

Introduced: 2/5/86
Referred: Labor & Commerce,
Judiciary and Finance

1 IN THE HOUSE

BY SUND

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HOUSE BILL NO. 540

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - SECOND SESSION

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A BILL

6 For an Act entitled: "An Act relating to credit life mortgage insurance."

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

8 * Section 1. AS 21.89 is amended by adding a new section to read:

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Section 21.89.070. CREDIT LIFE MORTGAGE INSURANCE POOL. (a)

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After consultation with the insurance companies authorized to issue credit life mortgage insurance policies in the state, the director shall approve a reasonable plan, fair to the insurers and equitable to their policyholders, for the apportionment among these companies of applicants for credit life mortgage insurance policies who are in good faith entitled to but are unable to procure a policy through ordinary methods. When a plan is approved, all the insurance companies shall subscribe to it and participate in it. An applicant for an assigned risk policy under this section, a person insured under an assigned risk plan, and an insurance company affected may appeal to the director from a ruling or decision of the authority designated to operate the plan.

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(b) In this section "credit life mortgage insurance" means insurance on the life of a debtor made in connection with a note, bond, or other evidence of indebtedness secured by a mortgage, deed of trust, or other instrument consisting of a lien or charge on real estate whereby the insurer agrees to pay upon the death of the debtor the remaining principal and accrued interest on the note, bond, or other instrument of indebtedness.