42-2-15 and 42-2-16 there-  
9 to, providing that certain kinds of in-  
10 surance when not obtainable from admitted  
11 companies may be placed with non-admitted  
12 companies of whose solvency the Insurance  
13 Commissioner is satisfied, and who agree  
14 to be sued in the Alaskan courts upon any  
15 policy so placed with them and to pay the  
16 tax and make the statements as required  
17 by Sections 42-1-14 and 42-1-15, AOLA  
18 1949, or any amendment thereto, and pro-  
19 viding for service of process upon them;  
20 and declaring an emergency."

21 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

22 Section 1. Chapter 2, Title 42, Insurance, Alaska Compiled  
23 Laws Annotated 1949, is hereby supplemented by adding thereto  
24 the following two Sections respectively numbered, entitled, and  
25 reading as follows:

26 Sec. 42-2-15. Insurance by Non-Admitted Companies  
27 or Insurers. The Insurance Commissioner may authorize the  
28 placing of fire, accident, liability, automobile, and  
29 other miscellaneous, but not life, insurance, in those

1 cases where such fire, accident, liability, automobile,  
2 and other miscellaneous insurance cannot be obtained from an  
3 admitted company, with a non-admitted insurer or company,  
4 whether organized under the laws of the Territory or else-  
5 where, of whose solvency the Insurance Commissioner is  
6 satisfied by reasonable evidence which may consist of  
7 statements contained in reputable insurance publications,  
8 or digests; provided, that every policy or contract of  
9 insurance placed with such non-admitted insurer or company,  
10 upon its issuance and delivery, shall have permanently  
11 attached thereto an endorsement reading as follows:

12 "Service of Suit Clause. It is agreed that, in the  
13 event of dispute as to the validity of any claim made by  
14 the assured under this policy or contract of insurance,  
15 the insurer and insurers hereon, at the request of the  
16 assured, (a) will submit to the jurisdiction of the Dis-  
17 trict Court for the Territory of Alaska in that Judicial  
18 Division in the discretion of the assured, in which is  
19 located the insured property or the assured's residence,  
20 or the assured's principal office or place of business,  
21 and (b) will comply with all legal requirements necessary  
22 to give such court jurisdiction, and, (c) in any suit in-  
23 stituted by the assured against any one or more of the  
24 insurers upon this contract, will abide by the final deci-  
25 sion of such court or any appellate court in the event of  
26 an appeal; provided, however, where in any suit the amount  
27 in dispute is such as to give jurisdiction to the Commis-  
28 sioner's Court of the Precinct in which is located the  
29 insured property, or the assured's residence, principal

1 office or place of business, the insurers, at the request  
2 of the assured, will submit to the jurisdiction of such  
3 Commissioner's Court in such suit. It is further agreed  
4 that the insurer and insurers hereon will promptly pay all  
5 taxes and make all statements to the Insurance Commissioner  
6 as required by Sections 42-1-14 and 42-1-15, ACLA 1949,  
7 and all amendments thereto."

8 Sec. 42-2-16. Actions Against Non-Admitted Insurers  
9 or Companies: Process. Every non-admitted insurer or  
10 company making, effecting, or writing any insurance under  
11 the provisions of this Act shall be deemed and held to be  
12 doing business in this Territory as an unlicensed non-  
13 admitted insurer or company, and may be sued upon any cause  
14 of action, arising under any policy of insurance so issued  
15 and delivered by them, in the District Court in that Judi-  
16 cial Division of Alaska, in the discretion of the assured,  
17 in which is located the insured property, or the assured's  
18 residence, or the assured's principal office or place of  
19 business, or, when the amount in dispute is such as to give  
20 jurisdiction to the Commissioner's Court of the (Commis-  
21 sioner's) Precinct within which is located the insured  
22 property, the assured's residence, or the assured's prin-  
23 cipal office or place of business then, in the discretion  
24 of the assured, in such Commissioner's Court, with the same  
25 right of appeal, from said Commissioner's Court and from  
26 said District Court as is allowed in other causes of  
27 action. The Insurance Commissioner, by virtue of the  
28 issuance of any policy of insurance in pursuance hereof, is  
29 hereby constituted the attorney-in-fact of the non-admitted

1 insurer or company issuing such policy for the purpose of  
2 being served with and accepting service of process in such  
3 suits, action or other proceedings. The summons or other  
4 processes together with a certified copy of the complaint,  
5 or other plea, shall be served upon the Commissioner of  
6 Insurance in triplicate, and it shall be the duty of the  
7 Commissioner to forthwith forward a true copy thereof, under  
8 registered cover with proper postage affixed thereon, prop-  
9 erly addressed to the person or persons designated for  
10 service of suit in the policy or contract sued upon, and  
11 to the agent or broker affecting such insurance; and the  
12 name or names and the address or addresses, if known to the  
13 assured, of such person or persons designated for service  
14 of suit and of such agent or broker, shall be endorsed by  
15 the assured, or by his attorney or agent, upon the bottom  
16 of such complaint or other plea, and the non-admitted in-  
17 surer or company so served shall have sixty days after the  
18 date of such service upon the Commissioner in which to  
19 appear and plead or answer to any such cause. Upon service  
20 of process being had on such non-admitted insurer or com-  
21 pany the court in which such action is begun shall be  
22 deemed to have duly acquired jurisdiction in personam of  
23 such defendant non-admitted insurer or company so served.  
24 Section 2. An emergency is hereby declared to exist, and  
25 this Act shall take effect immediately upon its passage and  
26 approval.  
27  
28  
29