

H

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7



## Speaker of the House of Representatives

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3720

Official Business

THE FOLLOWING ARE OFFERED AS AMENDMENTS TO SSHB 7:

AMENDMENT 1. This is to correct a technical omission from the bill.

page 5 line 19

insert the words "property damage or" after because of. The line would then read..."of uninsured motor vehicles because of property damage or bodily injury or death...."

This is to make this section identical to the definition of motor vehicle policy proposed is 28.22.010.

AMENDMENT 2. This amendment will change the insurance code to mandate that companies authorized to do business in the state offer uninsured and underinsured insurance for property damage and personal injury liability in at least the amounts purchased voluntarily under the policy. However, this coverage may be waived as is the current procedure. Currently only uninsured coverage is mandated and then...only for personal injury..not property damage.

AS 21.89.020 is amended to read:

(a) An automobile liability policy which insures an owner or operator of a motor vehicle against loss resulting from his liability for bodily injury or death, or for property damage or destruction, or both, which is sold in the state [AFTER JANUARY 1, 1969, BY AN INSURANCE CARRIER AUTHORIZED TO TRANSACT BUSINESS IN THE STATE], shall contain limits in at least the amount prescribed for a motor vehicle policy in AS 28.20.440 (b)(2) and AS 28.22.010 (b)(2) [AND MEET THE REQUIREMENTS OF AS. 28.20.440 (b)(3) UNLESS WAIVED AS PROVIDED IN THAT PARAGRAPH.]

(b) In addition to the coverages and limits required in (a) of this section, an insurance company offering automobile liability insurance in this state shall offer coverage, with limits equal to at least the limit purchased voluntarily to cover the insured persons liability, for the protection of the persons insured under the policy who are legally entitled to recover damages from owners or operators of uninsured or underinsured motor vehicles. The coverage shall be offered in four parts, one or more of which may be waived pursuant to AS 28.20.440 (b) (3) or AS 28.22.010 (b) (3). The parts are:

- (1) uninsured motorists, bodily injury;
- (2) uninsured motorists, property damage;
- (3) under insured motorists, bodily injury; and,
- (4) under insured motorists, property damage.

(c) [(b)] This section may not be construed to apply only to automobile liability policies obtained to satisfy a requirement in AS 28.20 or AS 28.22.

AS 28.20.440 (b) (3) is amended to read:

(3) contain coverage in the amounts set out in (2) of this subsection for the protection of the persons insured under the policy who are legally entitled to recover damages from owners and operators of uninsured or under insured motor vehicles because of bodily injury or death, or damage to or destruction of property arising out of the ownership, maintenance or use of the uninsured or under insured motor vehicle, except that this coverage or part of it may be waived in writing by the insured on or before the effective date of the policy.

AMENDMENT #3...

I also proposed that this language in AS. 28.20.440 (b) (3) be used in lieu of the language proposed in AS 28.22.010(b) (3) of SSHB 7.

This amendment conflicts with the language change proposed in amendment #1 but is preferable. The adoption of amendment two would eliminate the need for amendment #1.

SECTION ANALYSIS -- MANDATORY AUTO LIABILITY INSURANCE

SSHB 7

Section 1 Declaration of Purpose. Expresses goal of legislation that motorists be financially responsible for their actions due to rising toll of accidents. The legislature declares that the public interest can best be served by the requirement to show proof of liability insurance prior to registration.

Section 2 adds mobile homes as defined by statute to vehicles exempt from registration.

Section 3 Amends 28.10.011 by adding a new section under REGISTRATION which specifies an owner may not register or renew registration of a vehicle without providing proof of liability insurance as required in statute.

Section 4 Amends APPLICATION FOR REGISTRATION statute by specifying that certificate of registration may not be issued until the criteria set out in Section 3 above is met.

Section 5 Amends 28.10.111 (RENEWAL OF REGISTRATION) by adding a new section specifying that current registration may not be renewed until adequate proof of financial responsibility is shown as required in statute.

Section 6 Allows DMV to issue title to certain vehicles exempt from registration.

- a) vehicles exempt under Soldier and Sailor's Civil Relief Act (current exemption)
- b) special mobile equipment (new)
- c) vehicles driven or parked on private property (new)
- d) vehicles driven or moved on highway or vehicular way which is not connected to state highway system (new)
- e) mobile homes as defined by statute (new)

Section 7 Requires proof of sufficient liability insurance on vehicles OWNED by driver before driver's license can be issued or renewed for both residents and non-residents. If driver did not OWN vehicles at time of license renewal, no proof would have to be shown. A person who owns a vehicle that is registered out of state must show proof of insurance prior to obtaining an Alaska license.

Section 8 Mandates suspension of license when advised that insurance has been cancelled and there is no response by license holder within 30 days of notice to suspend sent by department.

Section 9 Amends law to require knowledge of the effects of alcohol and drugs on driving and knowledge of laws relating to financial responsibility when taking test for driver's license.

Sections 10- Amends current financial responsibility law  
13 to increase liability limits to current rates as  
established for insurance policies under AS.  
28.22.010 These are increasing limits from  
25/50/10 to 100/300/50 thousand.

Section 14 adds requirement of offering underinsured  
motorist coverage for insurance policies written  
in state.

Section 15 adds new sections (l) and (m) to current  
definition of insurance policy. These are the  
same items as contained in the proposed  
definition under AS 28.22.010 (sec.17)

Section 16 Amends current law to increase amount of money  
or securities required as proof of insurance to  
a rate in line with policy requirements ...  
\$100,000

Section 17 ADDS NEW CHAPTER 22 TO TITLE 28..Motor Vehicle  
Liability Insurance  
This is virtually identical language to that now in statute  
28.20.440.

CHANGES TO CURRENT LAW OR ADDITIONS:

28.22.010

(b) 2 A/B- increases minimum limits for insurance to be  
contained in policy. (These are the same limits that were  
amended in the previous 5 sections)

Bodily injury to or death of one person in any one accident  
CURRENTLY \$25,000 PROPOSED \$100,000

Bodily injury to or death of two or more persons in any 1  
accident  
CURRENTLY \$50,000 PROPOSED \$300,000

Injury to or destruction of property of others in any one  
accident  
CURRENTLY \$10,000 PROPOSED \$50,000

These are limits contained in most standard policies currently  
issued. These are also limits generally imposed by banks for  
insurance requirements to buy a car.

(3) Requires offering of underinsured motorist coverage in  
addition to uninsured coverage. Coverage will also relate to  
property damage. Current law on requires offering of uninsured  
coverage for bodily injury or death. But this may be waived in  
writing.

(l) Requires insurance carrier to notify DMV when a policy is cancelled within the first 180 days that a policy is in effect and within 10 days of knowledge of termination or intent to terminate. If a person whose coverage terminates fails to provide DMV with satisfactory evidence of insurance, DMV will suspend the driver's license and all registration certificates and plates issued to owner of vehicle until proof of insurance is given.

(m) Requires insurance carriers to provide the insured with a card indicating existence of satisfactory policy. This card must be carried in vehicle at all times.

28.22.020

To be considered effective, policies must be issued by insurance companies authorized to do business in state and meet financial limits imposed by statute. Allows for exception if power of attorney is executed.

28.22.500 PENALTIES

Penalties are imposed for driving or knowingly permitting to be driven a vehicle required to be insured unless the vehicle and driver are covered by an adequate insurance policy. This section describes penalties for violation of that law. See attached sheet.

SEC. 28.20.510 sets out provisions relating to impoundment.

Allows for impoundment or release to person with right to possess a vehicle if a peace officer has cause to believe vehicle was driven without proper insurance. If released, the owner or person with right to possess must pay costs of impounding and storing.

Impoundment is until proof of insurance is shown if driver has not been previously convicted of similar offense or for 30-90 days if person has been previously convicted of similar violation within 10 years.

Upon impoundment, a hearing will be provided at the time of impoundment to the person with the right to possess the vehicle, the driver, other persons with an ownership interest. Following a hearing, the vehicle will be released to owner or person with right to possess if it is determined impoundment was improper or that at the time of impoundment the vehicle was being driven

by a person other than the owner or person with right to possess the vehicle AND

without the consent of the owner or person with right to possess the vehicle.

Vehicle will also be released if

the driver is not charged within 10 days of impoundment of an offense related to the impoundment OR any related charges are dropped or dismissed OR the driver is acquitted of any related offenses.

If the vehicle is not released after impoundment hearing, a lienholder may reposses the vehicle for sale and impoundment costs are to be paid by sale proceeds.

28.22.520/28.22.530                      FORFEITURES

These provisions apply when forfeiture is called which happens following 3rd conviction within 10 years of driving without proper insurance.

Court will require surrender of registration and title. If not released, the department may dispose of the vehicle as governed by statutes.

