

1 IN THE HOUSE

2 HOUSE BILL NO. 199

3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTY SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing uniform provisions for
7 individual accident and sickness insurance
8 policies; and declaring an effective date."

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

10 Section 1. Definition of Accident and Sickness Insurance

11 Policy. The term "policy of accident and sickness insurance" as
12 used herein includes any policy or contract covering the kind or
13 kind of insurance described in Sec. 24-1-4 (a) ACLA 1949, as
14 accident insurance, and either sickness or health insurance, which
15 is herein further defined as insurance against loss resulting from
16 sickness or from bodily injury or death by accident, or both.

17 Section 2. Form of Policy.

18 (A) No policy of accident and sickness insurance shall
19 be delivered or issued for delivery to any person in this Terri-
20 tory unless:

21 (1) the entire money and other considerations therefor are ex-
22 pressed therein; and

23 (2) the time at which the insurance takes effect and terminates
24 is expressed therein; and

25 (3) it purports to insure, originally or by subsequent amend-
26 ment, upon the application of an adult member of a family who
27 shall be deemed the policy holder, any two or more eligible members
28 of that family, including husband, wife, dependent children or any
29 children under a specified age which shall not exceed nineteen
30 years and any other person dependent upon the policyholder; and

1 (4) the style, arrangement and over-all appearance of the policy
2 gives no undue prominence to any portion of the text and unless
3 every printed portion of the text of the policy and of any en-
4 dorsements or attached papers is plainly printed in light-faced
5 type of a style in general use, the size of which shall be uniform
6 and not less than ten-point with a lower-case unspaced alphabet
7 length not less than one hundred and twenty-point (the "text"
8 shall include all printed matter except the name and address of
9 the insurer, name or title of the policy, the brief description if
10 any, and captions and subcaptions); and

11 (5) the exceptions and reductions of indemnity are set forth in
12 the policy and, except those which are set forth in section 3 of
13 this act, are printed, at the insurer's option, either included
14 with the benefit provision to which they apply, or under an appro-
15 priate caption such as "EXCEPTIONS", or "EXCEPTIONS AND REDUC-
16 TIONS", provided that if an exception or reduction specifically
17 applies only to a particular benefit of the policy, a statement of
18 such exception or reduction shall be included with the benefit
19 provision to which it applies; and

20 (6) each such form, including riders and endorsements, shall be
21 identified by a form number in the lower left-hand corner of the
22 first page thereof; and

23 (7) it contains no provision purporting to make any portion of
24 the charter, rules, constitution, or by-laws of the insurer a part
25 of the policy unless such portion is set forth in full in the pol-
26 icy, except in the case of the incorporation of, or reference to,
27 a statement of rates or classification of risks, or short-rate
28 table filed with the Commissioner.

29 (8) If any policy is issued by an insurer domiciled in

1 this Territory for delivery to a person residing in "another
2 territory or state, and if the official having responsibility for
3 the administration of the insurance laws of such other "territory
4 or state shall have advised the Commissioner that any such policy
5 is not subject to approval or disapproval by such official, the
6 Commissioner may by ruling require that such policy meet the
7 standards set forth in subsection (A) of this section and in
8 section 5.

9 Section 5. Accident and Sickness Policy Provisions.

10 (A) Required Provisions. Except as provided in para-
11 graph (C) of this section each such policy delivered or issued for
12 delivery to any person in this state shall contain the provisions
13 specified in this subsection in the words in which the same appear
14 in this section; provided, however, that the insurer, may, at its
15 option, substitute for one or more of such provisions correspond-
16 ing provisions of different wording approved by the Commissioner
17 which are in each instance not less favorable in any respect to
18 the insured or the beneficiary. Such provisions shall be preceded
19 individually by the caption appearing in this subsection or, at
20 the option of the insurer, by such appropriate individual or group
21 captions or subcaptions as the Commissioner may approve:

22 (1) A provision as follows: ENTIRE CONTRACT: CHANGES: This
23 policy, including the endorsements and attached papers, if any,
24 constitutes the entire contract of insurance. No change in this
25 policy shall be valid until approved by an executive officer of the
26 insurer and unless such approval be endorsed hereon or attached
27 hereto. No agent has authority to change this policy or to waive
28 any of its provisions.

