

Introduced: 3/28/67
Referred: Commerce and
Judiciary

1 IN THE HOUSE

BY MOORE

2 HOUSE BILL NO. 321

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to cancellation of insurance."

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

8 * Section 1. AS 21.42.160(a) is amended by adding a new paragraph to
9 read:

10 (7) each particular ground for cancellation of the contract
11 by the insurer.

12 * Sec. 2. AS 21.42 is amended by adding a new section to read:

13 Sec. 21.42.265. CANCELLATION BY INSURER. (a) Cancellation by
14 the insurer of a policy which by its terms is cancellable at the option
15 of the insurer, or of a binder based on such policy, may be effected as
16 to any interest only upon compliance with the following:

17 (1) Written notice of the cancellation, specifying which of
18 the specific grounds of cancellation as set out in the policy, or of
19 any binder based on the policy, is being exercised, must be actually
20 delivered or mailed by certified mail with return receipt to the insured
21 or to his representative in charge of the subject of the insurance not
22 less than five days before the effective date of the cancellation.

23 (2) This notice must also be delivered or mailed by certi-
24 fied mail with return receipt to each mortgagee, pledgee, or other
25 person shown by the policy to have an interest in any loss which may
26 occur under the policy.

27 (b) Mailing of the notice described in (a) of this section shall
28 be to the addressee at his last address as known to the insurer or as
29 shown by the insurer's records. The insurer shall retain in its

1 records any item so mailed, together with its envelope, which was re-
2 turned by the post office upon failure to find, or deliver the mailing
3 to, the addressee.

4 (c) The affidavit of the individual making actual delivery,
5 together with a signed receipt therefore, constitutes prima facie
6 evidence of delivery.

7 (d) The portion of a premium paid to the insurer on account of the
8 policy, unearned because of the cancellation and in amount as computed
9 on the pro rata basis, must be actually paid to the insured or other
10 person entitled to it as shown by the policy or by any endorsement on
11 it, or be mailed to the insured or such person as soon as practicable
12 following the cancellation. This payment may be made by cash, or by
13 check, bank draft, or money order.

14 (e) This section shall not apply to contracts of life or dis-
15 ability insurance without provision for cancellation before the date
16 to which premiums have been paid.

17 * Sec. 3. AS 21.42 is amended by adding a new section to read:

18 Sec. 21.42.267. NOTICE OF REFUSAL TO ACCEPT RISK. Notwithstand-
19 ing any other provision of law, notice of the refusal of any insurer to
20 accept the risk upon receipt of any application for a policy of
21 insurance shall be given as provided for in sec. 265 of this chapter
22 for notice of cancellation by the insurer.