

1 IN THE HOUSE

BY MESSRS. McLEAM AND JOHNSON

2 HOUSE BILL NO. 124

3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTY-SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to insurance agents and  
7 brokers; and repealing Sections 42-3-1,  
8 42-3-2, 42-3-3, 42-3-4, 42-3-5, 42-3-6,  
9 42-3-8, ACIA, 1949."

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

11 Section 1. Definitions. For the purposes of this Act the  
12 following words shall have the meanings prescribed in this sec-  
13 tion:

14 (a) "Agent" means any person appointed by an insurer  
15 to solicit applications for insurance on its behalf, and if  
16 authorized so to do, to effectuate and countersign insurance  
17 contracts except as to life or disability insurances, and to  
18 collect premiums on insurance so applied for or effectuated.

19 (b) "Broker" means any person who, on behalf of the  
20 insured, for compensation as an independent contractor, for  
21 commission, or fee, and not being an agent of the insurer, so-  
22 licits, negotiates, or procures insurance or reinsurance or the  
23 renewal or continuance thereof, or in any manner aids therein,  
24 for insureds or prospective insureds other than himself.

25 (c) "Solicitor" means an individual authorized by an  
26 agent or broker to solicit applications for insurance as a rep-  
27 resentative of such agent or broker and to collect premiums in  
28 connection therewith. An individual employed by and devoting  
29 full time to clerical work with incidental taking of insurance

1 applications and receiving premiums in the office of the agent  
2 or broker is not deemed to be a solicitor if his compensation  
3 is not related to the volume of such applications, insurances,  
4 or premiums.

5 (d) Individuals other than an officer, manager, or  
6 general agent of the insurer, employed on a salary by an in-  
7 surer or general agent to work with and assist agents in solici-  
8 ting, negotiating, and effectuating insurance in such insurer  
9 or in the insurers represented by the general agent, are deemed  
10 to be "service representatives" and are not required to be li-  
11 censed.

12 (e) "Adjuster" means any person who, for compensation  
13 as an independent contractor or as an employee of an independent  
14 contractor, or for fee or commission, investigates or reports to  
15 his principal relative to claims arising under insurance con-  
16 tracts, on behalf solely of either the insurer or the insured,  
17 an attorney-at-law who adjusts insurance losses from time to  
18 time incidental to the practice of his profession, or an adjust-  
19 er of marine losses, or a salaried employee of an insurer or a  
20 general agent, is not deemed to be an "adjuster" for the pur-  
21 poses of this article.

22 (f) "Independent adjuster" means such an adjuster rep-  
23 resenting the interests of the insurer.

24 (g) "Public adjuster" means an adjuster employed by  
25 and representing solely the financial interests of the insured  
26 named in the policy.

27 Section 2. License Required.

28 (a) No person shall in this territory act as or hold  
29 himself out to be an agent, broker, solicitor, or adjuster unless

1 then licensed therefor by this Territory.

2 (b) No agent, solicitor, or broker shall solicit or  
3 take applications for, procure, or place for others any kind of  
4 insurance for which he is not licensed.

5 (c) Any person violating this section shall be liable  
6 to a fine of not to exceed one thousand dollars (\$1,000.00) and  
7 imprisonment for not to exceed six (6) months for each instance  
8 of such violation.

9 Section 3. General Qualifications for License. For the pro-  
10 tection of the people of this Territory the Commissioner shall  
11 not issue or renew any such license except in compliance with  
12 this article, nor to, be exercised by, any person found by him  
13 to be untrustworthy, or incompetent, or who has not established  
14 to the satisfaction of the Commissioner that he is qualified  
15 therefor in accordance with this article.

16 Section 4. Controlled Business: Defined. "Controlled business"  
17 means insurance procured or to be procured by or through such  
18 person upon:

19 (a) His own life, person, or property of those of his  
20 spouse or relatives by blood or marriage to the second degree;

21 (b) the life, person, or property of his employer, or  
22 his firm, or of any officer, director, stockholder, or member of  
23 his employer or firm, other than members of mutual insurers or of  
24 any spouse of such employer, officer, director, stockholder, or  
25 member;

26 (c) the life, person, or property of his ward, or his  
27 employees; or upon persons or property under his supervision or  
28 control as trustee under any indenture or decree, or as adminis-  
29 trator or executor of any estate.

1           Section 5. Controlled Business. The Commissioner shall  
2 not grant an agent's solicitor's or broker's license to any per-  
3 son if the Commissioner has reasonable cause to believe that:

4           (a) During either of the two (2) years immediately pre-  
5 ceding the request for renewal of any such license the aggregate  
6 amount of commissions represented by the controlled business pro-  
7 cured by or through the license exceeded the aggregate amount of  
8 commissions represented by all other insurance business procured  
9 by or through him; or

10           (b) the circumstances of the applicant for such license  
11 or of any such licensee are such as to cause the Commissioner  
12 reasonably to believe that during the twelve-month period immedi-  
13 ately following the issuance or renewal of the license, if so  
14 issued or renewed, the aggregate amount of commissions to be re-  
15 presented by such controlled business would exceed the aggregate  
16 amount of commissions to be represented by all other insurance  
17 business to be procured by or through such applicant or licensee.

