

Offered: 4/18/83  
Referred: Rules

Original sponsor: Mulcahy

1 IN THE SENATE

BY THE LABOR AND  
COMMERCE COMMITTEE

2

CS FOR SENATE BILL NO. 134 (L&C)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - FIRST SESSION

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A BILL

6 For an Act entitled: "An Act relating to surety bond and financial re-

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quirements for insurers of surplus lines."

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

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

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Sec. 21.33.160. FILING SURETY BOND AS A CONDITION TO LICENSE.

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Before receiving a license the applicant shall file with the depart-

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ment a surety bond in favor of the state and insureds in the penal sum

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of \$50,000 [\$25,000]. The bond shall be issued by an authorized

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corporate surety approved by the department. The bond shall be condi-

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tioned on the conduct of business under the license in conformity with

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the provisions of this title, including the payment of all taxes

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required to be paid by this title. The applicant shall keep the bond

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in effect during the period of the license. The surety may terminate

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the bond by giving at least 30 days written notice to the department.

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

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(a) A surplus line broker shall ascertain the financial condi-

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tion of an insurer before placing insurance with the insurer [HIM]. A

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broker may not place or renew surplus line insurance with an insurer

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which the broker [HE] knows or should with due diligence, determine to

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be financially unsound, nor may the broker place surplus line

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insurance with an insurer which has capital and surplus of less than

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\$1,500,000 [\$600,000] unless there is on file with the department a

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copy of a trust agreement, certified by the trustee, evidencing an

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existing trust of at least \$1,500,000 [\$450,000] which is deposited by

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