

Introduced: 3/21/83
Referred: Labor & Commerce
and Finance

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1 IN THE HOUSE

2 SPONSOR SUBSTITUTE FOR 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. PREMIUM INCREASES ON AUTOMOBILE INSURANCE POLI-
11 CIES. (a) An insurer may not increase the premium on an automobile
12 insurance policy unless the increase applies to all insureds of the
13 same class.

14 (b) An insurer may not increase the premium or add a surcharge
15 to an automobile insurance policy because of a moving traffic viola-
16 tion unless the insured or another person who resides in the insured's
17 household and is covered by the policy has been convicted of the
18 violation.

19 (c) The director shall adopt regulations to determine circum-
20 stances under which an insurer may increase the premium or add a
21 surcharge to an automobile insurance policy.

22 (d) An insurer that increases the premium or adds a surcharge to
23 an automobile insurance policy shall give written notice of the in-
24 crease or surcharge at least 15 days before it takes effect, stating
25 the reason for the change and the right of appeal under AS 21.39.090.

26 (e) In this section "automobile insurance policy" means an
27 insurance policy that provides automobile liability coverage, unin-
28 sured motorist coverage, automobile medical payments coverage, or
29 automobile physical damage coverage, delivered or issued for delivery

1 in this state, insuring as the named insured one individual or a
2 husband and a wife residing in the same household, and under which the
3 insured vehicles are of the following types only:

4 (1) a motor vehicle of the private passenger or station
5 wagon type that is not used as a public or livery conveyance, and not
6 rented to others; or

7 (2) any other four-wheel motor vehicle with a load capacity
8 of 1,500 pounds or less that is not used in the occupation, profes-
9 sion, or business of the insured, not used as a public or livery
10 conveyance and not rented to others.