18           Section 6. Exceptions. The vendor who is title holder of  
19 property being sold under an installment purchase contract shall  
20 not be deemed to be the owner of such property for the purposes  
21 of sections 4 and 5.

22           Section 7. Applications for License:

23           (a) Application for any such license shall be made to  
24 the Commissioner upon forms as prescribed and furnished by him.  
25 As a part of or in connection with any such application the  
26 applicant shall furnish information concerning his identity, per-  
27 sonal history, experience, business record, purposes, and other  
28 pertinent facts, as the Commissioner may reasonably require.

29           (b) If the applicant is a firm or corporation, the

1 application shall show, in addition, the names of all members  
2 and officers, and shall designate each individual who is to ex-  
3 ercise the powers to be conferred by the license upon such firm  
4 or corporation. The Commissioner shall require each such indivi-  
5 dual to furnish information to him as though for an individual  
6 license.

7 (c) Any person willfully misrepresenting any fact re-  
8 quired to be disclosed in any such application shall be liable  
9 to penalties as provided by this Act.

10 Section 8. Number of Applications.

11 (a) The filing of personal data by an individual in  
12 connection with one (1) application for an agent's license shall  
13 be sufficient, regardless of the number of insurers to be repre-  
14 sented by the agent or the number of subsequent applications by  
15 the same applicant.

16 (b) The Commissioner may, for his information from  
17 time to time require any licensed agent, or solicitor, or bro-  
18 ker, or adjuster, to supply him with the information called for  
19 in an application for license.

20 Section 9. Examinations for License: Each applicant for  
21 license as agent, broker, solicitor, or adjuster shall prior to  
22 the issuance of any such license, personally take and pass to  
23 the satisfaction of the Commissioner an examination given by the  
24 Commissioner as a test of his qualifications and competence; but  
25 this requirement shall not apply to:

26 (a) Applicants for limited licenses, as travel insur-  
27 ance agents only.

28 (b) Applicants who within the five-year period/<sup>next</sup> preced-  
29 ing date of application have been licensed in this Territory

1 under a license requiring qualifications similar to qualifica-  
2 tions required by the license applied for and who are deemed by  
3 the Commissioner to be fully qualified and competent.

4 (c) Applicants for license as nonresident agent or as  
5 nonresident broker who have fulfilled qualifications required in  
6 their state of residence and who are deemed by the Commissioner  
7 to be fully qualified and competent.

8 (d) Applicants for an agent's or solicitor's license  
9 covering the same kinds of insurance as an agent's or solicitor's  
10 license then held by them.

11 Applicants for renewal of licenses in force on the effective  
12 date of this code or issued thereafter shall not be required to  
13 take an examination; except the Commissioner may, at any time,  
14 require any licensed agent, broker, solicitor, or adjuster to  
15 take and successfully pass an examination testing his competence  
16 and qualifications as a condition to the continuance or renewal  
17 of his license, if the licensee has been guilty of violation of  
18 the insurance laws of Alaska, or has so conducted his affairs un-  
19 der his license to cause the Commissioner reasonably to desire  
20 further evidence of his qualifications.

21 Section 10. Scope of Examination.

22 (a) The answers of the applicant to any such examina-  
23 tion shall be written by the applicant under the Commissioner's  
24 supervision, and any such written examination may be supplemented  
25 by oral examination at the Commissioner's discretion.

26 (b) The Commissioner shall give examinations at such  
27 times and places within this territory as he deems necessary rea-  
28 sonably to serve the convenience of both the Commissioner and the  
29 applicants.

1 (c) The Commissioner may require a waiting period of  
2 reasonable duration before giving a new examination to an applico-  
3 ant who has failed to pass a previous/<sup>similar</sup> examination.

4 (d) For each examination taken, the Commissioner shall  
5 collect in advance the fee provided in section 53.

6 Section 11. Agent's and Broker's Qualifications: To qualify  
7 for an agent's or broker's license an applicant must otherwise  
8 comply with this code therefor and must:

9 (a) be twenty-one (21) years of age or over, if an indi-  
10 vidual;

11 (b) be a bona-fide resident of and actually reside in  
12 this Territory, or if a corporation, be other than an insurer and  
13 be domiciled in this Territory.

14 (c) be empowered to be an agent or broker, as the case  
15 may be, under its members' agreement, if a firm, or by its arti-  
16 cles of incorporation, if a corporation,

17 (d) successfully pass any examination if required under  
18 section 9.

19 (e) be a trustworthy person,

20 (f) not intend to use or misuse the license for the pur-  
21 pose principally of writing controlled business, as defined in  
22 section 4.