Upon order to forfeit, the court will provide notification of intent to require forfeiture to all who have an ownership interest in vehicle. This will allow for any interested party to ask for remission of interest in the vehicle. Court will hold hearing if request for remission of interest is made and such interest will be remitted if

the petitioner has an interest in the vehicle acquired in good faith    AND

a person other than the petitioner was convicted of the offense which resulted in forfeiture    AND

before parting with the motor vehicle, the petitioner didn't know or have reasonable cause to believe it would be used in the commission of an offense.

This protects the vehicle dealer or, for example, the owner of a car taken without permission or stolen.

If remission of interest is granted it may be either in the form of reimbursement for interest or repossession of the vehicle and title.

28.22.540                      UNUSED MOTOR VEHICLES

This provision allows a person to terminate or suspend insurance policy without penalty by removing plates from vehicle and delivering them to DMV. When vehicle is to be used, driver must present proof of insurance to DMV and plates will be returned.

28.22.550 ANNUAL REPORT

Requires annual report beginning in February 1986 which is to assess impact of law with regard to effect on number of uninsured motorists, insurance rates and cost to administer law.

SECTION 16 Requires that insurance policies issued after June 30, 1983 meet requirements of liability policy described in this chapter. Since the bill would not become law until July 1, 1984, this would allow insurance companies to prepare to meet this requirement.

SECTION 17 Delays one provision of not issuing or renewing drivers license unless insurance is proven until 1/1/85. This allows DMV time to upgrade computer to provide for cross referencing licenses and owned cars.

SECTION 18 Effective date of act is 7/1/84.

PENALTIES UNDER AS 28.22.5000

A person may not drive or move nor may an owner knowingly permit to be driven or moved on a highway or vehicular way or area a vehicle required to be insured under a motor vehicle liability policy that complies with AS 28.22.010 unless a motor vehicle liability policy is in effect for the motor vehicle.

If stopped and a peace officer has reason to believe a person is driving without insurance, a citation for \$250 will be given. The driver will then have 5 days to show the court that insurance was in effect at the time of the citation. If proof is shown, charges and fine will be dropped. OTHERWISE....

Violation of the law is a Class B misdemeanor.

Court will impose a minimum fine of \$250 and maximum of \$1000. Minimum fine may not be suspended. Court may also impose jail term of up to 90 days which may be suspended if fine is paid.

ADDITIONALLY THE COURT WILL IMPOSE THE FOLLOWING SANCTIONS:

1st Offense	SUSPENSION OF LICENSE FOR <u>UP TO 30 DAYS</u> SUSPENSION OF REGISTRATION <u>UNTIL PROOF OF INSURANCE SHOWN</u>
2nd Offense within 10 years	SUSPENSION OF LICENSE WITHOUT LIMITED DRIVING PRIVILEGES FOR <u>MINIMUM OF 30 DAYS/MAXIMUM OF 90 DAYS</u> SUSPENSION OF REGISTRATION AND IMPOUNDMENT OF VEHICLE FOR <u>90 DAYS</u> <u>OR LONGER UNTIL PROOF OF INSURANCE IS SHOWN.</u> ALLOWS FOR JUDICIAL HEARING BEFORE ANY IMPOUNDMENT TAKES PLACE. SUCH A HEARING INCLUDES ANY PERSON NAMED ON TITLE OR WHO MAY HAVE A LIEN INTEREST.
3rd Offense 10 years	SUSPENSION OF LICENSE WITHOUT LIMITED DRIVING PRIVILEGES FOR within <u>MINIMUM OF 90 DAYS TO MAXIMUM OF ONE YEAR.</u> FORFEITURE OF VEHICLE UNDER AS 23.22.520

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

POSITION PAPER

SSHB 7: An act relating to motor vehicles; and providing for an effective date.

The Administration is not in favor of a mandatory automobile liability insurance system such as proposed in SSHB 7. The principal reasons for this position are:

1. Administration of the program is expensive and would necessitate a substantial bureaucracy to administer and enforce.
2. The cost of insurance is higher in a mandatory system. This is due to elimination of exclusions in the policy, elimination of defenses available to an insurer, and increased insurer administrative expense.
3. Mandatory systems do slightly increase the insured population but do not produce a commensurate reduction in loss caused by the uninsured operator.
4. The economically disadvantaged have less real personal need for liability insurance from a protection of assets viewpoint and this acts as a disincentive for compliance with a mandatory system.

The North Carolina/Virginia experience suggests that comparable, if not superior, inroads can be made on the uninsured population through a strong financial responsibility law and a mandatory offering of uninsured motorists coverage. Last year, a number of impediments to the smooth working of our law were corrected, but it is too soon to say how effective those changes will be in this State.

What is more to the point is not how many drivers are insured, but how many people are experiencing uncompensated loss caused by an uninsured motorist. Accordingly, we recommend as an alternative to the proposed legislation, a substitute that would mandate an offer by every insurer writing automobile liability insurance in this State, uninsured and underinsured motorists coverage, bodily injury and property damage in an amount at least as great as that purchased voluntarily for bodily injury and property damage liability. The offer currently exists only for basic limits; uninsured motorists coverage and bodily injury coverage. This would allow the insured motorist to protect himself from losses caused by uninsured or underinsured drivers.

 4/14/83

Richard A. Lyon, Commissioner

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April 15, 1983

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The Honorable Walter Furnace  
Chairman, Committee on Labor and Commerce  
Alaska State House  
Pouch V  
Juneau, Alaska 99811

Re: SSHB 7

Dear Representative Furnace:

This letter is written on behalf of the American Insurance Association. That Association is a trade group of approximately 150 casualty - property insurance companies, several of which write a substantial amount of automobile insurance in this state. While they understand and share the concerns which led to the introduction of SSHB 7, they know from experience in other states that attempting to solve the problems caused by uninsured motorists by means of a compulsory insurance law will be expensive, largely ineffective and, in some ways, counterproductive. Thus, while insurance companies are normally happy to sell their product, the Association strongly opposes compulsory automobile insurance as a way to protect the more conscientious driver and his passengers.

The following sections set out some of the reasons we think that this bill would cause more problems than it solves.

Enforceability

Although reliable data as to the number of uninsured motorists in this State is hard to come by, it is believed that the great majority of responsible drivers, persons who tend to have assets to protect, are presently covered. Those who do not have insurance tend to be either less responsible, much less affluent, or both. Those who have little property or income have nothing to lose in a lawsuit, and have no incentive to buy insurance. As Dr. John W. Hall, Chairman of the Insurance

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Department at Georgia State University reported to the South Carolina Joint Legislative Auto Liability Insurance Study Committee in 1979, "They see the liability insurance policy as taking care of other people. The compulsory liability insurance system forces these people to pay high premiums relative to their own income for benefits for others when they cannot afford adequate benefits to cover their own losses."

Accordingly, there is typically very strong resistance to compulsory insurance by those who have not obtained insurance voluntarily. The history in three states that have had compulsory laws the longest, and have made the strongest efforts to enforce them, demonstrate the point:

- Massachusetts passed a compulsory law in 1927, more than 30 years earlier than any other state. In 1968, Governor John Volpe told the Massachusetts Legislature that "the people of the common wealth have lost confidence in our compulsory automobile insurance system." Uninsured motorists in that state are still a serious problem.

- New York passed a law in 1956; a study by the University of Michigan in 1963 found twice as many uninsured motorists as before the law. A study by the New York Daily News reported that the law had "failed miserably to achieve its aims."

- In North Carolina, 23 years of well financed and sophisticated enforcement has still left many vehicles uninsured.

Perhaps the most telling fact is that all compulsory states require insurers to offer uninsured motorist coverage, and most drivers buy it. They therefore carry a double burden in addition to their own coverage - the cost of the uninsured motorist coverage and the cost of trying to enforce the law.

The law has proven to be easy to avoid. A motorist typically buys the insurance and then cancels after the license and registration are issued. The notice of cancellation to the state by the insurer sits in a large pile of similar notices; police, who must give higher priority to more serious crimes, cannot afford to send officers out to confiscate tags, but usually enforce only in the event of arrests or other offenses. The net change in the number of insured motorists is usually low.

#### The Cost of Enforcement

As noted, enforcement has proven to be ineffective in other states. Nevertheless, it is expensive. We invite the Committee to question Public Safety officials closely on what will be done, and not assume that a million dollars will mean

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effective enforcement. Full and active enforcement, with citations for insurance lapses in the absence of other offenses, and with actions to find and take uninsured vehicles off the road, will cost, we are sure, a multiple of the fiscal note now accompanying the bill.

#### The Cost of Insurance

The Committee will be given figures by the Division of Insurance indicating estimates of 20-30% increases in premiums for minimum coverage changes in this bill, and perhaps 10% for the compulsory aspect and its effects. Attached to this letter is a chart showing rate increases historically noted in compulsory states as compared with otherwise similar states for similar coverages. These figures tend to corroborate the Division of Insurance estimates, although there is variation from state to state.

