

Introduced: 1/17/83
Referred: Labor & Commerce

BY FRITZ, KOPONEN,
LINDAUER AND TISCHER

1 IN THE HOUSE

2 HOUSE BILL NO. 16

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to premium increases for automobile
7 insurance policies."

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

9 * Section 1. AS 21.36 is amended by adding a new section to read:

10 Sec. 21.36.400. RESTRICTION ON PREMIUM INCREASES FOR AUTOMOBILE
11 INSURANCE POLICIES. (a) An insurer may not increase the premium for
12 an automobile insurance policy unless

13 (1) the increase applies to all insureds of the same class;

14 or

15 (2) the increase is the result of an act or omission by the
16 insured that demonstrates a substantially increased probability that
17 the insurer will be required to pay claims under the insurance con-
18 tract in the future.

19 (b) If an insurer intends to increase the premium on an automo-
20 bile insurance policy under (a)(2) of this section, the insured

21 (1) shall be notified in writing of the proposed increase
22 and the reasons for the increase;

23 (2) shall be given an opportunity to meet with a repre-
24 sentative of the insurer to have the reasons for the increase explain-
25 ed; and

26 (3) shall be given an opportunity to present the insured's
27 position that the increase is not justified.

28 (c) After the meeting held under (b) of this section the insurer
29 shall review its decision to increase the premium and shall notify the

1 insured in writing of its decision to impose or rescind the increase.

2 (d) Within 30 days of receipt of notice that the insurer has
3 reconsidered its intention to increase an automobile insurance policy
4 premium under (a)(2) of this section and that the insurer intends to
5 impose the increase, the insured may request that the director review
6 the decision of the insurer. If the director determines that the
7 increased premium has been imposed without sufficient justification
8 under (a)(2) of this section, the director shall direct the insurer to
9 rescind the increase and to return any excess premium received to the
10 insured. Pending the decision of the director under this subsection
11 the insured shall pay the increased premium to the insurer.

12 (e) In this section "automobile insurance policy" means an
13 insurance policy that provides automobile liability coverage, unin-
14 sured motorist coverage, automobile medical payments coverage, or
15 automobile physical damage coverage, delivered or issued for delivery
16 in this state, insuring as the named insured one individual or a
17 husband and a wife residing in the same household, and under which the
18 insured vehicles are of the following types only:

19 (1) a motor vehicle of the private passenger or station
20 wagon type that is not used as a public or livery conveyance, nor
21 rented to others; or

22 (2) any other four-wheel motor vehicle with a load capacity
23 of 1,500 pounds or less that is not used in the occupation, profes-
24 sion, or business of the insured, nor used as a public or livery
25 conveyance nor rented to others.