

1 IN THE SENATE.

BY SENATORS GILBERT AND BRADSHAW

2 SENATE BILL NO. 52

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE --FIRST SESSION

5 A BILL

6 For An Act entitled: "An Act relating to insurance policies issued
7 in conjunction with contracts for sale of
8 motor vehicles, merchandise and other pro-
9 perty or for loan of money, which undertake
10 to insure a debtor for the amount of his
11 debt under such contracts; requiring the
12 furnishing of copies of such policies and
13 providing for cancellation of policies and
14 payment of refunds for unearned premiums
15 thereof, making violation of the Act a
16 misdemeanor and fixing the penalty thereon."

17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

18 Section 1. Whenever a credit life insurance policy or other
19 insurance policy is obtained on the life of a debtor under or
20 pursuant to the terms of a contract for the sale of a motor vehicle,
21 merchandise or other property, or for the loan of money, the person,
22 firm, company or corporation obtaining or receiving the policy
23 shall furnish a copy of the policy, or a certificate or statement
24 of insurance in the case of a group policy, to the insured not
25 later than thirty (30) days after receipt thereof. Such policy
26 shall be on a form approved by the State Insurance Commission,
27 and the principal amount payable thereunder shall not be in excess
28 of the total amount the debtor agrees to pay when he enters into
29 such contract, provided, however, that where the indebtedness is

SB #52

1 repayable in installments, the amount of the insurance shall not
2 exceed the approximate unpaid balance of the loan. If all amounts
3 payable under such contract are paid before the same become due,
4 such policy shall be cancelled and the insured shall be paid any
5 refund for unearned premium on the policy within fifteen (15) days
6 after such cancellation.

7 Sec. 2. Any person, firm, company or corporation violating
8 any of the provisions of this Act shall be guilty of a misdemeanor
9 and upon conviction thereof shall be fined not less than One
10 Hundred Dollard (\$100.00), nor not more than Five Hundred Dollars
11 (\$500.00), or by imprisonment in jail for not more than thirty
12 (30) days or by both such fine and imprisonment.

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