23 (g) if for an agent's license, be appointed as its  
24 agent by one (1) or more authorized insurers, subject to issuance  
25 of the license;

26 (h) if for broker's license, have had experience either  
27 as an agent, solicitor, adjuster, general agent, broker, or as an  
28 employee of insurers or representatives of insurers, or special  
29 education or training of sufficient duration and extent reason-

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1 ably to satisfy the Commissioner that he possesses the competence  
2 necessary to fulfill the responsibilities of broker.

3 If the Commissioner finds that the applicant is so qualified  
4 and that the license fee has been paid, he shall issue the li-  
5 cense. Otherwise, the Commissioner shall refuse to issue the li-  
6 cense.

7 Section 12. Appointment of Agents and Revocations: Each  
8 insurer on appointing an agent in this territory shall file writ-  
9 ten notice thereof in duplicate with the Commissioner on forms  
10 as prescribed and furnished by him, and shall pay the filing fee  
11 therefor as provided in section 53. If then licensed, or as soon  
12 as licensed, the Commissioner shall mail one (1) copy of the ap-  
13 pointment to the agent.

14 Section 13. Term of Appointment. Each such appointment  
15 shall continue in force until:

16 (a) The Commissioner notifies the insurer that the per-  
17 son so appointed is no longer licensed as an agent by this Terri-  
18 tory; or

19 (b) The appointment is revoked by the insurer by writ-  
20 ten notice of such revocation to the agent. The insurer shall  
21 forthwith file a duplicate copy of such notice of revocation with  
22 the Commissioner. No fee shall be charged for filing such copy.

23 Section 14. Revocation of Appointment. Revocation of an  
24 appointment by the insurer shall be deemed to be effective as of  
25 the date designated in the notice as being the effective date if  
26 the notice is actually received by the agent prior to such desig-  
27 nated date; otherwise, as of the earlier of the following dates:

28 (a) The date such notice of revocation was received by  
29 the agent.

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1 (b) The date such notice, if mailed to the agent at his  
2 last address of record with the insurer, in due course should  
3 have been received by the agent.

4 Section 15. Contents of Licenses-Agents, Brokers, Solic-  
5 itors: Agents', solicitors', and brokers' licenses shall be in  
6 form as the Commissioner prescribes, and shall set forth;

7 (a) the name and address of the licensee; or if he is  
8 required to have a place of business, the address of the place of  
9 business;

10 (b) if the agent or broker is a firm or corporation,  
11 the name of each individual authorized to exercise the powers  
12 conferred by the license;

13 (c) the kind or kinds of insurance the licensee is  
14 thereby licensed to handle;

15 (d) if an agent's license for life or disability insur-  
16 ances only, the name of the insurer as to which he is so licens-  
17 ed, and a separate license shall be required as to each such in-  
18 surer;

19 (e) if a solicitor's license, the name and address of  
20 the agent or broker represented by the solicitor;

21 (f) the conditions under which the license is granted;

22 (g) the date of issuance and date of expiration of the  
23 license.

24 The Commissioner is not required to issue a separate li-  
25 cense to each agent licensed for life or disability insurances  
26 only. In lieu thereof he may issue to the insurer his license  
27 certificate setting forth the names and addresses of the insur-  
28 er's agents so licensed in this territory. Each such license  
29 certificate shall be serially numbered and shall constitute

1 official evidence of the licensing of each licensee designated  
2 therein. Any such insurer may furnish its agents licensed with  
3 evidence of authority to represent the insurer, upon such form  
4 as is submitted to and approved by the Commissioner.

5 **Section 16. Licenses to Firms and Corporations:**

6 (a) A firm or corporation shall not be licensed as an  
7 agent or broker unless each individual to be empowered and des-  
8 ignated in the license to exercise the powers conferred thereby  
9 is qualified as though he were the sole individual to be so em-  
10 powered. A nonresident of this territory shall not be so desig-  
11 nated or empowered. Exercise or attempted exercise of such pow-  
12 ers by an individual not so designated, with the knowledge or  
13 consent of the licensee, shall constitute cause for the revoca-  
14 tion or suspension of the license.

15 (b) Licenses shall be issued in a trade name only upon  
16 proof satisfactory to the Commissioner that the trade name has  
17 been lawfully registered.

18 **Section 17. Limited Licenses:** The Commissioner may issue  
19 limited licenses as travel insurance agents to persons selling  
20 transportation tickets of a common carrier of persons or proper-  
21 ty who shall act as such agents only as to transportation tick-  
22 et policies of disability insurance or baggage insurance on per-  
23 sonal effects.

24 **Section 18. Number of Licenses:**

25 (a) An agent appointed by an insurer for life insur-  
26 ance or for life and disability insurances, or for disability  
27 insurance only, shall be separately licensed as to such insurer.