29 (2) A provision as follows: TIME LIMIT ON CERTAIN DEFENSES:

1 (a) After three years from the date of issue of this policy no
2 misstatements, except fraudulent misstatements, made by the appli-
3 cant in the application for such policy shall be used to void the
4 policy or to deny a claim for loss incurred or disability (as de-
5 fined in the policy) commencing after the expiration of such three
6 year period. The foregoing policy provision shall not be so con-
7 strued as to affect any legal requirement for avoidance of a
8 policy or denial of a claim during such initial three year period,
9 nor to limit the application of section 3 (B), (1), (2), (3), (4)
10 and (5) in the event of misstatement with respect to age or occu-
11 pation or other insurance. A policy which the insured has the
12 right to continue in force subject to its terms by the timely pay-
13 ment of premium (1) until at least age 50 or, (2) in the case of
14 a policy issued after age 44, for at least five years from its
15 date of issue, may contain in lieu of the foregoing the following
16 provision (from which the clause in parentheses may be omitted at
17 the insurer's option) under the caption "INCONTESTABLE": After
18 this policy has been in force for a period of three years during
19 the lifetime of the insured (excluding any period during which the
20 insured is disabled), it shall become incontestable as to the
21 statements contained in the application. (b) No claim for loss
22 incurred or disability (as defined in the policy) commencing after
23 three years from the date of issue of this policy shall be reduced
24 or denied on the ground that a disease or physical condition not
25 excluded from coverage by name or specific description effective
26 on the date of loss had existed prior to the effective date of
27 coverage of this policy.

28 (3) A provision as follows: GRACE PERIOD: A grace period of
29 (insert a number not less than "7" for weekly premium

1 policies, "10" for monthly premium policies and "31" for all other
2 policies) days will be granted for the payment of each premium
3 falling due after the first premium, during which grace period the
4 policy shall continue in force. A policy which contains a can-
5 cellation provision may add, at the end of the above provision,
6 subject to the right of the insurer to cancel in accordance with
7 the cancellation provision hereof. A policy in which the insurer
8 reserves the right to refuse any renewal shall have, at the begin-
9 ning of the above provisions, Unless not less than five days prior
10 to the premium due date the insurer has delivered to the insured
11 or has mailed to his last address as shown by the records of the
12 insurer written notice of its intention not to renew this policy
13 beyond the period for which the premium has been accepted.

14 (4) A provision as follows: REINSTATEMENT: If any renewal
15 premium be not paid within the time granted the insured for pay-
16 ment, a subsequent acceptance of premium by the insurer or by any
17 agent duly authorized by the insurer to accept such premium, with-
18 out requiring in connection therewith an application for rein-
19 statement, shall reinstate the policy; provided, however, that if
20 the insurer or such agent requires an application for reinstate-
21 ment and issues a conditional receipt for the premium tendered, the
22 policy will be reinstated upon approval of such application by the
23 insurer or, lacking such approval, upon the forty-fifth day follow-
24 ing the date of such conditional receipt unless the insurer has
25 previously notified the insured in writing of its disapproval of
26 such application. The reinstated policy shall cover only loss re-
27 sulting from such accidental injury as may be sustained after the
28 date of reinstatement and loss due to such sickness as may begin
29 more than ten days after such date. In all other respects the

1 insured and insurer shall have the same rights thereunder as they
2 had under the policy immediately before the due date of the de-
3 faulted premium, subject to any provisions endorsed hereon or at-
4 tached hereto in connection with the reinstatement. Any premium
5 accepted in connection with a reinstatement shall be applied to a
6 period for which premium has not been previously paid, but not to
7 any period more than sixty days prior to the date of reinstatement.
8 The last sentence of the above provision may be omitted from any
9 policy which the insured has the right to continue in force sub-
10 ject to its terms by the timely payment of premiums (1) until at
11 least age 50 or, (2) in the case of a policy issued after age 44,
12 for at least five years from its date of issue.

