

Introduced: 1/16/85
Referred: Labor & Commerce,
Judiciary and Finance

1 IN THE HOUSE

BY SHULTZ

2

HOUSE BILL NO. 68

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to motor vehicle liability insur-
7 ance."

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

9 * Section 1. AS 28.20.450 is amended to read:

10 Sec. 28.20.450. NOTICE OF CANCELLATION OR TERMINATION OF CERTI-
11 FIED POLICY. When an insurance carrier certifies a motor vehicle
12 liability policy under AS 28.20.410, [OR] 28.20.420, or AS 28.22.200
13 the insurance certified may not be cancelled or terminated until at
14 least 10 days after a notice of cancellation or termination of the
15 insurance is filed with the department, except that a policy that
16 complies with the requirements of AS 28.22 or this chapter, subse-
17 quently procured and certified shall, on the effective date of its
18 certification, terminate for the purpose of this chapter the insurance
19 previously certified for a vehicle designated in both certificates.

20 * Sec. 2. AS 28.22.010(a) is amended to read:

21 (a) The holder's [OWNER'S] policy of liability insurance shall

22 (1) [DESIGNATE BY DESCRIPTION OR APPROPRIATE REFERENCE ALL
23 VEHICLES THAT IT COVERS;

24 (2)] insure the person named against loss from the liabil-
25 ity imposed by law for damages arising out of the ownership, mainte-
26 nance, or use of a [THE] vehicle in the United States or Canada,
27 subject to limits exclusive of interest and costs [, WITH RESPECT TO
28 EACH VEHICLE,] as follows:

29 (A) \$50,000 because of bodily injury to or death of

1 one person in any one accident, and, subject to the same limit
2 for one person, \$100,000 because of bodily injury to or death of
3 two or more persons in any one accident; and

4 (B) \$25,000 because of injury to or destruction of
5 property of others in any one accident;

6 (2) [(3)] contain coverage prescribed in AS 28.22.100
7 28.22.130 in the amounts set out in (1) [(2)] of this subsection for
8 the protection of the persons insured under the policy who are legally
9 entitled to recover damages from the uninsured or underinsured owner
10 or operator of a [AN UNINSURED OR UNDERINSURED] motor vehicle because
11 of bodily injury or death, or damage to or destruction of property
12 arising out of the [OWNERSHIP, MAINTENANCE, OR] use of the [UNINSURED
13 OR UNDERINSURED] motor vehicle.

14 * Sec. 3. AS 28.22.050(a) is amended to read:

15 (a) A policy is not effective under AS 28.22.010 unless it is
16 issued by an insurance company or surety company authorized to do
17 business in this state, [EXCEPT AS PROVIDED IN (b) OF THIS SECTION,]
18 and unless it complies with the limit requirements established in
19 AS 28.22.010.

20 * Sec. 4. AS 28.22.100(b) is amended to read:

21 (b) If [BOTH] the [OWNER AND] operator of a [THE UNINSURED]
22 vehicle is [ARE] unknown, payment under the uninsured and underinsured
23 motorists coverage may be made only where direct contact between the
24 [INSURED AND UNINSURED OR UNDERINSURED] motor vehicles has occurred.
25 A vehicle operator who [THAT] has left the scene of the accident with
26 another [AN INSURED] vehicle is presumed to be uninsured if the in-
27 sured person reports the accident to the appropriate authorities
28 within 24 hours.

29 * Sec. 5. AS 28.22.100(c) is amended to read:

1 (c) The uninsured and underinsured motorists coverage for damage
2 to or destruction of property is subject to a deductible of \$250 in
3 any one accident, but the insurer may offer a deductible other than
4 \$250. This coverage shall be limited to damage to or destruction of
5 the insured operator's motor vehicle. It may not include loss of use
6 of such vehicle.

