

Introduced: 2/1/89
Referred: Labor & Commerce
and Judiciary

6-0653A

1 IN THE HOUSE

BY ULMER

2

HOUSE BILL NO. 135

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to insurance policy binders; and
7 providing for an effective date."

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. 21.36.025. CONFIRMATION OF BINDER. A person who gives an
11 oral insurance binder shall confirm the binder in writing within five
12 working days after giving the oral binder.

13 * Sec. 2. AS 21.42.240 is repealed and reenacted to read:

14 Sec. 21.42.240. BINDERS. (a) A binder for temporary insurance
15 may be made orally or in writing and is considered to include all the
16 usual terms of the policy for which the binder was given together with
17 the applicable endorsements designated in the binder. A binder may
18 modify the usual terms and conditions of the policy for which the
19 binder was given, if the binder contains a clear written description
20 of the modification.

21 (b) A person who gives an oral binder shall confirm the binder
22 in writing within five working days after giving the oral binder. The
23 written binder must contain the information required under AS 21.42.-
24 160. If the premium is not known at the time the written binder is
25 issued, the premium must be clearly disclosed as subject to adjust-
26 ment.

27 (c) A binder is not valid after the issuance of the policy for
28 which it was given, or after one year from its effective date, which-
29 ever period is the shortest. The provisions of AS 21.36.210 -

1 21.36.310 apply to cancellation of a binder.

2 (d) A person issuing a binder to an insured on behalf of an
3 insurer shall maintain a separate copy of the binder as required by
4 AS 21.27.350.

5 (e) This section does not apply to life or disability insurance.

6 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).