13 (5) A provision as follows: NOTICE OF CLAIM: Written notice
14 of claim must be given to the insurer within twenty days after the
15 occurrence or commencement of any loss covered by the policy, or as
16 soon thereafter as is reasonably possible. Notice given by or on
17 behalf of the insured or the beneficiary to the insurer at.....
18 (insert the location of such office as the insurer may designate
19 for the purpose), or to any authorized agent of the insurer, with
20 information sufficient to identify the insured, shall be deemed
21 notice to the insurer. In a policy providing a loss-of-time bene-
22 fit which may be payable for at least two years, an insurer may at
23 its option insert the following between the first and second sen-
24 tences of the above provision: Subject to the qualifications set
25 forth below, if the insured suffers loss of time on account of
26 disability for which indemnity may be payable for at least two
27 years, he shall, at least once in every six months after having
28 given notice of claim, give to the insurer notice of continuance
29 of said disability, except in the event of legal incapacity. The

1 period of six months following any filing or proof by the insured
2 or any payment by the insurer on account of such claim or any
3 denial of liability in whole or in part by the insurer shall be
4 excluded in applying this provision. Delay in the giving of such
5 notice shall not impair the insured's right to any indemnity which
6 would otherwise have accrued during the period of six months pre-
7 ceding the date on which such notice is actually given.

8 (6) A provision as follows: CLAIM FORMS: The insurer, upon
9 receipt of a notice of claim, will furnish to the claimant such
10 forms as are usually furnished by it for filing proofs of loss.
11 If such forms are not furnished within fifteen days after the
12 giving of such notice the claimant shall be deemed to have com-
13 plied with the requirements of this policy as to proof of loss
14 upon submitting, within the time fixed in the policy for filing
15 proofs of loss, written proof covering the occurrence, the char-
16 actor and the extent of the loss for which claim is made.

17 (7) A provision as follows: PROOFS OF LOSS: Written proof of
18 loss must be furnished to the insurer at its said office in case
19 of claim for loss for which this policy provides any periodic pay-
20 ment contingent upon continuing loss within ninety days after the
21 termination of the period for which the insurer is liable and in
22 case of claim for any other loss within ninety days after the date
23 of such loss. Failure to furnish such proof within the time re-
24 quired shall not invalidate nor reduce any claim if it was not
25 reasonably possible to give proof within such time, provided such
26 proof is furnished as soon as reasonably possible and in no event,
27 except in the absence of legal capacity, later than one year from
28 the time proof is otherwise required.

29 (8) A provision as follows: TIME OF PAYMENT OF CLAIMS:

1 Indemnities payable under this policy for any loss other than loss
2 for which this policy provides any periodic payment will be paid
3 immediately upon receipt of due written proof of such loss. Sub-
4 ject to due written proof of loss, all accrued indemnities for
5 loss for which this policy provides periodic payment will be paid
6(insert period for payment which must not be less fre-
7 quently than monthly) and any balance remaining unpaid upon the
8 termination of liability will be paid immediately upon receipt of
9 due written proof.

