

Offered: 3/15/90
Referred: Rules

6-0773E

Original sponsor(s): SEN. FRANK, Duncan, Zharoff, Fischer, Binkley,
Uehling, Faiks

1 IN THE SENATE BY THE LABOR & COMMERCE COMMITTEE
2 CS FOR SENATE BILL NO. 309 (L&C)
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 excluding a named driver from a
7 motor vehicle insurance policy; and providing for an
8 effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 21.36.210(a) is amended to read:
11 (a) An insurer may not exercise its right to cancel a policy of
12 personal automobile insurance except for the following reasons:
13 (1) nonpayment of premium; or
14 (2) the driver's license or motor vehicle registration of
15 either the named insured or of an operator who resides in the same
16 household as the named insured or who customarily operates a motor
17 vehicle insured under the policy has been under suspension or revoca-
18 tion during the policy period or, if the policy is a renewal, during
19 its policy period or the 180 days immediately preceding its effective
20 date; this paragraph does not apply to a person who is excluded from
21 coverage under AS 21.36.215.
22 * Sec. 2. AS 21.36 is amended by adding a new section to read:
23 Sec. 21.36.215. EXCLUDING NAMED DRIVER FROM AUTOMOBILE INSURANCE
24 POLICY. (a) An insurer may not refuse to exclude a person from
25 coverage under an automobile insurance policy, if the claim experience
26 or driving record of the person would have justified cancellation,
27 nonrenewal, or an increase in the premium. A premium charged on a
28 policy that excludes a person from coverage may not reflect the
29 claims, experience, or driving record of the excluded person. This

1 subsection does not apply to an automobile liability insurance policy
2 required under AS 28.20.

3 (b) An automobile insurance policy providing that a person is
4 excluded from coverage may also provide that the insurer is not liable
5 for any coverage, including defense or indemnity coverage under any
6 provision of the policy for claims or damages, including claims
7 against other persons insured under the policy, arising out of the
8 operation of the insured automobile by the excluded person. An auto-
9 mobile insurance policy providing that the insurer is not liable as
10 allowed under this subsection shall contain the following provision:

11 Exclusion of Named Driver: In consideration of the
12 premium for which the policy is written, it is agreed
13 that the insurer is not liable for any coverage, in-
14 cluding defense or indemnity coverage under any pro-
15 vision of the policy for claims or damages, including
16 claims against other persons insured under the policy
17 or claims against the excluded person, sustained while
18 a vehicle insured under this policy is operated by
19 (name of excluded person) following the effective date
20 of this endorsement.

21 (c) The required policy provision contained in (b) this section
22 shall also be provided to the insured as a notice separate from the
23 policy and typed in bold face print. The notice must be signed by the
24 insured in order for the exclusion of the named driver and the limita-
25 tion of the insurer's liability under this section to be effective.

26 * Sec. 3. APPLICABILITY. This Act applies to automobile insurance
27 policies that are entered into or renewed on or after the effective date of
28 this Act.

29 * Sec. 4. This Act takes effect January 1, 1991.