

Offered: 5/6/90  
Referred: Rules

6-0773J

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

1 IN THE SENATE BY THE LABOR & COMMERCE COMMITTEE  
2 HOUSE CS FOR 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 experi-  
26 ence, classification, or driving record of the person would have  
27 justified cancellation, nonrenewal, or an increase in the premium and  
28 the person is not licensed to drive an automobile or provides proof of  
29 coverage required by law under another automobile insurance policy. A

1 premium charged on a policy that excludes a person from coverage may  
2 not reflect the claim experience, classification, or driving record of  
3 the excluded person. This subsection does not apply to an automobile  
4 liability insurance policy required under AS 28.20.

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

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

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

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

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