There are several factors which will tend to increase premiums. They include

- The fact that presently uninsured motorists include a high percentage of high-risk motorists, which will be put in the assigned risk pool and will drive claim frequency up.

- The facts that plaintiffs' counsel will be working with higher limits, and juries will presume that any award will be against an insurer rather than personal assets (a presumption, as we have seen, that may not be warranted).

In the first 11 years, Massachusetts saw compulsory insurance claim frequency increase 33 percent, at a time when nationwide frequency was declining 21 percent. In 1968, Governor Volpe said:

The personal injury claims frequency in the commonwealth is 1.8 times that of the next highest state (which also happens to be a compulsory state), and twice the national average. This claims frequency may be directly related to our high insurance costs and also supports the conclusion that under our compulsory system, Massachusetts motorists have become more claims conscious than those in other states.

#### Alternatives

Experience shows in compulsory states that responsible drivers continue to purchase uninsured motorist coverage. Coverage can also be purchased for so-called "underinsured" motorists. A law requiring insurers to offer both uninsured and

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underinsured motorist coverage is not unreasonable, and allows an informed choice by each insured as to what he or she will protect against.

In addition, it is suspected that enforcement of the Financial Responsibility law could be improved, but no study of its enforcement or possible improvements is to be our knowledge available. Study of this possibility should be authorized.

#### Conclusion

It is certainly appropriate for the legislature to identify uninsured motorists as a matter of concern, and to attempt to lessen the impact of irresponsible drivers. We encourage careful consideration of available alternatives to choose an effective measure. A promise to responsible drivers that everyone will be insured, probably cannot be kept, and the attempt will be expensive to the state and the motorist alike.

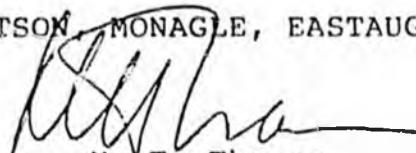
We are continuing to gather information pertinent to this problem, and will provide any specific information we can in response to your request.

I have not attempted a section-by-section comment on the bill in this letter, pending some indication of the Committee's early intentions with regard to the bill. There are some problems with individual sections not alluded to here.

Thank you for the chance to comment.

Sincerely,

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY



M. T. Thomas

MIT:sd  
Attachment

RATE LEVELS IN COMPARABLE STATES WITHOUT COMPULSORY SYSTEMS

<u>Compulsory States (a)</u>	<u>Comparable States (b)</u>	<u>Overall Pure Premium Percent Change (c)</u>	<u>Average Annual Pure Premium Percent Change (c)</u>
<u>LOUISIANA (7/1/78)</u>		<u>14.2%</u>	<u>11.2%</u>
	Alabama	0.1	0.9
	Mississippi	-1.2	1.4
	Tennessee	1.6	-1.3
<u>MARYLAND (7/1/73)</u>		<u>43.3%</u>	<u>7.9%</u>
	Indiana	21.3	5.0
	Virginia	32.0	6.2
	D.C.	23.9	4.4
<u>OKLAHOMA (12/11/76)</u>		<u>11.6%</u>	<u>3.7%</u>
	Arkansas	10.9	3.5
	Iowa	7.0	2.8
	Missouri	3.7	1.0
<u>OREGON (1/1/76)</u>		<u>35.0%</u>	<u>8.4%</u>
	Maine	19.6	3.9
	West Virginia	18.8	6.8
	Wisconsin	12.8	3.7
<u>SOUTH CAROLINA (10/1/74)</u>		<u>27.0%</u>	<u>5.6%</u>
	Alabama	22.5	5.5
	Arkansas	21.1	4.1
	Tennessee	14.9	2.9

- (a) - The figures in the parentheses by the compulsory states are the effective dates of their compulsory laws.
- (b) - The comparison states were chosen for their similarity to a compulsory state in demographic characteristics, geographic characteristics and the number of insured vehicles.
- (c) - The liability pure premium ratio was used as a basis for comparison because it represents the average amount of loss per insured vehicle. An increase in pure premium suggests that the average claim per insured vehicle has risen as a result of the inclusion of those motorists who did not carry auto liability insurance prior to the adoption of the compulsory law.

SOURCE OF DATA: Fast Track Monitoring System, comprising loss experience of companies reporting to the National Association of Independent Insurers and the Insurance Services Office. The Fast Track Monitoring System loss experience begins with data for the year ending fourth quarter 1976.

TIME PERIOD: The time period selected for comparison purposes is that period after which each compulsory law has become effective (and limited to when the Fast Track Monitoring System loss experience begins) through the year ending second quarter 1981.

MAR 14 1983

March 9, 1983

Representative Joe L. Hayes  
Pouch V  
Juneau, Alaska 99811

Dear Representative Hayes:

I am writing this letter in pain, outrage and total disgust. I have painfully become aware of the completely inadequate and antiquated driving laws of this state as a result of my son Sean's death at the hands of an irresponsible, uninsured driver who was drinking, speeding, ran a red light and God only knows what else. This driver can afford alcohol and drugs (they were found in his car) but he cannot afford insurance!

The law concerning the requirement to have auto insurance, better known as "the State gives you a free one" is at best a farce. Having lived here 44 years and watching the traffic increase to the point beyond the capacity of our road system, coupled with the irresponsible attitude of the outsiders coming in and the young people growing up, dictates that the law be tightened.

It is imperative that mandatory auto insurance be required of those wishing to drive in the State of Alaska. When auto licenses are renewed or bought, or with registration and/or titles, proof of insurance at that time should be shown. Upon cancellation of insurance, then licenses revoked. In short No Insurance - No License!

Sean was not allowed to own a car or drive without insurance which he bought and paid for himself and he took that responsibility with him into his young adulthood and was subsequently killed by a person who apparently did not care or have any regard about others.

The time is long past due for all Alaskans new or old to accept the responsibilities attached to owning and driving an automobile and the necessary steps to accomplish this rests squarely on your shoulders.

Sincerely,

*Robert J. Sinnett*  
ROBERT J. SINNETT

*Thelma Sinnett*

THELMA SINNETT  
2001 Salem Court  
Anchorage, Alaska 99504

# In Memoriam

\* SEAN SINNETT \*

The members of the Legislature are deeply saddened at the tragic and untimely death of a young third generation Alaskan, Sean Sinnett of Anchorage.

Sean was a bright and enthusiastic young man, filled with vitality. Born in Anchorage, he was a 1980 graduate of East Anchorage High School. He was goalie for the hockey team in 1980 when it won the State Championship. In more recent years he was an employed member of the Teamsters and an avid hot-air balloonist.

It distresses us greatly to learn of this fine young man's death and the tragic circumstances surrounding it. Accidents involving pedestrians seem so needless and preventable. It should sadden every Alaskan to know of the loss of this promising young citizen and renew in each of us a dedication to do whatever we can to make certain that our highways and streets are made safe not only for drivers, but for pedestrians as well.

We wish to extend to Mr. and Mrs. Robert Sinnett, and to Christopher and Teresa our deepest and most heartfelt condolences. We share your loss. Our thoughts are with you at this most difficult time.

\_\_\_\_\_  
SPEAKER OF THE HOUSE

*april 21, 1983*  
\_\_\_\_\_  
PRESIDENT OF THE SENATE

Date:

Requested by: Senator *K. Y. Helford, Sturgis*

MOTOR VEHICLE SAFETY RESPONSIBILITY ACT

HEADINGS: TITLE 28.

Motor Vehicles.

CHAPTER 20.

Motor Vehicle Safety Responsibility Act.

DECLARATION OF PURPOSE.

The legislature is concerned over the rising toll of motor vehicles accidents and the suffering and loss inflicted by them. The legislature determines that it is a matter of grave concern that motorists be financially responsible for their negligent acts so that innocent victims of motor vehicle accidents may be recompensed for the injury and financial loss inflicted upon them. The legislature finds and declares that the public interest can best be served by the requirements that the operator of a motor vehicle involved in an accident respond for damages and show proof of financial ability to respond for damages in future accidents as a prerequisite to his exercise of the privilege of operating a motor vehicle in the state.

HISTORY (Sec. 2 ch 163 SLA 1959)

Sec. 28.20.020.

ADMINISTRATION.

(a) The department shall administer and enforce this chapter and may adopt rules and regulations necessary for its administration.

(b) The department shall receive and consider any pertinent information upon request of persons aggrieved by its orders or acts under this chapter.

(c) The department shall prescribe and provide suitable forms requisite or considered necessary to carry out this chapter.

HISTORY (Sec. 4 ch 163 SLA 1959)

Sec. 28.20.030.

COURT REVIEW.

Repealed by sec. 4 ch 140 SLA 1977.

Sec. 28.20.040.

DEPARTMENT TO FURNISH OPERATING RECORD.

Repealed by sec. 20 ch 241 SLA 1976.