28 (b) An agent is required to have but one license in-  
29 clusive of all other kinds or combination of kinds of insurance

1 he is licensed to handle, regardless of the number of insurers  
2 for whom he is appointed as agent for such insurances or any of  
3 them.

4 Section 19. Minimum License Combinations: Except as pro-  
5 vided in Section 17, an agent's license shall not be issued un-  
6 less it includes and the applicant is qualified for, one (1) or  
7 more of the following kinds of insurances:

- 8 (a) Casualty
- 9 (b) Disability
- 10 (c) Life
- 11 (d) Marine and transportation
- 12 (e) Property
- 13 (f) Surety
- 14 (g) Vehicle

15 Section 20. May Place Rejected Business: A licensed agent  
16 appointed by an insurer as to life or disability insurances may,  
17 if with the knowledge and consent of such insurer, place any por-  
18 tion of a life or disability risk which has been rejected by such  
19 insurer, with other authorized insurers without being licensed  
20 as to such other insurers.

21 Section 21. Scope of Broker's License: A broker's license  
22 shall be issued to cover all kinds of insurance only. The Com-  
23 missioner shall not issue a broker's license limited to partic-  
24 ular kinds of insurance.

25 Section 22. Broker's Bond:

26 (a) Every applicant for a broker's license or for the  
27 renewal of a broker's license existing on the effective date of  
28 this Act shall file with the application or request for renewal  
29 and shall thereafter maintain in force while so licensed a bond

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1 a bond in favor of the people of the Territory of Alaska, execut-  
2 ed by an authorized corporate surety approved by the Commissioner,  
3 in the amount of twenty-five hundred dollars (\$2,500.00). The  
4 bond may be continuous in form, and total aggregate liability on  
5 the bond may be limited to the payment of twenty-five hundred  
6 dollars (\$2,500.00). The bond shall be contingent on the account-  
7 ing by the broker to any person requesting the broker to obtain  
8 insurance, for moneys or premiums collected in connection with  
9 this.

10 (b) Any such bond shall remain in force until the sure-  
11 ty is released from liability by the Commissioner, or until the  
12 bond is cancelled by the surety. Without prejudice to any lia-  
13 bility accrued prior to such cancellation, the surety may cancel  
14 the bond upon thirty (30) days advance notice in writing filed  
15 with the Commissioner.

16 **Section 23. Broker's Authority and Commissions:**

17 (a) A broker, as such, is not an agent or other repre-  
18 sentative of an insurer, and does not have power, by his own acts,  
19 to bind the insurer upon any risk or with reference to any in-  
20 surance contract.

21 (b) An insurer or agent shall have the right to pay to  
22 a broker licensed under this article, or under the laws of any  
23 state or province, and such broker shall have the right to receive  
24 from the insurer or agent, the customary commissions upon insur-  
25 ances placed in the insurer by the broker.

26 **Section 24. Agent, Broker, License Combinations:** A licens-  
27 ed agent may be licensed as a broker and be a broker as to insur-  
28 ers for which he is not then licensed as agent. A licensed bro-  
29 ker may be licensed as and be an agent as to insurers appointing

1 him as agent. The sole relationship between a broker and an in-  
2 surer as to which he is licensed as an agent, shall, as to transac-  
3 tions arising during the existence of such agency appointment, be  
4 that of insurer and agent.

5 Section 25. Solicitor's Qualifications: The Commissioner  
6 shall issue licenses as a solicitor to an individual only who  
7 meets the following requirements:

8 (a) Is a resident of this Territory.

9 (b) Intends to and does make the soliciting and handling  
10 of insurance business under his license his principal vocation.

11 (c) Is to represent and be employed by but one (1) li-  
12 censed agent or broker.

13 (d) Has passed any examination as required under this  
14 article.

15 (e) Is otherwise qualified under this Act.

16 Section 26. Application for Solicitor's License: The Com-  
17 missioner shall issue a solicitor's license only upon application  
18 by the applicant and the request of the agent or broker to be rep-  
19 resented, upon such forms as the Commissioner shall prescribe and  
20 furnish.

21 Section 27. Solicitor's License Fee, Custody and Cancell-  
22 tion

23 (a) The fee for issuance or renewal of a solicitor's  
24 license shall be paid by the agent or broker by whom the solici-  
25 tor is employed.

26 (b) The solicitor's license shall be delivered to and  
27 shall remain in the possession of the employing agent or broker.  
28 Upon termination of such employment, the license shall likewise  
29 terminate and shall be returned to the Commissioner for cancella-  
30 tion.

1                   Section 28. Limitations upon Solicitors:

2                   (a) A solicitor's license shall not cover any kind of  
3 insurance for which the agent or broker by whom he is employed is  
4 not then licensed.

5                   (b) A solicitor shall not have power to bind an insurer  
6 upon or with reference to any risk or insurance contract, or to  
7 countersign insurance contracts.

8                   (c) Any individual while licensed as a solicitor shall  
9 not be licensed as an agent or broker.

