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Offered: 5/3/90
Referred: Judiciary

6-1677D

Original sponsor(s): Labor & Commerce Committee

1 IN THE HOUSE BY THE LABOR & COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 429 (L&C) am S

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to uninsured and underinsured motor
7 vehicle insurance."

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

9 * Section 1. AS 21.89.020(c) is amended to read:

10 (c) An insurance company offering automobile liability insurance
11 in this state for bodily injury or death shall, initially and at each
12 renewal, offer coverage prescribed in AS 28.20.440 and 28.20.445 or
13 AS 28.22 [, WITH LIMITS EQUAL TO AT LEAST THE LIMIT PURCHASED VOLUN-
14 TARILY TO COVER THE INSURED PERSON'S LIABILITY FOR BODILY INJURY OR
15 DEATH,] for the protection of the persons insured under the policy who
16 are legally entitled to recover damages for bodily injury or death
17 from owners or operators of uninsured or underinsured motor vehicles.
18 The limit written may not be less than the limit in AS 28.20.440.
19 Coverage required to be offered under this section shall include the
20 following options:

21 (1) policy limits equal to the limits voluntarily purchased
22 to cover the liability of the person insured for bodily injury or
23 death;

24 (2) policy limits in the following amounts when these
25 limits are greater than those offered under (1) of this subsection:

26 (A) \$100,000 because of bodily injury to or death of
27 one person in one accident, and, subject to the same limit for
28 one person, \$300,000 because of bodily injury to or death of two
29 or more persons in one accident;

1 (B) \$300,000 because of bodily injury to or death of
2 one person in one accident, and, subject to the same limit for
3 one person, \$500,000 because of bodily injury to or death of two
4 or more persons in one accident;

5 (C) \$500,000 because of bodily injury to or death of
6 one person in one accident, and, subject to the same limit for
7 one person, \$500,000 because of bodily injury to or death of two
8 or more persons in one accident;

9 (D) \$500,000 because of bodily injury to or death of
10 one person in one accident, and, subject to the same limit for
11 one person, \$1,000,000 because of bodily injury to or death of
12 two or more persons in one accident;

13 (E) \$1,000,000 because of bodily injury to or death of
14 one person in one accident, and, subject to the same limit for
15 one person, \$2,000,000 because of bodily injury to or death of
16 two or more persons in one accident;

17 (3) other policy limits at the option of the insurer.

18 * Sec. 2. AS 21.89.020 is amended by adding a new subsection to read:

19 (h) The selection, rejection, or exercise of the option not to
20 purchase, by a named insured or an applicant, shall be valid for all
21 insureds under the policy.

22 * Sec. 3. AS 28.20.445(a) is repealed and reenacted to read:

23 (a) The maximum liability of the insurance carrier under the
24 uninsured and underinsured motorists coverage required to be offered
25 under AS 28.20.440 shall be the lesser of

26 (1) the difference between the amount of the covered per-
27 son's damages for bodily injury and property damage and the amount
28 paid to the covered person by or for a person who is or may be held
29 legally liable for the damages; and

1 (2) the applicable limit of liability of the uninsured and
2 underinsured motorist coverage.

3 * Sec. 4. AS 28.20.445(b) is repealed and reenacted to read:

4 (b) An amount payable under the uninsured and underinsured
5 motorist coverage shall be excess to an amount payable under automo-
6 bile bodily injury, death, or medical payments coverage, or as
7 workers' compensation benefits and may not duplicate amounts paid or
8 payable under valid and collectible automobile bodily injury, death,
9 or medical payments coverage, or as workers' compensation benefits.