Sec. 28.20.050.

APPLICATION OF CHAPTER.

(a) The provisions of this chapter requiring deposit of security and suspension for failure to deposit security apply to the driver and owner of a vehicle subject to registration under the laws of this state which is involved in any manner in an accident in this state resulting in bodily injury to or death of a person or damage to the property of any one person exceeding \$500.

(b) Not less than 20 days after receipt of a report of such accident, the department shall determine the amount of security which it considers sufficient to satisfy any judgments for damages resulting from the accident which may be recovered against each driver or owner. The determination shall not be made with respect to a driver or owner who is exempt from the requirements as to security and suspension.

(c) The department shall determine the amount of security deposit required upon the basis of the reports or other information submitted. If a person involved in an accident as described in this chapter fails to make a report or submit information indicating the extent of his injuries or the damage to his property within 30 days after the accident, and the department does not have sufficient information on which to base an evaluation of injuries or damage, then the department after reasonable notice to the person, if it is possible to give notice, otherwise without notice, shall not require a deposit of security for the benefit or protection of the person.

(d) Within 30 days after receipt of report of an accident and upon determining the amount of security to be required of any person involved in the accident or to be required of the owner of any vehicle involved in the accident, the department shall give to every person written notice of the amount of security required to be deposited by him and stating that an order of suspension will be made upon the expiration of 10 days after the notice is sent unless within that time security is deposited as required. No license may be suspended unless the licensee is afforded a hearing by the department at which it is determined that there is a reasonable possibility of a judgment being rendered holding him liable.

(e) A peace officer investigating an accident that results in bodily injury to or the death of a person or damage to the property of a person exceeding \$500 shall inform persons involved in the accident in writing of the requirements of this chapter as they apply to suspension of an operator's license or driving privileges.

HISTORY (Sec. 7 ch 163 SLA 1959; am sec. 1 ch 127 SLA 1972; am sec. 11 ch 144 SLA 1977; am sec. 3 ch 78 SLA 1982)

Sec. 28.20.660.

EXCEPTIONS TO REQUIREMENT OF SECURITY.

The requirements as to security and suspension in this chapter do not apply to

(1) the driver or owner if the owner had in effect at the time of the accident an automobile liability policy or bond with respect to the vehicle involved in the accident, except that a driver is not exempt if at the time of the accident the vehicle was operated without the owner's express or implied permission;

(2) the driver who is not the owner if there was in effect at the time of the accident an automobile liability policy or bond with respect to his driving of vehicles not owned by him;

(3) a driver or owner whose liability for damages resulting from the accident is, in the judgment of the department, covered by another form of liability insurance policy or bond;

(4) a person qualifying as a self-insurer under sec. 400 of this chapter or to a person operating a vehicle for a self-insurer;

(5) the driver or owner of a vehicle involved in an accident in which no injury or damage was caused to the person or property of anyone other than the driver or owner;

(6) the driver or owner of a vehicle which at the time of the accident was parked, unless the vehicle was parked at a place where parking was at the time of the accident prohibited by a law or ordinance;

(7) the owner of a vehicle if at the time of the accident the vehicle was operated without his express or implied permission or was parked by a person operating the vehicle without the permission;

(8) the owner of a vehicle or the driver of a vehicle operating it with permission if at the time of the accident the vehicle was owned or leased to the United States, this state or a political subdivision of this state or a municipality of the state; or

(9) the driver or the owner of a vehicle if at the time of the accident the vehicle was operated by or under the direction of a police officer who, in the performance of his duties, assumed custody of the vehicle.

Sec. 28.20.070.

REQUIREMENTS AS TO POLICY OR BOND.

(a) No policy or bond is effective under sec. 60 of this chapter unless it is issued by an insurance company or surety company authorized to do business in this state, except as provided in (b) of this section, and if the accident resulted in bodily injury or death, unless the policy or bond is subject to a limit, exclusive of interest and costs, of not less than \$25,000 because of bodily injury to or death of one person in any one accident and, subject to the same limit for one person, to a limit of not less than \$50,000 because of bodily injury to or death of two or more persons in any one accident, and if the accident has resulted in injury to, or destruction of, property to a limit of not less than \$10,000 because of injury to or destruction of property of others in any one accident.

(b) No policy or bond is effective under sec. 60 of this chapter with respect to a vehicle not registered in this state or a vehicle which was registered in another jurisdiction at the effective date of the policy or bond or the most recent renewal of it, unless the insurance or surety company issuing the policy or bond is authorized to do business in this state, or if the company is not authorized to do business in this state, unless it executes a power of attorney authorizing the director of the division of insurance to accept service on its behalf of notice or process in an action upon the policy or bond arising out of the accident.

(c) The department may rely upon the information in an accident report as to the existence of insurance or a bond unless the department has reason to believe that the information is erroneous.

HISTORY (Sec. 9 ch 163 SLA 1959; am sec. 1 ch 146 SLA 1966; am sec. 1 ch 202 SLA 1975; am sec. 12 ch 144 SLA 1977)

Sec. 28.20.080.

FORM AND AMOUNT OF SECURITY.

(a) The security required by this chapter shall be in the form and amount the department requires, but in no case in excess of the limits specified in sec. 70 of this chapter for the acceptable limits of a policy or bond.

(b) Every depositor of security shall designate in writing the person in whose name the deposit is made and may at any time change the designation, but a single deposit of security applies only on behalf of a person required to furnish security because of the same accident.

HISTORY (Sec. 10 ch 163 SLA 1959)

Sec. 28.20.090.

SUSPENSION FOR FAILURE TO DEPOSIT SECURITY.

(a) If a person required to deposit security under this chapter fails to deposit security within 10 days after the department sends notice, the department shall suspend

- (1) the license of each driver involved in the accident;
- (2) the privilege of operating a vehicle subject to registration if the driver is a nonresident;
- (3) the privilege of the owner to operate or permit the operation within this state of a vehicle subject to registration if the owner is a nonresident.

(b) Suspensions shall be made in respect to persons required by the department to deposit security who fail to deposit such security, except as otherwise provided under succeeding sections of this chapter.

HISTORY (Sec. 11 ch 163 SLA 1959) CITATION

Sec. 28.20.100.

RELEASE FROM LIABILITY.

(a) A person is relieved from the requirement for deposit of security for the benefit or protection of another person injured or damaged in the accident if he is released from liability by the other person.

(b) A covenant not to sue relieves the parties to it as to each other from the security requirements of this chapter.

(c) If the department evaluates the injuries or damage to a minor in an amount not more than \$500, the department may accept, for the purposes of this chapter only, evidence of a release from liability executed by a natural or legal guardian on behalf of the minor without court approval.

HISTORY (Sec. 12 ch 163 SLA 1959; am sec. 13 ch 144 SLA 1977)

Sec. 28.20.110.

ADJUDICATION OF NONLIABILITY.

A person is relieved from the requirement for deposit of security for a claim for injury or damage arising out of the accident if the person is finally adjudicated not to be liable for the claim. HISTORY (Sec. 13 ch 163 SLA 1959)

HISTORY (Sec. 14 ch 163 SLA 1959; am sec. 4 ch 78 SLA 1982)

Sec. 28.20.120.

AGREEMENTS FOR PAYMENT OF DAMAGES

(a) Two or more persons involved in or affected by an accident as described in AS 28.20.050 may at any time enter into a written agreement for the payment of an agreed amount with respect to their claims because of bodily injury, death, or property damage arising from the accident. The agreement may provide for payment in installments. The parties may file a signed copy of the agreement with the department.

(b) If proof of financial responsibility is provided and to the extent provided by the written agreement filed with it, the department shall not require the deposit of security and shall terminate a previous order of suspension, or if security was deposited, the department shall immediately return the security to the depositor or his personal representative.

(c) If there is a default in a payment under the agreement upon notice of default the department shall take action suspending the license of the person in default as is appropriate in case of failure of the person to deposit security when required under this chapter. (d) The suspension remains in effect and the license may not be restored until

(1) security is deposited as required under this chapter in the amount the department determines; or

(2) when, following default and suspension, the person in default pays the balance of the agreed amount; or

(3) one year elapses following the effective date of the suspension and evidence satisfactory to the department is filed with it that during the period no action at law upon the agreement is pending.

Sec. 28.20.130.

PAYMENT UPON JUDGMENT.

The payment of a judgment arising out of an accident, or the payment upon judgment of an amount equal to the maximum amount which could be required for deposit under this chapter, for the purposes of this chapter, releases the judgment debtor from the liability evidenced by the judgment. HISTORY (Sec. 15 ch 163 SLA 1959; am sec. 12 ch 2 SLA 1964)

Sec. 28.20.140.