10                  Section 29. Responsibility of Employer: All business  
11 transacted by a solicitor under his license shall be in the name  
12 of the agent or broker by whom he is employed and the agent or  
13 broker shall be responsible for all acts or omissions of the so-  
14 licitor within the scope of such employment.

15                  Section 30. Nonresident Agents, Brokers:

16                  (a) The Commissioner may license as a life insurance  
17 agent only, or as a broker, a person who is otherwise qualified  
18 therefor under this Act, but who is not a resident of or domi-  
19 ciled in this Territory, if by the laws of the Territory, State  
20 or province of his residence or domicile a similar privilege is  
21 extended to residents of or corporations domiciled in this Terri-  
22 tory.

23                  (b) Any such license shall be subject to the same ob-  
24 ligations and limitations and to the Commissioner's supervision  
25 as though resident or domiciled in this Territory.

26                  (c) No such person shall be so licensed unless he files  
27 the power of attorney provided for in Section 31, and, if a cor-  
28 poration, it must have complied with the laws of this Territory  
29 governing the admission of foreign corporations.

1                   Section 31. Process Against Nonresident Licenses:

2                   (a) Each licensed nonresident agent or broker shall  
3 appoint the Commissioner as his attorney to receive service of  
4 legal process issued against the agent or broker in this Terri-  
5 tory upon causes of action arising within this Territory. Service  
6 upon the Commissioner as attorney shall constitute effective le-  
7 gal service upon the agent or broker.

8                   (b) The appointment shall be irrevocable for as long as  
9 there could be any cause of action against the agent or broker  
10 arising out of his insurance transactions in this Territory.

11                   (c) Duplicate copies of such legal process against such  
12 agent or broker shall be served upon the Commissioner either by a  
13 person competent to serve a summons, or through registered mail.  
14 At the time of such service the plaintiff shall pay to the Com-  
15 missioner two dollars (\$2), taxable as costs in the action.

16                   (d) Upon receiving such service, the Commissioner shall  
17 forthwith send one copy of the copies of the process, by register-  
18 ed mail with return receipt requested, to the defendant agent or  
19 broker at his last address of record with the Commissioner.

20                   (e) The Commissioner shall keep a record of the day and  
21 hour of service upon him of all such legal process. No proceed-  
22 ings shall be had against the defendant agent or broker, and such  
23 defendant shall not be required to appear, plead, or answer until  
24 the expiration of forty (40) days after the date of service upon  
25 the Commissioner.

26                   Section 32. Qualifications for Adjuster's License: The Com-  
27 missioner shall license as an adjuster only an individual who has  
28 otherwise complied with this Act therefor and who has furnished  
29 evidence satisfactory to the Commissioner that he is qualified as

1 follows:

2 (a) Is twenty-one (21) or more years of age;

3 (b) Is a bona fide resident of this Territory, or is a  
4 resident of a state which will permit residents of this Territory  
5 to act as adjusters in such other state;

6 (c) Is a trustworthy person;

7 (d) Has had experience or special education or training  
8 with reference to the handling of loss claims under insurance con-  
9 tracts, of sufficient duration and extent reasonably to make him  
10 competent to fulfill the responsibilities of an adjuster;

11 (e) Has successfully passed any examination as required  
12 under this Act;

13 (f) If for a public adjuster's license, has filed the  
14 bond required by Section 37 of this Act.

15 Section 33. Separate Licenses: The Commissioner may li-  
16 cense an individual as an independent adjuster or as a public ad-  
17 juster, and separate licenses shall be required for each type of  
18 adjuster. An individual may be concurrently licensed under sep-  
19 arate licenses as an independent adjuster and as a public ad-  
20 juster. The full license fee shall be paid for each such license.

21 Section 34. Form of Adjuster's License: The Commissioner  
22 shall prescribe the form of adjuster's license, and which shall  
23 contain:

24 (a) the name of the adjuster, and the address of his  
25 place of business;

26 (b) a statement as to whether he is so licensed as an  
27 independent adjuster or as a public adjuster;

28 (c) date of issuance and date of expiration of the li-  
29 cense;

1 (d) other statements proper to the purposes of the li-  
2 cense;

3 Section 35. Powers Conferred by Adjuster's License: An ad-  
4 juster shall have authority under his license only to investigate  
5 or report to his principal upon claims as limited under section  
6 1 (e) through (g) of this Act, on behalf only of the insurers if  
7 licensed as an independent adjuster, or on behalf only of insureds  
8 if licensed as a public adjuster. An adjuster licensed concu-  
9 rently as both an independent and a public adjuster shall not  
10 represent both the insurer and the insured in the same transaction.

11 Section 36. Agent May Adjust Out-Of-State Adjusters:

12 (a) On behalf of and as authorized by an insurer for  
13 which he is licensed as agent, an agent may from time to time act  
14 as an adjuster and investigate and report upon ~~the~~ claims without  
15 being required to be licensed as an adjuster.

