

**HOUSE BILL NO. 262**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY REPRESENTATIVE FINKELSTEIN**

**Introduced: 3/29/93**

**Referred: Labor & Commerce, State Affairs, Judiciary**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to credit life and disability insurance; and providing for an  
2 effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* Section 1. AS 21.57.020 is amended to read:

5           Sec. 21.57.020. **APPLICABILITY.** All life insurance and all disability  
6 insurance in connection with loans or other credit transactions shall be subject to the  
7 provisions of this chapter except insurance issued as [IN CONNECTION WITH A  
8 LOAN OR OTHER CREDIT TRANSACTION OF FIVE YEARS OR MORE  
9 DURATION INVOLVING A LOAN OR OTHER CREDIT TRANSACTION THAT  
10 EXCEEDS \$5,000; INSURANCE MAY NOT BE SUBJECT TO THE PROVISIONS  
11 OF THIS CHAPTER IF THE ISSUANCE OF THE INSURANCE IS] an isolated  
12 transaction on the part of the insurer **and** not related to an agreement or a plan for  
13 insuring debtors of the creditor.

14 \* Sec. 2. AS 21.57 is amended by adding a new section to read:

1                    **Sec. 21.57.095. REQUIRED LOSS RATIO.** In each calendar year, an insurer  
2                    shall adjust rates to maintain a loss ratio of not less than 70 percent of all premiums  
3                    received for credit life and disability insurance.  
4                    \* **Sec. 3.** This Act takes effect January 1, 1994.