TERMINATION OF SECURITY AGREEMENT

If satisfied as to the existence of a fact which under secs. 100 - 130 of this chapter entitles a person to be relieved from the security requirements, the department shall not require the deposit of security and shall terminate a previous order of suspension in respect to the person, and shall immediately return the deposit to the person or his personal representative. HISTORY (Sec. 16 ch 163 SLA 1959)

Sec. 28.20.150.

DURATION OF SUSPENSION.

(a) Unless a suspension is terminated under other provisions of this chapter, an order of suspension by the department remains in effect until terminated and no license may be renewed or issued to a person whose license is suspended until proof of financial responsibility for the future is provided and

(1) the person deposits or there is deposited on his behalf the security required under this chapter; or

(2) three years elapse following the date of suspension.

(b) Repealed by sec. 9 ch 78 SLA 1982.

HISTORY (Sec. 17 ch 163 SLA 1959; am secs. 5, 9 ch 78 SLA 1982)

Sec. 28.20.160.

APPLICATION TO NONRESIDENTS, UNLICENSED DRIVERS, UNREGISTERED VEHICLES AND ACCIDENTS IN OTHER STATES.

(a) If a driver or owner of a vehicle subject to registration under the laws of this state involved in an accident in this state does not have a license or registration in this state, then the driver may not be licensed, nor may the owner register a vehicle in this state until he complies with the requirements of this chapter to the extent necessary if, at the time of the accident, he had held a license or been the owner of a vehicle registered in this state.

(b) When a nonresident's operating privilege is suspended under sec. 90 of this chapter the department shall send a certified copy of the record of the action to the official in charge of the issuance of licenses and registration certificates in the state in which the nonresident resides, if the law of the other state provides for action similar to that provided for in (c) of this section.

(c) Upon receiving certification that the operating privilege of a resident of this state has been suspended or revoked in another state under a law providing for its suspension or revocation for failure to deposit security for the payment of judgments arising out of an accident under circumstances which would require the department to suspend a nonresident's operating privilege if the accident had occurred in this state, the department shall suspend the license of the resident. The suspension continues until the resident furnishes evidence of his compliance with the law of the other state relating to the deposit of security.

HISTORY (Sec. 18 ch 163 SLA 1959)

Sec. 28.20.170.

AUTHORITY OF DEPARTMENT TO DECREASE AMOUNT OF SECURITY.

The department may reduce the amount of security ordered within six months after the date of the accident if in its judgment the amount is excessive. If the security originally ordered is on deposit, the excess deposit over the reduced amount ordered shall be returned immediately to the depositor or his personal representative. HISTORY (Sec. 19 ch 163 SLA 1959)

Sec. 28.20.180.

CORRECTION OF ACTION OF DEPARTMENT. If the department takes action or fails to take action under this chapter due to erroneous information or no information, upon receiving correct information within one year after the date of an accident the department shall take appropriate action to carry out the purposes and effect of this chapter. However, this section does not require the department to re-evaluate the amount of a deposit required. HISTORY (Sec. 20 ch 163 SLA 1959)

Sec. 28.20.190.

CUSTODY OF SECURITY. The department shall place security deposited with it in the custody of the Department of Revenue. HISTORY (Sec. 21 ch 163 SLA 1959)

Sec. 28.20.200.

DISPOSITION OF SECURITY.

(a) The security deposited is available only for

(1) the payment of a settlement agreement covering a claim arising out of the accident upon instruction of the person who made the deposit, or

(2) the payment of a judgment given against the person required to make the deposit for damages arising out of the accident in an action at law begun not later than one year after the deposit of security, or within one year after the date of deposit of security following failure to make payments under an agreement to pay.

(b) Every distribution of funds from a security deposit is subject to the limits of the department's evaluation on behalf of a claimant. HISTORY (Sec. 22 ch 163 SLA 1959)

Sec. 28.20.210.

RETURN OF DEPOSIT.

(a) Upon the expiration of two years from the date of deposit of security, the security remaining on deposit shall be returned to the person who made the deposit or his personal representative if an affidavit or other evidence satisfactory to the department is filed with it showing that

(1) no action for damages arising out of the accident for which deposit was made is pending against the person on whose behalf the deposit was made, and

(2) there does not exist any unpaid judgment against the person in an action.

(b) This section does not limit the return of a deposit of security under any other provision of this chapter authorizing return. HISTORY (Sec. 23 ch 163 SLA 1959; am sec. 6 ch 78 SLA 1982)

Sec. 28.20.220.

MATTERS NOT TO BE EVIDENCE IN CIVIL SUITS. The report required after an accident, the action taken by the department under this chapter, the findings, if any, of the department upon which its action is based, and the security filed shall not be referred to, and shall not be evidence of the negligence or due care of either party, at the trial of an action to recover damages. HISTORY (Sec. 24 ch 163 SLA 1959)

Sec. 28.20.230

PROOF OF FINANCIAL RESPONSIBILITY FOR THE FUTURE.

(a) The provisions of this chapter requiring the deposit of proof of financial responsibility for the future apply to persons who are convicted of or forfeit bail for certain offenses under motor vehicle laws or who, by ownership or operation of a vehicle of a type subject to registration under ch. 10 of this title, are involved in an accident in this state which results in bodily injury or death of a person or damage to the property of any one person exceeding \$500.

(b) The term "proof of financial responsibility for the future" as used in this chapter means proof of ability to respond in damages for liability, on account of an accident occurring after the effective date of proof, which arises out of the ownership, maintenance or use of a vehicle subject to registration under the laws of this state, in the amount of \$25,000 because of bodily injury to or death of one person in any one accident, and, subject to the same limit for one person, in the amount of \$50,000 because of bodily injury to or death of two or more persons in any one accident, and in the amount of \$10,000 because of injury to or destruction of property of others in any one accident. As used in this chapter the terms "proof of financial responsibility" or "proof" mean proof of financial responsibility for the future.

HISTORY (Sec. 25 ch 163 SLA 1959; am sec. 59 ch 69 SLA 1970; am sec. 2 ch 202 SLA 1975; am sec. 14 ch 144 SLA 1977)

Sec. 28.20.240.

PROOF REQUIRED WHEN USE OF LICENSE IS RESTRICTED.

Whenever under a law of this state the license of a person is suspended, revoked, limited under AS 28.15.201, or canceled for any reason, the department may not issue to that person a new or renewal of license in his name until permitted to do so under the motor vehicle laws of this state. A period of suspension, revocation, limitation, or cancellation under this section continues until proof of financial responsibility for the future is provided.

HISTORY (Sec. 26 ch 163 SLA 1959; am sec. 7 ch 78 SLA 1982)

Sec. 28.20.250.

ACTION IN RESPECT TO UNLICENSED PERSON.

(a) If a person does not have a license, but by final order or judgment is convicted of, or forfeits bail or collateral deposited to secure an appearance for trial for an offense requiring the suspension or revocation of license, or for driving a motor vehicle upon the highways without being licensed to do so, or for driving an unregistered vehicle upon the highways, no license shall be issued to the person unless he gives and thereafter maintains proof of financial responsibility for the future.

(b) Whenever the department suspends or revokes a nonresident's operating privilege for conviction or forfeiture of bail, the privilege remains suspended or revoked unless the person has previously given or immediately gives proof of financial responsibility for the future.

HISTORY (Sec. 27 ch 163 SLA 1959)

Sec. 28.20.260.

WHEN PROOF REQUIRED AFTER ACCIDENTS.

(a) Upon receipt by the department of the report of an accident resulting in bodily injury or death, or property damage to any one person exceeding \$500, the department shall suspend the license of the driver of a motor vehicle involved in the accident unless the driver or owner

(1) has previously furnished or immediately furnishes security required by this chapter, or is excepted from furnishing security under sec. 60 of this chapter, and

(2) maintains proof of financial responsibility for three years following the accident.

(b) This section does not apply to an owner or operator with respect to an accident in which a judgment in his favor is given on a cause of action arising out of the accident which establishes his freedom from fault.

HISTORY (Sec. 28 ch 163 SLA 1959; am sec. 15 ch 144 SLA 1977)

Sec. 28.20.270.

SUSPENSION FOR NONPAYMENT OF JUDGMENTS. Upon receipt of a certified copy of a judgment and a certificate of facts relative to the judgment, the department shall immediately suspend the license or nonresident's operating privilege of a person against whom the judgment is given except as otherwise provided in this chapter. HISTORY (Sec. 29 ch 163 SLA 1959)

Sec. 28.20.280.

WHEN COURTS TO REPORT NONPAYMENT OF JUDGMENTS. If a person fails within 30 days to satisfy a judgment arising out of a motor vehicle accident, the clerk of the court, or the judge if there is no clerk, in which the judgment is given, shall forward to the department a certified copy of the judgment and a certificate of facts relative to the judgment. HISTORY (Sec. 30 ch 163 SLA 1959)

Sec. 28.20.290.