16 (b) No license by this Territory shall be required of a  
17 nonresident independent adjuster, for the adjustment in this Terri-  
18 tory of a single loss, or of losses arising out of a catastrophe  
19 common to all such losses.

20 Section 37. Public Adjuster's Bond:

21 (a) Prior to the issuance of a license as a public ad-  
22 juster, the applicant therefor shall file with the Commissioner  
23 and shall thereafter maintain in force while so licensed a surety  
24 bond in favor of the people of the Territory of Alaska, executed  
25 by an authorized corporate surety approved by the Commissioner,  
26 in the amount of twenty-five hundred dollars (\$2,500.00). The  
27 bond may be continuous in form, and total aggregate liability on  
28 the bond may be limited to the payment of twenty-five hundred  
29 dollars (\$2,500.00). The bond shall be contingent on the account-

1 ing by the adjuster to any insured whose claim he is handling,  
2 for moneys or any settlement received in connection therewith.

3 (b) Any such bond shall remain in force until the  
4 surety is released from liability by the Commissioner, or until  
5 cancelled by the surety. Without prejudice to any liability ac-  
6 curred prior to cancellation, the surety may cancel a bond upon  
7 thirty (30) days advance notice in writing filed with the Com-  
8 missioner.

9 (c) Such bond shall be required of any adjuster acting  
10 as a public adjuster as of the effective date of this Act, or  
11 thereafter under any unexpired license heretofore issued.

12 **Section 38. Report of Losses:**

13 (a) Every adjuster who investigates any fire loss claim  
14 under any insurance contract covering property located in this  
15 Territory, shall promptly report to the Commissioner any facts or  
16 circumstances found and from which he believes fraud has been  
17 committed or attempted.

18 (b) Upon completing the adjustment of any fire loss re-  
19 quiring claim payments aggregating one hundred dollars (\$100) or  
20 more, for damage to or destruction of property located in this  
21 Territory under any policy or policies issued by an unauthorized  
22 insurer, and adjuster shall promptly report the details thereof  
23 to the Commissioner, upon forms prescribed and furnished by him.  
24 Such report shall state the names of the insurers and insured in-  
25 volved, amount of insurance on the property carried in each in-  
26 surer, the amount of claim and the amount paid by each insurer on  
27 account thereof, the circumstances of the loss, and other informa-  
28 tion as the Commissioner requests.

29 (c) Upon the Commissioner's request each adjuster shall

1 in similar manner report to the Commissioner relative to losses  
2 and claims investigated or adjusted and arising under other in-  
3 surance contracts issued by unauthorized insurers.

4       **Section 39. Place of Business:** Every licensed agent, broker,  
5 and adjuster, other than an agent licensed for life or disability  
6 insurances only, shall have and maintain in this territory or, if  
7 a nonresident agent or a nonresident broker, in the state of his  
8 domicile, a place of business accessible to the public. Such  
9 place of business shall be that therein the agent principally con-  
10 ducts transactions under his license. The address of his place of  
11 business shall appear on all licenses of the licensee, and the li-  
12 censee shall promptly notify the Commissioner of any change there-  
13 of.

14       **Section 40. Display of License:**

15       (a) The license or licenses of each agent, other than  
16 licenses as to life or disability insurance only, or that of each  
17 broker or adjuster shall be displayed in a conspicuous place in  
18 that part of his place of business which is customarily open to  
19 the public.

20       (b) The license of a solicitor shall be so displayed in  
21 the place of business of the agent/<sup>or broker</sup> by whom he is employed.

22       **Section 41. Record of Agents, Brokers, Adjusters:** Every  
23 agent, broker, or adjuster shall keep at his address as shown on  
24 his license, a record of all transactions consummated under his  
25 license. This record shall be in organized form and shall in-  
26 clude:

27       (a) If an agent or broker;

28               (1) a record of each insurance contract procured,  
29 issued, or countersigned, together with the names of the insurers

1 and the insureds, the amount of premium paid or to be paid, and a  
2 statement of the subject of the insurance.

3 (2) the names of any other licensees from whom  
4 business is accepted, and of persons to whom commissions or al-  
5 lowances of any kind are promised or paid.

6 (b) If an adjuster, a record of each investigation or  
7 adjustment undertaken or consummated, and a statement of any fee,  
8 commission, or other compensation received or to be received by  
9 the adjuster on account of such investigation or adjustment.

10 (c) Such other and additional information as shall be  
11 customary, or as may reasonably be required by the Commissioner.

12 All such records as to any particular transaction shall be  
13 kept available and open to the inspection of the Commissioner at  
14 any business time during the five (5) years immediately after the  
15 date of the completion of such transaction; Provided, however,  
16 that this section shall not apply as to life or disability in-  
17 surance.