10 (9) A provision as follows: PAYMENT OF CLAIMS: Indemnity for
11 loss of life will be payable in accordance with the beneficiary
12 designation and the provisions respecting such payment which may
13 be prescribed herein and effective at the time of payment. If no
14 such designation or provision is then effective, such indemnity
15 shall be payable to the estate of the insured. Any other accrued
16 indemnities unpaid at the insured's death may, at the option of the
17 insurer, be paid either to such beneficiary or to such estate.
18 All other indemnities will be payable to the insured. The follow-
19 ing provisions, or either of them, may be included with the fore-
20 going provision at the option of the insurer: If any indemnity of
21 this policy shall be payable to the estate of the insured, or to
22 an insured or beneficiary who is a minor or otherwise not compet-
23 ent to give a valid release, the insurer may pay such indemnity,
24 up to an amount not exceeding \$.....(insert an amount which
25 shall not exceed \$1000), to any relative by blood or connection by
26 marriage of the insured or beneficiary who is deemed by the insurer
27 to be equitably entitled thereto. Any payment made by the insurer
28 in good faith pursuant to this provision shall fully discharge the
29 insurer to the extent of such payment. Subject to any written

1 direction of the insured in the application or otherwise all or a
2 portion of any indemnities provided by this policy on account of
3 hospital, nursing, medical, or surgical services may, at the in-
4 surer's option and unless the insured requests otherwise in writ-
5 ing not later than the time of filing proofs of such loss, be paid
6 directly to the hospital or person rendering such services; but it
7 is not required that the service be rendered by a particular hos-
8 pital or person.

9 (10) A provision as follows: **PHYSICAL EXAMINATION AND AUTOPSY:**
10 The insurer at its own expense shall have the right and opportunity
11 to examine the person of the insured when and as often as it may
12 reasonably require during the pendency of a claim hereunder and to
13 make an autopsy in case of death where it is not forbidden by law.

14 (11) A provision as follows: **LEGAL ACTIONS:** No action at law
15 or in equity shall be brought to recover on this policy prior to
16 the expiration of sixty days after written proof of loss has been
17 furnished in accordance with the requirements of this policy. No
18 such action shall be brought after the expiration of three years
19 after the time written proof of loss is required to be furnished.

20 (12) A provision as follows: **CHANGE OF BENEFICIARY:** Unless the
21 insured makes an irrevocable designation of beneficiary, the right
22 to change of beneficiary is reserved to the insured and the consent
23 of the beneficiary or beneficiaries shall not be requisite to sur-
24 render or assignment of this policy or to any change of beneficiary
25 or beneficiaries, or to any other changes in this policy. The
26 first clause of this provision, relating to the irrevocable desig-
27 nation of beneficiary, may be omitted at the insurer's option.

28 (B) Other Provision. Except as provided in paragraph (C)
29 of this section, no such policy delivered or issued for delivery

1 to any person in this territory shall contain provisions respect-
2 ing the matters set forth below unless such provisions are in the
3 words in which the same appear in this section; provided, however,
4 that the insurer may, at its option, use in lieu of any such pro-
5 vision a corresponding provision of different wording approved by
6 the Commissioner which is not less favorable in any respect to the
7 insured or the beneficiary. Any such provision contained in the
8 policy shall be preceded individually by the appropriate caption
9 appearing in this subsection or, at the option of the insurer, by
10 such appropriate individual or group captions or subcaptions as
11 the Commissioner may approve.

12 (1) A provision as follows: CHANGE OF OCCUPATION: If the in-
13 sured be injured or contract sickness after having changed his
14 occupation to one classified by the insurer as more hazardous than
15 that stated in this policy or while doing for compensation any-
16 thing pertaining to an occupation so classified, the insurer will
17 pay only such portion of the indemnities provided in this policy
18 as the premium paid would have purchased at the rates and within
19 the limits fixed by the insurer for such more hazardous occupa-
20 tion. If the insured changes his occupation to one classified by
21 the insurer as less hazardous than that stated in this policy, the
22 insurer, upon receipt of proof of such change of occupation, will
23 reduce the premium rate accordingly, and will return the excess
24 pre-rate unearned premium from the date of change of occupation or
25 from the policy anniversary date immediately preceding receipt of
26 such proof, whichever is the more recent. In applying this pro-
27 vision, the classification of occupational risk and the premium
28 rates shall be such as have been last filed by the insurer prior
29 to the occurrence of the loss for which the insurer is liable or

1 prior to date of proof of change in occupation with the territor-
2 ial official having supervision of insurance in the territory where
3 the insured resided at the time this policy was issued; but if
4 such filing was not required, then the classification of occupa-
5 tional risk and the premium rates shall be those last made effect-
6 ive by the insurer in such state prior to the occurrence of the
7 loss or prior to the date of proof of change in occupation.