FURTHER ACTION WITH RESPECT TO NONRESIDENTS. If the defendant named in a certified copy of a judgment reported to the department is a nonresident, the department shall send a certified copy of the judgment to the official in charge of the issuance of licenses and registrations of the state of which the defendant is a resident. HISTORY (Sec. 31 ch 163 SLA 1959)

Sec. 28.20.300.

EXCEPTION FOR GOVERNMENT VEHICLES. Sections 260 and 270 of this chapter do not apply to an accident caused by the ownership or operation, with permission, of a vehicle owned or leased to the United States, this state, or a political subdivision or municipality of this state. HISTORY (Sec. 32 ch 163 SLA 1959)

Sec. 28.20.310.

EXCEPTION WHEN CONSENT GRANTED BY JUDGMENT CREDITOR. If the judgment creditor consents in writing in a form prescribed by the department to the issuance of a license or nonresident's operating privilege to the judgment debtor, the department may allow it for six months from the date of such consent and thereafter until the consent is revoked in writing, if the judgment debtor furnishes proof of financial responsibility notwithstanding default in the payment of judgment, or of an installment of the judgment prescribed in sec. 270 of this chapter. HISTORY (Sec. 33 ch 163 SLA 1959) -

Sec. 28.20.320.

EXCEPTIONS WHEN INSURER LIABLE. No license or nonresident's operating privilege shall be suspended under this chapter if the department finds that an insurer is obligated to pay the judgment upon which suspension is based at least to the extent and for the amounts required in this chapter, but has not paid the judgment for any reason. A finding by the department that an insurer is obligated to pay a judgment is not binding upon the insurer and has no legal effect except for the purpose of administering this section. If in a judicial proceeding it is determined by a final judgment, decree or order that an insurer is not obligated to pay a judgment, the department, notwithstanding any contrary finding made by it, shall immediately suspend the license or nonresident's operating privilege of a person against whom the judgment is given, as provided in sec. 270 of this chapter. HISTORY (Sec. 34 ch 163 SLA 1959)

Sec. 28.20.325.

EXCEPTION FOR BUSINESS RELATIONSHIP. If the driver at the time of an accident was driving, in the course and scope of his employment, a vehicle owned, operated or leased by his employer, the security deposit, proof of future responsibility and suspension provisions of this chapter apply to the employer and to the vehicles owned by him or registered under his name and do not apply to the driver. HISTORY (Sec. 1 ch 25 SLA 1966)

Sec. 28.20.330.

SUSPENSION TO CONTINUE UNTIL JUDGMENTS PAID AND PROOF GIVEN.

(a) If a person has an unsatisfied judgment against him requiring suspension under sec. 270 of this chapter, his license or nonresident's operating privilege shall remain suspended and shall not be renewed, nor shall a license or registration be issued in the name of the person, including a person not previously licensed, until the judgment is stayed or satisfied and until the person gives proof of financial responsibility subject to the exceptions in secs. 310 - 320, and 370 of this chapter.

(b) The proof required by (a) of this section shall be maintained during the period the person has a license or nonresident's operating privilege.

HISTORY (Sec. 35 ch 163 SLA 1959)

Sec. 28.20.340

LICENSE CANCELLED, SUSPENDED OR REVOKED.

Upon receiving a record of the conviction of a person for driving a vehicle while his license was suspended, the department shall immediately suspend the registration of every vehicle registered in his name until he gives proof of financial responsibility for the future for each vehicle registered in his name. HISTORY (Sec. 36 ch 163 SLA 1959)

Sec. 28.20.360.

PAYMENTS SUFFICIENT TO SATISFY REQUIREMENTS.

(a) For the purpose of this chapter, a judgment is satisfied when

(1) \$25,000 is credited upon a judgment given in excess of that amount because of bodily injury to or death of one person as the result of any one accident; or

(2) subject to the limit of \$25,000 because of bodily injury to or death of one person, the sum of \$50,000 is credited upon a judgment given in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident; or

(3) \$10,000 is credited upon a judgment given in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

(b) However, payments made in settlement of a claim because of bodily injury, death or property damage arising from the accident shall be credited in reduction of the amounts provided for in this section.

HISTORY (Sec. 38 ch 163 SLA 1959; am secs. 60, 61 ch 69 SLA 1970; am sec. 3 ch 202 SLA 1975)

Sec. 28.20.370.

INSTALLMENT PAYMENT OF JUDGMENTS; DEFAULT.

(a) A judgment debtor upon due notice to the judgment creditor may apply to the court in which such judgment was rendered for the privilege of paying the judgment in installments and the court, without prejudice at any other legal remedy, may order and fix the amount and time of payment of the installments.

(b) The department shall not suspend a license or nonresident's operating privilege, and shall restore a license or nonresident's operating privilege suspended following nonpayment of a judgment, when the judgment debtor gives proof of financial responsibility and obtains an order permitting the payment of the judgment in installments. (c) If the judgment debtor fails to pay an installment specified by the court order, upon notice of default, the department shall immediately suspend the license or nonresident's operating privilege of the judgment debtor until the judgment is satisfied as provided in this chapter.

HISTORY (Sec. 39 ch 163 SIA 1959) -

Sec. 28.20.380.

REGISTRATION AND OPERATOR'S RIGHTS LIMITED BY EXTENT OF PROOF.

(a) When a certificate is filed showing that a policy is issued covering a motor vehicle owned by the insured, but not insuring the person when operating a motor vehicle not owned by him, the restriction may be removed upon the filing of a certificate showing an operator's policy issued to the person.

(b) If the department receives evidence of the violation of the restriction on the license, it may suspend the license until a certificate is filed showing an operator's policy issued to the holder of the license. HISTORY (Sec. 40 ch 163 SIA 1959)

Sec. 28.20.390.

ALTERNATE METHODS OF GIVING PROOF.

Proof of financial responsibility for a person who is not the owner of a vehicle may be given by filing

(1) a certificate of insurance as provided in secs. 410 or 420 of this chapter;

(2) a bond as provided in sec. 470 of this chapter;

(3) a certificate of deposit of money or securities as provided in sec. 490 of this chapter; or

(4) a certificate of self-insurance as provided in sec. 400 of this chapter, supplemented by an agreement by the self-insurer that, for accidents occurring while the certificate is in force, he will pay the same amount that an insurer would be obligated to pay under an owner's motor vehicle liability policy if it had issued a policy to the self-insurer.

HISTORY (Sec. 41 ch 163 SIA 1959)

Sec. 28.20.400.

SELF-INSURERS.

(a) A person in whose name more than 25 vehicles are registered in this state may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the department as provided in (b) of this section.

(b) The department may issue a certificate of self-insurance when it is satisfied that the person has and will continue to have ability to pay judgments obtained against him. The certificate may be issued authorizing a person to act as a self-insurer for either property damage or bodily injury, or both, or within the limits the department prescribes.

(c) Upon not less than 10 days' notice and a hearing pursuant to the notice, the department may upon reasonable grounds cancel a certificate of self-insurance. Failure to pay a judgment within 30 days after judgment becomes final is a reasonable ground for the cancellation of a certificate of self-insurance. HISTORY (Sec. 42 ch 163 SLA 1959)

Sec. 28.20.410.

CERTIFICATE OF INSURANCE AS PROOF.

Proof of financial responsibility for the future may be furnished by filing with the department the written certificate of an insurance carrier authorized to do business in this state certifying that there is in effect a motor vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility. The certificate shall give the effective date of the motor vehicle liability policy, which shall be the same as the effective date of the certificate, and shall designate by description or appropriate reference all vehicles covered by it, unless the policy is issued to a person who is not the owner of a motor vehicle.

HISTORY (Sec. 43 ch 163 SLA 1959)

Sec. 28.20.420.

CERTIFICATE FURNISHED BY NONRESIDENT AS PROOF.

(a) A nonresident may give proof of financial responsibility by filing with the department a written certificate of an insurance carrier authorized to transact business in the state in which the vehicle described in the certificate is registered, or if the nonresident does not own a vehicle, then in the state in which the nonresident resides, if the certificate otherwise conforms with this chapter; the department shall accept it upon condition that the insurance carrier complies with (b) and (c) of this section.

(b) The insurance carrier shall execute a power of attorney authorizing the department to accept service on its behalf of notice or process in an action arising out of a motor vehicle accident in this state.

(c) The insurance carrier shall agree in writing that the policy shall conform with the laws of this state relating to the terms of motor vehicle liability policies issued in this state.

HISTORY (Sec. 44 ch 163 SLA 1959; am sec. 44 ch 32 SLA 1971) -

Sec. 28.20.430.

DEFAULT BY NONRESIDENT INSURER.

If an insurance carrier not authorized to transact business in this state, but qualified to furnish proof of financial responsibility in this state, defaults in an undertaking or agreement, the department shall not accept as proof a certificate of the carrier whether previously filed or thereafter tendered as proof, so long as the default continues.