18 Section 42. Reporting and Accounting for Premiums:

19 (a) An agent or any other representative of an insurer  
20 involved in the procuring or issuance of an insurance contract  
21 shall report to the insurer the exact amount of consideration  
22 charged as premium for such contract, and such amount shall like-  
23 wise be shown in the contract and in the records of the agent.  
24 Each willful violation of this provision shall constitute a mis-  
25 demenor.

26 (b) All funds representing premiums or return premiums  
27 received by an agent, solicitor or broker, shall be so received  
28 in his fiduciary capacity, and shall be promptly accounted for  
29 and paid to the insured, insurer, or agent as entitled thereto.

1 (c) Any agent, solicitor, or broker who, not being law-  
2 fully entitled thereto diverts or appropriates such funds or any  
3 portion thereof to his own use, shall be guilty of larceny by em-  
4 bezzlement, and shall be punished as provided in the criminal  
5 statutes of this Territory.

6 Section 43. Sharing Commissions:

7 (a) No agent, general agent, solicitor or broker shall  
8 compensate or offer to compensate in any manner any person other  
9 than an agent, general agent, solicitor, or broker, licensed in  
10 this or any territory, state or province, for procuring or in any  
11 manner helping to procure applications for or to place insurance  
12 in this Territory. This provision shall not prohibit the payment  
13 of compensation not contingent upon volume of business transacted,  
14 in the form of salaries to the regular employees of such agent,  
15 general agent, solicitor or broker.

16 (b) No such licensee shall be promised or allowed any  
17 compensation on account of the procuring of applications for or  
18 the placing of kinds of insurance which he himself is not then  
19 licensed to procure or place.

20 (c) The Commissioner shall suspend or revoke the licenses  
21 of all licensees participating in any violation of this section.

22 Section 44. Renewal:

23 (a) Subject to the right of the Commissioner to suspend,  
24 revoke, or refuse to renew any license as provided in this Act,  
25 any such license may be renewed into another like period by fil-  
26 ing with the Commissioner on or before the expiration date a  
27 written request, by or on behalf of the licensee, for such re-  
28 newal accompanied by payment of the renewal fee as specified in  
29 section . An agent or broker shall make and file renewal

1 requests on behalf of his solicitors.

2 (b) If request and fee for renewal of license is filed  
3 with the Commissioner prior to expiration of the existing license,  
4 the licensee may continue to act under such license, unless  
5 sooner revoked or suspended, until the issuance of renewal li-  
6 cense or until the expiration of five (5) days after the Com-  
7 missioner has refused to renew the license and has mailed notice  
8 of such refusal to the licensee. Any request for renewal not so  
9 filed until after date of expiration may be considered by the  
10 Commissioner as an application for a new license.

11 Section 45. Temporary Licenses: The Commissioner may issue  
12 an agent's or broker's temporary license in the following circum-  
13 stances:

14 (a) to the surviving spouse or next of kin or to the  
15 administrator or executor of a licensed agent or broker becoming  
16 deceased;

17 (b) to the spouse, next of kin, employee, or legal  
18 guardian of a licensed agent or broker becoming disabled because  
19 of sickness, insanity, or injury;

20 (c) to a surviving member of a firm or surviving officer  
21 or employee of a corporation licensed as agent or broker upon the  
22 death of an individual designated in the firm or corporation's  
23 license to exercise powers thereunder.

24 An individual to be eligible for any such temporary license  
25 must be qualified as for a permanent license except as to experi-  
26 ence, training, or the taking of any examination.

27 Any fee paid to the Commissioner for issuance of a temporary  
28 license as specified in section 53, shall be credited toward the  
29 fee required for a permanent license which is issued to replace.

1 the temporary license prior to the expiration of such temporary  
2 license.

3 Section 46. Temporary Licenses - Duration, Powers:

4 (a) No such temporary license shall be effective for  
5 more than ninety (90) days in any twelve-month period, and the  
6 Commissioner may refuse so to license again any person who has  
7 previously been so licensed;

8 (b) An individual requesting temporary agent's license  
9 on account of a death or disability of an agent, shall not be so  
10 licensed for any insurer as to which such agent was not licensed  
11 at the time of death or commencement of disability;

12 (c) No person writing or renewing any "controlled busi-  
13 ness" as defined in this article, under any temporary license,  
14 shall be entitled to receive any commission or other compensation  
15 on account thereof unless and until prior to the expiration of the  
16 temporary license such person fully qualifies for and receives a  
17 permanent license in replacement of the temporary license. Other-  
18 wise, the licensee under such temporary license may exercise the  
19 same powers as under a like permanent license.

20 Section 47. Denial, Suspension, Revocation of Licenses:

21 The Commissioner may suspend, revoke, or refuse to renew any li-  
22 cense issued under this Act or any surplus line broker's license  
23 for any cause specified in any other-provision of the insurance  
24 laws of Alaska or for any of the following causes:

25 (a) For any cause for which issuance of the license  
26 could have been refused had it then existed and been known to the  
27 Commissioner.

