

Introduced: 2/22/83  
Referred: Labor and Commerce

1 IN THE SENATE

BY MULCAHY

2

SENATE BILL NO. 134

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to surety bond and financial re-  
7 quirements for insurers of surplus lines."

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

9 \* Section 1. A 21.33.160 is amended to read:

10 Sec. 21.33.160. FILING SURETY BOND AS A CONDITION TO LICENSE.  
11 Before receiving a license the applicant shall file with the depart-  
12 ment a surety bond in favor of the state and insureds in the penal sum  
13 of \$50,000 [\$25,000]. The bond shall be issued by an authorized  
14 corporate surety approved by the department. The bond shall be condi-  
15 tioned on the conduct of business under the license in conformity with  
16 the provisions of this title, including the payment of all taxes  
17 required to be paid by this title. The applicant shall keep the bond  
18 in effect during the period of the license. The surety may terminate  
19 the bond by giving at least 30 days written notice to the department.

20 \* Sec. 2. AS 21.33.180(a) is amended to read:

21 (a) A surplus line broker shall ascertain the financial condi-  
22 tion of an insurer before placing insurance with the insurer [HIM]. A  
23 broker may not place surplus line insurance with an insurer which the  
24 broker [HE] knows to be financially unsound, nor may the broker place  
25 surplus line insurance with an insurer which has capital and surplus  
26 of less than \$1,500,000 [\$600,000] unless there is on file with the  
27 department a copy of a trust agreement, certified by the trustee,  
28 evidencing an existing trust of at least \$1,500,000 [\$450,000] which  
29 is deposited by the insurer in a United States bank or a United States

1 trust company and held for the protection of the insurer's United  
2 States policyholders. The department may waive the financial require-  
3 ments in this subsection in circumstances in which insurance on risks  
4 located in this state cannot be procured under the requirements.