

Original sponsor: Commerce Committee

Offered: 4/22/71
Referred: Judiciary

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 305 *Am*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to cancellation and renewal of
7 certain noncommercial insurance policies; and provid-
8 ing for an effective date."

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

10 * Section 1. AS 21.36.210 is amended by adding new subsections to read:

11 (e) An insurer may not cancel an insurance policy which covers
12 loss of or damage to real property which is used predominantly for
13 residential purposes and does not consist of more than four dwelling
14 units, loss of or damage to personal property in which natural persons
15 residing in real property which is used predominantly for residential
16 purposes and does not consist of more than four dwelling units and in
17 which the natural person has an insurable interest, except personal
18 property used in the conducting of a commercial or industrial enterprise
19 or policies covering legal liability of natural persons for loss of,
20 damage to, or injury to persons or property but not including policies
21 primarily insuring risks arising from the conduct of a commercial or
22 industrial enterprise.

23 (f) Notwithstanding (a) of this section an insurer may cancel
24 a policy of the type described in (a) of this section if one of the
25 following conditions or circumstances arises:

26 (1) nonpayment of premiums, including nonpayment of addi-
27 tional premiums, calculated in accordance with the current rating
28 manual of the insurer, justified by a physical change in the insured
29 property or a change in its occupancy for use;

1 (2) conviction of the insured of a crime having as one
2 of its necessary elements an act increasing a hazard insured against;

3 (3) discovery of fraud or material misrepresentation made
4 by the insured or his representative in obtaining the insurance or
5 the insured in pursuing a claim under the policy;

6 (4) discovery of a grossly negligent act or omission by
7 the insured which substantially increases the hazards insured against;

8 (5) physical changes in the insured property which result
9 in the property becoming uninsurable.

10 * Sec. 2. AS 21.36.270 is amended to read:

11 Sec. 21.36.270. EFFECT OF FAILURE TO COMPLY. Notwithstanding
12 the failure of an insurer to comply with secs. 210 - 310 of this
13 chapter, termination of coverage under the policy either by cancellation
14 or nonrenewal is effective on the effective date of any other policy
15 providing similar coverage on the same risk, or motor vehicle or a
16 replacement of it.

17 * Sec. 3. AS 21.36.310(1) is amended to read:

18 (1) "policy" means a policy covering the exposures listed
19 in 210(e) of this chapter or an automobile policy which includes
20 automobile liability coverage, uninsured motorist coverage, automobile
21 medical payments coverage, or automobile physical damage coverage, delivered
22 or issued for delivery in this state, insuring as the named insured,
23 one individual or husband and wife resident of the same household,
24 and under which the insured vehicles are of the following types only:

25 (A) a motor vehicle of the private passenger or
26 station wagon type that is not used as a public or livery con-
27 veyance, nor rented to others; or

28 (B) any other four-wheel motor vehicle with a load
29 capacity of 1,500 pounds or less which is not used in the

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occupation, profession or business of the insured, nor used as a public or livery conveyance nor rented to others;

* Sec. 4. This Act takes effect on July 1, 1971.