8 (2) A provision as follows: **MISSSTATEMENT OF AGE:** If the age
9 of the insured has been misstated, all amounts payable under this
10 policy shall be such as the premium paid would have purchased at
11 the correct age.

12 (3) A provision as follows: **OTHER INSURANCE IN THIS INSURER:**
13 If an accident or sickness or accident and sickness policy or
14 policies previously issued by the insurer to the insured be in
15 force concurrently herewith, making the aggregate indemnity for
16(insert type of coverage or coverages) in excess of
17 \$.....(insert maximum limit of indemnity or indemnities) the
18 excess insurance shall be void and all premiums paid for such ex-
19 cess shall be returned to the insured or to his estate. Or, in
20 lieu thereof; Insurance effective at any one time on the insured
21 under a like policy or policies in this insurer is limited to the
22 one such policy elected by the insured, his beneficiary or his
23 estate, as the case may be, and the insurer will return all
24 premiums paid for all other such policies.

25 (4) A provision as follows: **INSURANCE WITH OTHER INSURERS:** If
26 there be other valid coverage, not with this insurer, providing
27 benefits for the same loss on a provision of service basis or on
28 an expense incurred basis and of which this insurer has not been
29 given written notice prior to the occurrence or commencement of

1 loss, the only liability under any expense incurred coverage of
2 this policy shall be for such proportion of the loss as the amount
3 which would otherwise have been payable hereunder plus the total
4 of the like amounts under all such other valid coverages for the
5 same loss of which this insurer had notice bears to the total like
6 amounts under all valid coverages for such loss, and for the re-
7 turn of such portion of the premiums paid as shall exceed the pro-
8 rata portion for the amount so determined. For the purpose of
9 applying this provision when other coverage is on a provision of
10 service basis, the "like amount" of such other coverage shall be
11 taken as the amount which the services rendered would have cost in
12 the absence of such coverage. If the foregoing policy provision is
13 included in a policy which also contains the next following policy
14 provision there shall be added to the caption of the foregoing
15 provision the phrase "EXPENSE INCURRED BENEFITS". The insurer
16 may, at its option, include in this provision a definition of
17 "other valid coverage", approved as to form by the Commissioner,
18 which definition shall be limited in subject matter to coverage
19 provided by organization subject to regulation by insurance law or
20 by insurance authorities of this or any other territory or state
21 of the United States or any province of Canada, and by hospital or
22 medical service organizations, and to any other coverage the in-
23 clusion of which may be approved by the Commissioner. In the ab-
24 sence of such definition such term shall not include group insur-
25 ance, automobile medical payments insurance, or coverage provided
26 by hospital or medical service organizations or by union welfare
27 plans or employer or employee benefit organizations. For the pur-
28 pose of applying the foregoing policy provision with respect to
29 any insured, any amount of benefit provided for such insured pur-

1 quant to any compulsory benefit statute (including any workmen's
2 compensation or employer's liability statute) whether provided by
3 a governmental agency or otherwise shall in all cases be deemed to
4 be "other valid coverage" of which the insurer has had notice. In
5 applying the foregoing policy provision no third party liability
6 coverage shall be included as "other valid coverage".

