

Introduced: 3/31/75  
Referred: Commerce and  
Judiciary

1 IN THE HOUSE

BY FINK

2 HOUSE BILL NO. 365

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to unavailability of essential insur-  
7 ance coverage; and providing for an effective date."

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

9 \* Section 1. AS 21.39 is amended by adding a new section to read:

10 Sec. 21.39.145. UNAVAILABILITY OF ESSENTIAL COVERAGE; MANDATORY  
11 RISK SHARING PLANS. (a) If the director finds after a hearing that in  
12 any part of this state an essential insurance coverage is not readily  
13 available in the voluntary market, and the public interest requires  
14 availability, he may by regulation either promulgate plans to provide  
15 insurance coverages for risks in this state which are equitably entitled  
16 to but otherwise unable to obtain the coverage, or may call upon the  
17 industry to prepare plans for his approval.

18 (b) The plan promulgated or prepared under (a) of this section  
19 shall

20 (1) give consideration to (A) the need for adequate and  
21 readily accessible coverage, (B) alternative methods of improving the  
22 market affected to the preferences of the insurers and agents, (C) the  
23 inherent limitations of the insurance mechanism, (D) the need for reason-  
24 able underwriting standards, and (E) the requirement of reasonable loss-  
25 prevention measures;

26 (2) establish procedures that will create minimum interference  
27 with the voluntary market;

28 (3) spread the burden imposed by the coverage equitably and  
29 efficiently within the industry; and

1 (4) establish procedures for applicants and participants to  
2 have grievances reviewed by an impartial body.

3 (c) Each plan shall require participation by all insurers, for  
4 the specified types of business, doing any business in this state and  
5 all agents licensed to represent these insurers in this state except  
6 that the commissioner may exclude classes of persons or insurers for  
7 administrative convenience or because it is not equitable or practicable  
8 to require them to participate in the plan.

9 (d) A plan may provide for optional participation by insurers not  
10 required to participate under (c) of this section.

11 (e) Each plan shall provide for the method of classifying risks  
12 and making and filing applicable rates.

13 (f) The plan shall specify the basis of participation of insurers  
14 and agents and the conditions under which risks must be accepted.

15 (g) Every participating insurer and agent shall provide to a  
16 person seeking coverages of kinds available in the plans the services  
17 prescribed in the plans, including full information on the requirements  
18 and procedures for obtaining coverage under the plans when the business  
19 is not placed in the voluntary market.

20 (h) The plan shall specify what commission rates shall be paid for  
21 business placed in the plans.

22 (i) If the director finds that the lack of cooperating insurers or  
23 agents in an area makes the functioning of the plan difficult, he may  
24 order the plan set up with a branch service office or take other appro-  
25 priate steps to insure that service is available.

26 (j) An existing assigned risk plan set up under sec. 150 of this  
27 chapter shall continue unless changed in accordance with this section.

28 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
29 070(c).