28 (b) If the licensee willfully violates or knowingly  
29 participates in the violation of any provision of this Act.

1 (c) If the licensee has obtained or attempted to obtain  
2 any such license through willful misrepresentation or fraud, or  
3 has failed to pass any examination required under this article.

4 (d) If the licensee has misappropriated or converted  
5 to his own use or has illegally withheld moneys required to be  
6 held in a fiduciary capacity.

7 (e) If the licensee has, with intent to deceive, materi-  
8 ally misrepresented the terms or effect of any insurance contract;  
9 or has engaged or is about to engage in any fraudulent transaction.

10 (f) If the licensee has been guilty of "twisting".

11 (g) If the licensee has been convicted of a felony (by  
12 final judgement).

13 (h) If in the conduct of his affairs under the license,  
14 the licensee has shown himself to be, and is so deemed by the  
15 Commissioner, incompetent, or untrustworthy, or a source of in-  
16 jury and loss to the public.

17 (i) If the licensee has dealt with, or attempted to  
18 deal with, insurances or to exercise powers relative to insurance  
19 outside the scope of his licenses.

20 The license of any firm or corporation may be so suspended,  
21 revoked, or refused for any of such causes as relate to any indi-  
22 vidual designated in the license to exercise its powers.

23 The holder of any license which has been revoked or suspend-  
24 ed shall surrender the license certificate to the Commissioner at  
25 the Commissioner's request.

26 Section 48. Procedure for Refusal, Suspension, or Revoca-  
27 tion: The Commissioner shall revoke or refuse to renew any such  
28 license immediately and without hearing, upon conviction of the  
29 licensee of a felony by final judgement of any court of compe-

1 tent jurisdiction.

2 Section 49. Duration of Suspension: Every order suspend-  
3 ing any such license shall specify the period during which sus-  
4 pension will be effective, and which period shall in no event  
5 exceed twelve (12) months.

6 Section 50. Power To Fine: After hearing and in addition  
7 to or in lieu of the suspension, revocation, or refusal to renew  
8 any such license, the Commissioner may levy a fine upon the li-  
9 censes in amount not less than twenty-five dollars (\$25.00) and  
10 not more than two hundred and fifty dollars (\$250.00). The  
11 order levying such fine shall specify the period within which the  
12 fine shall be fully paid, and which period shall be not less than  
13 fifteen (15) nor more than thirty (30) days from the date of the  
14 order. Upon failure to pay any such fine when due, the Com-  
15 missioner shall revoke the licenses of the licensee if not al-  
16 ready revoked, and the fine shall be recovered in a civil action  
17 brought in behalf of the Commissioner by the Attorney General.  
18 Any fine so collected shall be paid by the Commissioner to the  
19 Territorial Treasurer for the account of the general fund.

20 Section 51. Reinstatement or Re-Licensing: The Com-  
21 missioner shall not reinstate the license of or re-license any  
22 licensee or former licensee as to whom a license has been sus-  
23 pended, revoked, or renewal refused, until any cause for the sus-  
24 pension, revocation, or refusal of such license is no longer ex-  
25 isting, or until any fine theretofore levied upon the licensee  
26 pursuant to section 50 has been fully paid.

27 Section 52. Fine in Lieu: Upon the hearing of an appeal  
28 from an order suspending, revoking, or refusing to renew any li-  
29 cense issued under this article, the court, if it finds that the

1 licensee is guilty of violation of the law and if it deems the  
2 suspension, revocation, or refusal too severe a penalty under the  
3 facts as found, may impose a fine of not more than five hundred  
4 dollars (\$500) in lieu thereof, and payment of such fine within  
5 ten (10) days thereafter shall reinstate, restore or renew, the  
6 license.

7 If it appears that a license of the licensee has theretofore  
8 been suspended, revoked, or refused for a similar offense, the  
9 court shall not have jurisdiction to impose a fine in lieu of the  
10 action required by the order appealed from.

11 Section 53. Fees and Taxes. The Insurance Commissioner  
12 shall require payment in advance of the following fees:

13	Issuing Certificate of Authority	\$50.00
14	Renewal of Certificate of Authority	15.00
15	Filing Annual Statement	5.00
16	Filing Power of Attorney	2.50
17	Annual Resident Insurance Agent's or Solicitor's	
18	license irrespective of number of companies repre-	
19	sented	25.00
20	Non-Resident Insurance Agent's or Solicitor's li-	
21	cence	250.00
22	Insurance Broker's License	100.00
23	Annual Individual Adjuster	25.00
24	Annual Public Adjuster	25.00
25	Temporary License	5.00

26 Section 54. Repealer. Sections 42-3-1, 42-3-2, 42-3-3,  
27 42-3-4, 42-3-5, 42-3-6, 42-3-8, Alaska Compiled Laws Annotated,  
28 1949, are hereby repealed.

29