7 (5) A provision as follows: INSURANCE WITH OTHER INSURERS: If
8 there be other valid coverage, not with this insurer, providing
9 benefits for the same loss on other than an expense incurred basis
10 and of which this insurer has not been given written notice prior
11 to the occurrence or commencement of loss, the only liability for
12 such benefits under this policy shall be for such proportion of the
13 indemnification otherwise provided hereunder for such loss as the like
14 indemnification of which the insurer had notice (including the indem-
15 nification under this policy) bear to the total amount of all like in-
16 demnification for such loss, and for the return of such portion of the
17 premium paid as shall exceed the pro-rata portion for the indem-
18 nification thus determined. If the foregoing policy provision is in-
19 cluded in a policy which also contains the next preceding policy
20 provision there shall be added to the caption of the foregoing
21 provision the phrase "OTHER BENEFITS". The insurer may, at its
22 option, include in this provision a definition of "other valid
23 coverage", approved as to the form by the Commissioner, which
24 definition shall be limited in subject matter to coverage provided
25 by organizations subject to regulation by insurance law or by in-
26 surance authorities of this or any other territory or state of the
27 United States or any province of Canada, and to any other coverage
28 the inclusion of which may be approved by the Commissioner. In
29 the absence of such definition such term shall not include group

1 insurance, or benefits provided by union welfare plans or by em-
2 ployer or employee benefit organizations. For the purpose of ap-
3 plying the foregoing policy provision with respect to any insured,
4 any amount of benefit provided for such insured pursuant to any
5 compulsory benefit statute (including any workmen's compensation
6 or employer's liability statute) whether provided by a governmental
7 agency or otherwise shall in all cases be deemed to be "other
8 valid coverage" of which the insurer has had notice. In applying
9 the foregoing policy provision no third party liability coverage
10 shall be included as "other valid coverage".

11 (C) A provision as follows: RELATION OF EARNINGS TO INSURANCE:
12 If the total monthly amount of loss of time benefits promised for
13 the same loss under all valid loss of time coverage upon the in-
14 sured, whether payable on a weekly or monthly basis, shall exceed
15 the monthly earnings of the insured at the time disability com-
16 menced or his average monthly earnings for the period of two years
17 immediately preceding a disability for which claim is made, which-
18 ever is the greater, the insurer will be liable only for such pro-
19 portionate amount of such benefits under this policy as the amount
20 of such monthly earnings or such average monthly earnings of the
21 insured bears to the total amount of monthly benefits for the same
22 loss under all such coverage upon the insured at the time such dis-
23 ability commences and for the return of such part of the premiums
24 paid during such two years as shall exceed the pro-rata amount of
25 the premiums for the benefits actually paid hereunder; but this
26 shall not operate to reduce the total monthly amount of benefits
27 payable under all such coverage upon the insured below the sum of
28 two hundred dollars or the sum of the monthly benefits specified in
29 such coverages, whichever is the lesser, nor shall it operate to

1 reduce benefits other than those payable for loss of time. The
2 foregoing policy provision may be inserted only in a policy which
3 the insured has the right to continue in force subject to its
4 terms by the timely payment of premiums (1) until at least age 50
5 or, (2) in the case of a policy issued after age 44, for at least
6 five years from its date of issue. The insurer may, at its option,
7 include in this provision a definition of "valid loss of time cov-
8 erage", approved as to form by the Commissioner, which definition
9 shall be limited in subject matter to coverage provided by govern-
10 mental agencies or by organizations subject to regulation by in-
11 surance law or by insurance authorities of this territory or any
12 other territory or state of the United States or any province of
13 Canada, or to any other coverage the inclusion of which may be ap-
14 proved by the Commissioner or any combination of such coverages.
15 In the absence of such definition such term shall not include any
16 coverage provided for such insured pursuant to any compulsory bene-
17 fit statute (including any workmen's compensation or employer's
18 liability statute), or benefits provided by union welfare plans or
19 by employer or employee benefit organizations.

20 (7) A provision as follows: UNPAID PREMIUM: Upon the payment
21 of a claim under this policy, any premium then due and unpaid or
22 covered by any note or written order may be deducted therefrom.