10 * Sec. 5. AS 28.20.445(c) is repealed and reenacted to read:

11 (c) If a person is entitled to uninsured or underinsured motor-
12 ists coverage under more than one coverage when two or more vehicles
13 are insured under one policy, the maximum amount payable may not
14 exceed the highest limit of any one coverage under the policy. If a
15 person is entitled as a named insured to uninsured or underinsured
16 motorist coverage under more than one motor vehicle policy issued by
17 the same insurer, the maximum amount payable may be limited to the
18 highest limit of any one coverage under the policies. If a person is
19 entitled to uninsured or underinsured motorist coverage under more
20 than one policy providing motor vehicle liability coverage, payments
21 will be made in the following order of priority, subject to the limit
22 of liability of each applicable policy or coverage:

23 (1) a policy or coverage covering a motor vehicle occupied
24 by the injured person or a policy or coverage covering a pedestrian as
25 a named insured;

26 (2) a policy or coverage covering a motor vehicle occupied
27 by the injured person as an insured other than as a named insured;

28 (3) a policy or coverage not covering a motor vehicle
29 occupied by the injured person but covering the injured person as a

1 named insured;

2 (4) a policy or coverage not covering a motor vehicle
3 occupied by the injured person but covering the injured person as an
4 insured other than as a named insured;

5 (5) a policy or coverage covering, as excess, umbrella, or
6 similar insurance, a motor vehicle occupied by the injured person or a
7 policy or coverage covering, as excess, umbrella, or similar insur-
8 ance, a pedestrian as a named insured;

9 (6) a policy or coverage covering, as excess, umbrella, or
10 similar insurance, a motor vehicle occupied by the injured person or a
11 policy or coverage covering, as excess, umbrella, or similar insur-
12 ance, a pedestrian as an insured other than as a named insured;

13 (7) a policy or coverage not covering a motor vehicle
14 occupied by the injured person but covering, as excess, umbrella, or
15 similar insurance, the injured person as a named insured;

16 (8) a policy or coverage not covering a motor vehicle
17 occupied by the injured person but covering, as excess, umbrella, or
18 similar insurance, the injured person as an insured other than as a
19 named insured.

20 * Sec. 6. AS 28.22.221 is repealed and reenacted to read:

21 Sec. 28.22.221. POLICY COVERAGE AND PRIORITIES. If a person is
22 entitled to uninsured or underinsured motorists coverage under more
23 than one coverage when two or more vehicles are insured under one
24 policy, the maximum amount payable may not exceed the highest limit of
25 any one coverage under the policy. If a person is entitled as a named
26 insured to uninsured or underinsured motorist coverage under more than
27 one motor vehicle policy issued by the same insurer, the maximum
28 amount payable may be limited to the highest limit of any one coverage
29 under the policies. If a person is entitled to uninsured or

1 underinsured motorist coverage under more than one policy providing
2 motor vehicle liability coverage, payments will be made in the follow-
3 ing order of priority, subject to the limit of liability of each
4 applicable policy or coverage:

5 (1) a policy or coverage covering a motor vehicle occupied
6 by the injured person or a policy or coverage covering a pedestrian as
7 a named insured;

8 (2) a policy or coverage covering a motor vehicle occupied
9 by the injured person as an insured other than as a named insured;

10 (3) a policy or coverage not covering a motor vehicle
11 occupied by the injured person but covering the injured person as a
12 named insured;

13 (4) a policy or coverage not covering a motor vehicle
14 occupied by the injured person but covering the injured person as an
15 insured other than as a named insured;

16 (5) a policy or coverage covering, as excess, umbrella, or
17 similar insurance, a motor vehicle occupied by the injured person or a
18 policy or coverage covering, as excess, umbrella, or similar insur-
19 ance, a pedestrian as a named insured;

20 (6) a policy or coverage covering, as excess, umbrella, or
21 similar insurance, a motor vehicle occupied by the injured person or a
22 policy or coverage covering, as excess, umbrella, or similar insur-
23 ance, a pedestrian as an insured other than as a named insured;

24 (7) a policy or coverage not covering a motor vehicle
25 occupied by the injured person but covering, as excess, umbrella, or
26 similar insurance, the injured person as a named insured;

27 (8) a policy or coverage not covering a motor vehicle
28 occupied by the injured person but covering, as excess, umbrella, or
29 similar insurance, the injured person as an insured other than as a

1 named insured.

2 * Sec. 7. APPLICABILITY. This Act applies to contracts of insurance
3 entered into on or after January 1, 1991.