

SB

274

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

JAY S. HAMMOND, GOVERNOR

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

May 4, 1979

The Honorable W.E. "Brad" Bradley
Senator
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: SB 274 (motor vehicle
safety responsibility)

Dear Senator Bradley:

This is in response to your letter of April 28, 1979 concerning SB 274. The Department of Law will not be able to do a comprehensive analysis of this bill before the legislature adjourns, but we will say in general that we do not favor changing Alaska's Motor Vehicle Safety Responsibility Act into a mandatory insurance Act. In addition, this department is not the appropriate agency to do a fiscal analysis. However, we offer some brief comments:

1. Sec. 8, repealing and re-enacting AS 28.-20.440(f)(1), states that a motor vehicle liability policy may not be cancelled after the beginning of the policy period. This may cause some problems. Literally, it appears to apply to both the insured and the insurer. Could an individual cancel his or her policy upon selling the vehicle during the term of the policy? Does the current AS 28.20.540(a)(3) adequately handle this? Must the insurer continue coverage under a policy if the insured fails to pay the premiums?

2. Sec. 9, adding AS 28.20.440(f)(5), states that payment for coverage provided by a motor vehicle liability policy must be paid in full by the owner or operator before the beginning of the policy period. This provision may cause considerable economic hardship. Current practice allows for various multi-payment plans. Many people simply cannot afford to pay the full premium all at once.


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3. Sec. 15 repeals (among others) AS 28.20.-300, the exception for government vehicles. There is case law which exempts United States postal drivers from state requirements to hold a drivers' license in the state in which they work. By repealing this statutory exception, the bill appears intended to require a postal delivery person to obtain a certificate of insurance in Alaska; that raises the same sort of questions as the license requirement itself.

If we can provide you with any further assistance or information, please let us know.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By: 
Arthur H. Peterson
Assistant Attorney General

AHP:md:AHP:NES

cc: Keith Specking
Legislative Assistant
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