HISTORY (Sec. 45 ch 163 SLA 1959)

Sec. 28.20.440.

MOTOR VEHICLE LIABILITY POLICY.

(a) In this AS 28.20.010 - 28.20.640, "motor vehicle liability policy" means an "owner policy" or an "operator's policy" containing an agreement or endorsement as provided in this section, or certified as provided in AS 28.20.410 or 28.20.420 as proof of financial responsibility for the future, and issued, except as otherwise provided in AS 28.20.420, by an insurance carrier authorized to transact business in this state, to or for the benefit of the person named as insured.

(b) The owner's policy of liability insurance shall

(1) designate by description or appropriate reference all vehicles which it covers;

(2) insure the person named and every other person using the vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of the vehicle within the United States of America or the Dominion of Canada, subject to limits exclusive of interests and costs, with respect to each vehicle, as follows: \$25,000 because of bodily injury to or death of one person in any one accident, and, subject to the same limit for one person, \$50,000 because of bodily injury to or death of two or more persons in any one accident, and \$10,000 because of injury to or destruction of property of others in any one accident;

(3) contain coverage in the amounts set out in (2) of this subsection for the protection of the persons insured under the policy who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of bodily injury or death arising out of the ownership, maintenance or use of the uninsured motor vehicle, except that this coverage may be waived in writing by the insured on or before the effective date of the policy.

(c) The operator's policy of liability insurance shall insure the person named as insured against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are required for an owner's policy of liability insurance. -

(d) The motor vehicle liability policy shall state the name and address of the named insured, the coverage, the premium charges, the policy period and the limits of liability, and shall contain an agreement or an endorsement that insurance is provided in accordance with the coverage defined in AS 28.20.010 - 28.20.640 for bodily injury and death or property damage, or both, and is subject to all the provisions of AS 28.20.010 - 28.20.640.

(e) The motor vehicle liability policy need not insure liability under a workers' compensation law nor liability for damage to property owned by, rented to, in charge of or transported by the insured. (f) Every motor vehicle liability policy is subject to the following provisions but these provisions need not be contained in the policy.

(1) The liability of the insurance carrier becomes absolute whenever injury or damage covered by the policy occurs; the policy may not be cancelled or annulled as to this liability after the occurrence of the injury or damage; no statement made by the insured or on his behalf and no violation of the policy defeats or voids the policy.

(2) The satisfaction by the insured of a judgment for injury or damages is not a condition precedent to the right or duty of the insurance carrier to make payment on account of injury or damage.

(3) The insurance carrier may settle a claim covered by the policy, and if settlement is made in good faith, the amount of settlement is deductible from the limits of liability specified in (b) of this section.

(4) The policy, the written application for the policy, if any, and every rider or endorsement which does not conflict with the provisions of AS 28.20.010 - 28.20.640 constitute the entire contract between the parties.

(g) A policy which grants the coverage required for a motor vehicle liability policy may also grant lawful coverage in excess of or in addition to the coverage specified for a policy and the excess or additional coverage is not subject to the provisions of AS 28.20.010 - 28.20.640. With respect to a policy which grants excess or additional coverage the term "motor vehicle liability policy" applies only to that part of the coverage which is required by this section.

(h) A motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of AS 28.20.010 - 28.20.640.

(i) A motor vehicle liability policy may provide for proration of the insurance with other valid and collectible insurance.

(j) The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers which together meet the requirements.

(k) A binder issued pending the issuance of a motor vehicle liability policy fulfills the requirements for a policy.

HISTORY (Sec. 46 ch 163 SLA 1959; am sec. 2 ch 146 SLA 1966; am sec. 4 ch 202 SLA 1975; am sec. 60 ch 94 SLA 1980)

Sec. 28.20.450.

NOTICE OF CANCELLATION OR TERMINATION OF CERTIFIED POLICY. When an insurance carrier certifies a motor vehicle liability policy under sec. 410 or sec. 420 of this chapter the insurance certified may not be cancelled or terminated until at least 10 days after a notice of cancellation or termination of the insurance is filed with the department, except that a policy subsequently procured and certified shall, on the effective date of its certification, terminate for the purpose of this chapter the insurance previously certified for a vehicle designated in both certificates. HISTORY (Sec. 47 ch 163 SLA 1959)

Sec. 28.20.460.

CHAPTER NOT TO AFFECT OTHER POLICIES.

(a) This chapter does not apply to or affect a policy of automobile insurance against liability which may now or hereafter be required by any other law of this state, except that the policy, if it contains an agreement or is endorsed to conform with the requirements of this chapter, may be certified as proof of financial responsibility under this chapter.

(b) This chapter does not apply to or affect a policy insuring solely the insured named in the policy against liability resulting from the maintenance or use by persons in the insured's employ or on his behalf of vehicles not owned by the insured.

HISTORY (Sec. 48 ch 63 SLA 1959)

Sec. 28.20.470.

BOND AS PROOF.

Proof of financial responsibility may be evidenced by the bond of a surety company authorized to transact business in this state. The bond shall be conditioned for payment of the amounts specified in sec. 230 of this chapter. The bond shall be filed with the department and shall not be cancellable except after 10 days' written notice to the department.

HISTORY (Sec. 49 ch 163 SLA 1959)

Sec. 28.20.480.

ACTION ON BOND. If a judgment given against the principal on a bond is not satisfied within 30 days after it becomes final, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action in the name of the state against the company executing the bond. HISTORY (Sec. 50 ch 163 SLA 1959)

Sec. 28.20.490.

MONEY OR SECURITIES AS PROOF.

Proof of financial responsibility may be evidenced by the deposit of \$25,000 in cash, or securities which are legal investments for saving banks or trust funds having a market value of \$25,000. The department shall not accept a deposit unless accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the recording district where the depositor resides. HISTORY (Sec. 51 ch 163 SLA 1959; am sec. 15 ch 214 SLA 1975)

Sec. 28.20.500.

OWNER MAY GIVE PROOF FOR OTHERS.

(a) The owner of a motor vehicle may give proof of financial responsibility on behalf of his employee or a member of his immediate family or household. The furnishing of proof in this manner permits the person for whom it is given to operate a motor vehicle covered by the proof. The department shall endorse appropriate restrictions on the face of the license held by a person for whom proof is given by another, or may issue a new license containing these restrictions.

(b) The department, upon receiving satisfactory evidence of the violation of a restriction, may suspend the license until a certificate is filed showing a policy issued to the driver which covers the driver as operator or owner of the vehicle operated in violation of the restriction. -

Sec. 28.20.510.

SUBSTITUTION OF PROOF.

The department shall consent to the cancellation of a bond or certificate of insurance, or the department shall return money or securities to the person entitled to it, upon the substitution and acceptance of other adequate proof of financial responsibility under this chapter.

HISTORY (Sec. 54 ch 163 SLA 1959; am sec. 16 ch 214 SLA 1975)

Sec. 28.20.520.

OTHER PROOF MAY BE REQUIRED.

Whenever proof of financial responsibility filed under this chapter no longer fulfills the purpose for which it is required, the department shall require other proof as required by this chapter and shall suspend the license pending the filing of other proof.

HISTORY (Sec. 55 ch 163 SLA 1959)

Sec. 28.20.530.

APPLICATION OF DEPOSIT. The department shall hold the deposit to satisfy, in accordance with this chapter, any execution on a judgment issued against the person making the deposit for damages, including damages for care and loss of services because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use of it, resulting from the ownership, maintenance, use or operation of a vehicle subject to registration under the laws of this state after the deposit is made. Money or securities deposited are not subject to attachment or execution unless the attachment or execution arises out of a suit for damages specified in this section. HISTORY (Sec. 52 ch 163 SLA 1959; am sec. 17 ch 214 SLA 1975)

Sec. 28.20.540.

DURATION, CANCELLATION AND RETURN OF PROOF.

(a) The department shall, upon request, consent to the immediate cancellation of a bond or certificate of insurance, or shall return to the person entitled to it money or securities deposited as proof of financial responsibility, or shall waive the requirement of filing proof, in any of the following events:

(1) at any time after three years from the date proof is required when, during the three year period preceding the request, the department has not received record of a conviction or a forfeiture of bail which would require or permit the suspension or revocation of the license or registration of the person by or for whom the proof was furnished; or

(2) upon the death of the person on whose behalf the proof was filed or the permanent incapacity of the person to operate a motor vehicle; or

(3) if the person who has given proof surrenders his license to the department.

(b) The department shall not consent to the cancellation of a bond or the return of money or securities if an action for damages upon a liability covered by the proof is pending or a judgment upon the liability is unsatisfied, or if the person who filed the bond or deposited money or securities has within one year immediately preceding the request been involved as a driver or owner in a motor vehicle accident resulting in injury or damage to the person or property of others. An affidavit of the applicant as to the nonexistence of these facts, or that he is released from all of this liability, or has been finally adjudicated not to be liable for the injury or damage is sufficient evidence in the absence of evidence to the contrary in the records of the department.

