IN THE HOUSE BY MESSRS. JOHNSON AND MCLEAN

HOUSE BILL NO. 212

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

TWENTY-SECOND SESSION

A BILL

For an Act entitled: "An Act to require non-resident agents or brokers placing policies or contracts of insurance with an association or associations of individuals, or a member or members of such association, to report both premium and losses each year in the same manner as is required of domestic, foreign and alien insurance companies, and amending Section 42-3-2, ACLA 1949."

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

Section 1. Section 42-3-2, ACLA 1949, is hereby amended to read as follows: Licensing non-resident agents and brokers. The Insurance Commissioner may issue licenses to non-resident agent and brokers authorizing them, during the time such agent or broker shall conform to the provisions hereof, to solicit, accept applications for, write, issue, or place policies or contracts of insurance, or to effect insurance upon risks located within the Territory, other than life, with an association or associations of individuals, or a member or members of such association, whether organized within this Territory or elsewhere formed upon or under a plan whereby one or more Associate Underwriters of such association become liable for a proportion of the whole amount insured by a group of, or all of, the members of such association, and to make delivery of such policies or

contracts of insurance when so written, effected, issued or placed.

Such license shall be obtained only on a written application in form prescribed by the Insurance Commissioner, stating the kinds of insurance which the applicant desires to transact.

(Bond). Every application for a non-resident license to act as an insurance agent or broker shall file with his, its or their application, and maintain in effect, a satisfactory bond, duly executed by an admitted insurer or insurers, approved by the Insurance Commissioner, in the amount of $5,000.00, which bond shall run in favor of the Territory and may be continuous in form and shall remain in force and effect until cancelled as hereinafter provided. The total aggregate liability on such bond shall be limited to the sum of $5,000.00, and it shall be conditioned that the applicant will conduct such business in accordance with the provisions of this Act and will pay to the Commissioner of Insurance the taxes levied by and in the manner as provided in this Act, and will, on or before March first of each year, file a true and correct statement of all insurance premiums collected or contracted for by such agent or broker on risks within the Territory during the year ending December 31st next preceding, with the names of the associations issuing such policies of insurance, (AND) the amounts paid policy holders as return premiums (.) <u>, and the amounts actually paid to or on behalf of policy holders on losses.</u> Either the principal or the surety on said bond may cancel it and be relieved of further liability thereon from and after thirty days following the delivery by either said principal or said surety of a written notice to the Insurance Commissioner of the cancellation of said

bond; provided, however, such bond shall remain in effect as to any liability originating or accrued thereunder prior to the termination of said thirty-day period.

(License Fee). Any individual, corporation, co-partnership, or association licensed hereunder as a non-resident agent or broker shall pay in advance to the Commissioner of Insurance an annual license fee of $300.00 per year, payable on or before the issuance of such non-resident agent or broker license.

(Persons ineligible.) The Insurance Commissioner shall not grant a license to act as a non-resident agent or broker to any minor or to any person who is not a citizen of the United States.

(List of representatives: Office.) Any individual, co-partnership, corporation, or association licensed as a non-resident agent or broker shall file a duly verified list, on a form to be provided by the Insurance Commissioner, setting forth the names and addresses of the individual, co-partnership, association or corporation who actually represents the non-resident agents or brokers in effecting insurance in the Territory. Non-resident agents or brokers shall not be required to maintain an office within the Territory for the transaction of business.

(Revocation.) The Commissioner of Insurance shall have the power to revoke any license granted to any non-resident agent or broker for cause, upon hearing, after reasonable notice has been given to such non-resident licensed agent or broker; but, such revocation shall not relieve or discharge such agent or broker; but, such revocation shall not relieve or discharge such agent or broker or his surety from civil liability under the aforesaid bond.