7 * Sec. 6. AS 28.22.120 is amended to read:

8 Sec. 28.22.120. POLICY COVERAGE AND PRIORITIES. If an insured
9 is entitled to uninsured or underinsured motorists coverage under more
10 than one policy of motor vehicle liability insurance, [OR UNDER MORE
11 THAN ONE COVERAGE IF TWO OR MORE VEHICLES ARE INSURED UNDER ONE POLI-
12 CY,] the maximum amount an insured may recover may [SHALL] not exceed
13 the highest limit of any one policy or coverage. Where multiple
14 policies or coverages apply, payment shall be made in the following
15 order of priority, subject to the limit of liability for each appli-
16 cable policy or coverage:

17 (1) a policy or coverage covering the operator of a motor
18 vehicle occupied by the injured person at the time of the accident;

19 (2) a policy or coverage covering the operator of a motor
20 vehicle that came into contact with the insured while a pedestrian;
21 and

22 (3) a policy or coverage covering [A MOTOR VEHICLE NOT
23 INVOLVED IN THE ACCIDENT WITH RESPECT TO WHICH] the injured person [IS
24 AN INSURED OR A NAMED INSURED].

25 * Sec. 7. AS 28.22.200 is repealed and reenacted to read:

26 Sec. 28.22.200. MOTOR VEHICLE LIABILITY INSURANCE REQUIRED. The
27 holder of an Alaska driver's license shall have in effect, at all
28 times, motor vehicle liability insurance that complies with this
29 chapter.

1 * Sec. 8. AS 28.22.210 is amended to read:

2 Sec. 28.22.210. REQUIREMENT OF PROOF OF MOTOR VEHICLE LIABILITY
3 INSURANCE. The holder of an Alaska driver's license [OWNER OR OPERA-
4 TOR OF A MOTOR VEHICLE REQUIRED TO HAVE MOTOR VEHICLE LIABILITY INSUR-
5 ANCE THAT COMPLIES WITH THIS CHAPTER OR A CERTIFICATE OF SELF-INSUR-
6 ANCE THAT COMPLIES WITH AS 28.20.400,] must show proof of motor vehi-
7 cle liability [THIS] insurance when that person

8 (1) is involved in an accident that results in bodily
9 injury to or death of a person, or damage to the property of a person
10 exceeding \$500; [OR]

11 (2) is charged with a traffic law violation with a demerit
12 point value of six or more on the point schedule determined under
13 regulations adopted by the department under AS 28.15.221; or

14 (3) applies to obtain or renew an Alaska driver's license.

15 * Sec. 9. AS 28.22.210 is amended by adding a new subsection to read:

16 (b) A holder of an Alaska driver's license who changes motor
17 vehicle liability insurance carriers shall present to the department's
18 satisfaction, in person or by mail, evidence of a written binder of
19 insurance coverage that complies with the requirements of this chapter
20 before the discontinued policy is scheduled to terminate.

21 * Sec. 10. AS 28.22.240(a) is amended to read:

22 (a) If the holder of an Alaska driver's license [A PERSON] fails
23 to provide proof that motor vehicle liability insurance [OR A CERTIFI-
24 CATE OF SELF-INSURANCE] was in effect at the time of an accident or
25 when the person was charged with a violation of a traffic law de-
26 scribed in AS 28.22.210, the department shall suspend the driver's
27 license of that person for the following periods:

28 (1) not less than 90 days if, within the preceding 10
29 years, the person has not previously had a driver's license suspended

1 for violation of AS 28.22.200;

2 (2) not less than one year if, within the preceding 10
3 years, the person has previously had a driver's license suspended one
4 or more times for violation of AS 28.22.200.

5 * Sec. 11. AS 28.22.240 is amended by adding a new subsection to read:

6 (h) Upon notification by an insurance carrier that the motor
7 vehicle liability coverage of a licensed Alaska driver has been can-
8 celled or terminated, the department shall suspend the person's li-
9 cense subject to the provisions of subsections (f) and (g). The
10 suspension remains in effect until a new driver's license is obtained.
11 The provisions of AS 28.15.211 do not apply to license suspensions
12 under this subsection.

13 * Sec. 12. AS 28.22.600 is amended to read:

14 Sec. 28.22.600. DEFINITION. In this chapter, "motor vehicle
15 liability policy" means an [OWNER'S POLICY OR AN] operator's policy
16 containing an agreement or endorsement and issued by an insurance
17 carrier authorized to transact business in the state to or for the
18 benefit of the person named as insured.

19 * Sec. 13. AS 28.22.010(b) and 28.22.050(b) are repealed.