23 (8) A provision as follows: CANCELLATION: The insurer may
24 cancel this policy at any time by written notice delivered to the
25 insured, or mailed to his last address as shown by the record of
26 the insurer, stating when, not less than five days thereafter, such
27 cancellation shall be effective; and after the policy has been
28 continued beyond its original term the insured may cancel this
29 policy at any time by written notice delivered or mailed to the

insurer, effective upon receipt or on such later date as may be specified in such notice. In the event of cancellation, the insurer will return promptly the unearned portion of any premium paid. If the insured cancels, the earned premium shall be computed by the use of the short-rate table last filed with the territorial official having supervision of insurance in the territory where the insured resided when the policy was issued. If the insurer cancels, the earned premium shall be computed pro-rata. Cancellation shall be without prejudice to any claim originating prior to the effective date of cancellation.

(9) A provision as follows: **CONFORMITY WITH TERRITORIAL OR STATE STATUTES:** Any provision of this policy which, on its effective date, is in conflict with the statutes of the territory or the state in which the insured resides on such date is hereby amended to conform to the minimum requirements of such statutes.

(10) A provision as follows: **ILLEGAL OCCUPATION:** The insurer shall not be liable for any loss to which a contributing cause was the insured's commission of or attempt to commit a felony or to which a contributing cause was the insured's being engaged in an illegal occupation.

(11) A provision as follows: **INTOXICANTS AND NARCOTICS:** The insurer shall not be liable for any loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any narcotic unless administered on the advice of a physician.

(C) **Inapplicable or Inconsistent Provisions.** If any provision of this section is in whole or in part inapplicable to or inconsistent with the coverage provided by a particular form of policy the insurer, with the approval of the Commissioner, shall

omit from such policy any inapplicable provision or part of a provision, and shall modify any inconsistent provision or part of the provision in such manner as to make the provision as contained in the policy consistent with the coverage provided by the policy.

(D) Order of Certain Policy Provisions. The provisions which are the subject of subsections (A) and (B) of this section, or any corresponding provisions which are used in lieu thereof in accordance with such subsections, shall be printed in the consecutive order of the provisions in such subsections or, at the option of the insurer, any such provision may appear as a unit in any part of the policy, with other provisions to which it may be logically related, provided the resulting policy shall not be in whole or in part unintelligible, uncertain, ambiguous, abstruse, or likely to mislead a person to whom the policy is offered, delivered or issued.

(E) Third Party Ownership. The word "insured", as used in this act, shall not be construed as preventing a person other than the insured with a proper insurable interest from making application for and owning a policy covering the insured or from being entitled under such a policy to any indemnities, benefits and rights provided therein.

(F) Requirements of Other Jurisdictions.

(1) Any policy of a foreign or alien insurer, when delivered or issued for delivery to any person in this state, may contain any provision which is not less favorable to the insured or the beneficiary than the provisions of this act and which is prescribed or required by the law of the state or territory under which the insurer is organized.

(2) Any policy of a domestic insurer may, when issued for deliv-

...
1 ery in any other state or country, contain any provision permitted
2 or required by the laws of such other state or country.

3 (C) Filing Procedure. The Commissioner may make such
4 reasonable rules and regulations concerning the procedure for the
5 filing or submission of policies subject to this act as are neces-
6 sary, proper or advisable to the administration of this act. This
7 provision shall not abridge any other authority granted the Com-
8 missioner by law.

9 Section 4. Conforming to Statute.

10 (A) Other Policy Provisions. No policy provision which
11 is not subject to section 3 of this act shall make a policy, or
12 any portion thereof, less favorable in any respect to the insured
13 or the beneficiary than the provisions thereof which are subject
14 to this act.

15 (B) Policy Conflicting with this Act. A policy deliv-
16 ered or issued for delivery to any person in this territory in
17 violation of this act shall be held valid but shall be construed
18 as provided in this act. When any provision in a policy subject
19 to this act is in conflict with any provision of this act, the
20 rights, duties and obligations of the insurer, the insured and the
21 beneficiary shall be governed by the provisions of this act.

22 Section 5. Application.

23 (A) The insured shall not be bound by any statement
24 made in an application for a policy unless a copy of such applica-
25 tion is attached to or endorsed on the policy when issued as a
26 part thereof. If any such policy delivered or issued for delivery
27 to any person in this territory shall be reinstated or renewed, and
28 the insured or the beneficiary or assignee of such policy shall
29 make written request to the insurer for a copy of the application,

1 if any, for such reinstatement or renewal, the insurer shall with-
2 in fifteen days after the receipt of such request at its home
3 office or any branch office of the insurer, deliver or mail to the
4 person making such request, a copy of such application. If such
5 copy shall not be so delivered or mailed, the insurer shall be
6 precluded from introducing such application as evidence in any
7 action or proceeding based upon or involving such policy or its
8 reinstatement or renewal.

9 (B) No alteration of any written application for any
10 such policy shall be made by any person other than the applicant
11 without his written consent, except that insertions may be made by
12 the insurer, for administrative purposes only, in such manner as
13 to indicate clearly that such insertions are not to be ascribed to
14 the applicant.

15 (C) The falsity of any statement in the application for
16 any policy covered by this act may not bar the right to recovery
17 thereunder unless such false statement materially affected either
18 the acceptance of the risk or the hazard assumed by the insurer.

19 Section 8. Notice, Waiver. The acknowledgement by any in-
20 surer of the receipt of notice given under any policy covered by
21 this act, or the furnishing of forms for filing proofs of loss, or
22 the acceptance of such proofs, or the investigation of any claim
23 thereunder shall not operate as a waiver of any of the rights of
24 the insurer in defense of any claim arising under such policy.

25 Section 7. Age Limit. If any such policy contains a provi-
26 sion establishing, as an age limit or otherwise, a date after
27 which the coverage provided by the policy will not be effective,
28 and if such date falls within a period for which premium is ac-
29 cepted by the insurer or if the insurer accepts a premium after

... ..

such date, the coverage provided by the policy will continue in force subject to any right of cancellation until the end of the period for which premium has been accepted. In the event the age of the insured has been misstated and if, according to the correct age of the insured, the coverage provided by the policy would not have become effective, or would have ceased prior to the acceptance of such premium or premiums, then the liability of the insurer shall be limited to the refund, upon request, of all premiums paid for the period not covered by the policy.

Section 8. Non-application to Certain Policies. Nothing in this act shall apply to or affect (1) any policy of workmen's compensation insurance or any policy of liability insurance with or without supplementary expense coverage therein; or (2) any policy or contract of reinsurance; or (3) any blanket or group policy of insurance; or (4) life insurance, endowment or annuity contracts, or contracts supplemental thereto which contain only such provisions relating to accident and sickness insurance as (a) provide additional benefits in case of death or dismemberment or loss of sight by accident, or as (b) operate to safeguard such contracts against lapse, or to give a special surrender value or special benefit or an annuity in the event that the insured or annuitant shall become totally and permanently disabled, as defined by the contract or supplemental contract.

Section 9. Judicial Review. Any order or decision of the Commissioner under this act shall be subject to review by appeal to the District Court for the District of Alaska at the instance of any party in interest. The filing of the appeal shall operate as a stay of any such order or decision until the Court directs otherwise. The Court may review all the facts and, in

disposing of the issue before it, may modify, affirm or reverse the order or decision of the Commissioner in whole or in part.

Section 10. Effective Date of Act. This act shall take effect on the 1st day of July, 1955. A policy, rider or endorsement, which could have been lawfully used or delivered or issued for delivery to any person in this territory immediately before the effective date of this act may be used or delivered or issued for delivery to any such person during five years after the effective date of this act without being subject to the provisions of sections 2, 3 or 4 of this act.