(c) Whenever a person, whose proof has been cancelled or returned under (a) (3) of this section applies for a license within a period of three years from the date proof was originally required, the application shall be refused unless the applicant reestablishes the proof for the remainder of the three-year period.

HISTORY (Sec. 56 ch 163 SLA 1959; am sec. 18 ch 214 SLA 1975)

Sec. 28.20.550.

TRANSFER OF REGISTRATION TO DEFEAT PURPOSE OF CHAPTER PROHIBITED.

(a) If an owner's registration is suspended under this chapter, the registration shall not be transferred nor the vehicle registered in any other name until the department is satisfied that the transfer of registration is proposed in good faith and not for the purpose or with the effect of defeating the purposes of this chapter.

(b) This section does not affect the rights of a conditional vendor, chattel mortgagee or lessor of the vehicle registered in the name of another as owner who becomes subject to this chapter.

(c) The department shall suspend the registration of a vehicle transferred in violation of this section. HISTORY (Sec. 57 ch 163 SLA 1959)

Sec. 28.20.560.

SURRENDER OF LICENSE AND REGISTRATION, AND FALSE AFFIDAVITS.

(a) A person whose license or registration is suspended under any provision of this chapter, or whose policy of insurance or bond, when required under this chapter, is cancelled or terminated, shall immediately return his license or registration to the department. If a person fails to return the license or registration to the department, the department shall immediately direct a peace officer to obtain possession of it and to return it to the department.

(b) A person who wilfully fails to return a license or registration as required in (a) of this section or who knowingly gives an affidavit required by this chapter which is false is punishable by a fine of not more than \$500, or by imprisonment for not more than 30 days, or by both. HISTORY (Sec. 58 ch 163 SLA 1959)

Sec. 28.20.570.

FORGED PROOF.

A person who forges or, without authority, signs any evidence of proof of financial responsibility for the future, or who files or offers for filing evidence of proof of financial responsibility for the future, knowing or having reason to believe that it is forged or signed without authority, is punishable by a fine of not more than \$1,000, or by imprisonment for not more than one year, or by both.

HISTORY (Sec. 59 ch 163 SIA 1959)

Sec. 28.20.580.

ASSIGNED RISK PLANS. After consultation with the insurance companies authorized to issue motor vehicle liability policies in this state, the director of the division of insurance shall approve a reasonable plan, fair to the insurers and equitable to their policyholders, for the apportionment among these companies of applicants for motor vehicles policies and other vehicle coverages who are in good faith entitled to but are unable to procure policies through ordinary methods. When a plan is approved, all the insurance companies shall subscribe to it and participate in it. An applicant for an assigned risk policy, a person insured under an assigned risk plan, and an insurance company affected may appeal to the commissioner of commerce and economic development from a ruling or decision of the authority designated to operate the plan. Failure to adopt an assigned risk plan does not relieve any person from responsibility under this chapter. HISTORY (Sec. 60 ch 163 SIA 1959; am sec. 16 ch 144 SIA 1977)

Sec. 28.20.585.

REINSTATEMENT FEE. If an operator's license is suspended under the provisions of this chapter, the department shall charge a person who applies for reinstatement of the operator's license a reinstatement fee of \$50. HISTORY (Sec. 8 ch 78 SIA 1982)

Sec. 28.20.590.

PAST APPLICATION OF CHAPTER. This chapter does not apply to any accident or judgment arising from an accident or violation of the motor vehicle laws of this state, occurring before September 1, 1959. HISTORY (Sec. 61 ch 163 SIA 1959)

Sec. 28.20.600.

CHAPTER DOES NOT PREVENT OTHER PROCESS. This chapter does not prevent the plaintiff in an action from relying for relief upon other processes provided by law. HISTORY (Sec. 62 ch 163 SIA 1959)

Sec. 28.20.610

PROVISIONS OF CHAPTER APPLY THROUGHOUT STATE.

The provisions of this chapter apply upon highways and elsewhere throughout the state. HISTORY (Sec. 63 ch 163 SIA 1959)

Sec. 28.20.620.

APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.

Repealed by sec. 4 ch 140 SIA 1977.

Sec. 28.20.630.

DEFINITIONS

In this chapter unless the context otherwise requires:

- (1) Repealed by sec. 20 ch 214 SLA 1976.
- (2) Repealed by sec. 2 ch 135 SLA 1977.
- (3) "judgment" means a judgment which is final by expiration without appeal of the time within which an appeal may be taken, or final by affirmation on appeal, given by a court of any state or of the United States, upon a cause of action arising out of the ownership, maintenance, or use of a vehicle of a type subject to registration under the laws of this state, for damages, including damages for care and loss of services, because of bodily injury to or death of a person, or for damages because of injury to or destruction of property, including the loss of use of property, or upon a cause of action on an agreement of settlement for such damages;
- (4) Repealed by sec. 2 ch 135 SLA 1977.
- (5) Repealed by sec. 20 ch 241 SLA 1976; sec. 2 ch 135 SLA 1977.
- (6) Repealed by sec. 2 ch 135 SLA 1977.
- (7) Repealed by sec. 2 ch 135 SLA 1977.
- (8) Repealed by sec. 2 ch 135 SLA 1977.
- (9) Repealed by sec. 2 ch 135 SLA 1977.
- (10) Repealed by sec. 2 ch 135 SLA 1977.
- (11) Repealed by sec. 2 ch 135 SLA 1977.
- (12) Repealed by sec. 2 ch 135 SLA 1977.
- (13) Repealed by sec. 2 ch 135 SLA 1977.
- (14) Repealed by sec. 2 ch 135 SLA 1977.
- (15) Repealed by sec. 20 ch 241 SLA 1976.

HISTORY (Sec. 3 ch 163 SLA 1959; am sec. 20 ch 241 SLA 1976; am sec. 2 ch 135 SLA 1977)

Sec. 28.20.40.

SHORT TITLE.

This chapter may be cited as the Motor Vehicle Safety Responsibility Act.

HISTORY (Sec. 1 ch 163 SLA 1959)

END OF DOCUMENT

**AGENCY:** DEPARTMENT OF PUBLIC SAFETY

**CATEGORY:** PUBLIC PROTECTION

**PROGRAM:** LIFE AND PROPERTY PROTECTION

**BRU(S):** DRIVER/VEHICLE SERVICES

The Driver/Vehicle Services BRU is organized into four components: Vehicle Services, Driver Services, Field Services, and Administration. The basic purpose of the Vehicle Services unit is protection of ownership of vehicles by the maintenance of an official single source record of vehicle titles. License plate records also facilitate vehicle recovery when stolen. The purpose of the Driver Services unit is to restrict vehicle operation to those persons who are capable of safe operation by utilizing a system of driver testing, records maintenance, and a "driver improvement" function to identify and help improve or suspend drivers who violate safe driving laws. This unit also provides protection for innocent victims of accidents by suspending those drivers who do not meet their financial responsibilities resulting from an accident. The Field Services Unit operates the system of field offices where the public may obtain their vehicle titles, registrations, and driver licenses.

Driver and vehicle identification information collected is computerized for rapid retrieval by law enforcement agencies during investigation of criminal activities. This information is highly useful in identifying offenders. For instance, FBI statistics show that nationwide, a motor vehicle is involved in 50% of all crimes committed.

The Administration component includes the director's office, central support staff, and the municipal tax unit. The municipal tax unit is funded by charges assessed to municipalities which elect to levy a municipal motor vehicle tax; this tax is collected by the State.

PHONE CONTACT FOR MORE INFORMATION: Robert Rowan, Director 269-5551

SERVICE MEASURES	FY 82		FY 83	FY 84	
	PLAN	ACTUAL	PLAN	CONTINUATION	TOTAL
Number of registrations processed.	355,000	381,599	350,000	380,000	380,000
Number of titles issues.	190,000	161,080	160,000	170,000	170,000
Number of driver's licenses issued.	140,000	141,712	140,000	155,000	155,000
Accident reports processed.	20,000	20,444	17,000	22,000	22,000
Driver records produced.	96,000	77,942	90,000	85,000	85,000
Documents filmed.	2,100,000	1,996,306	2,100,000	2,200,000	2,200,000
Financial responsibility suspensions.	4,000	2,603	3,000	3,000	3,000
Point suspensions.	2,300	2,507	3,000	2,900	2,900

# Car insurance is a necessity

By KENT LEE WOODMAN

Last year in Juneau I stopped to pay my respects at Rep. Anderson's office. Previously I had correspondence with him on the subject of mandatory auto liability insurance. Rep. Anderson had draft copies of bills to require a minimum level of public liability for all auto operators, and for state vehicle inspections and stickers. Neither bill was going anywhere.

Now I recognize that many folks come up here to escape the bureaucracy they had to live with in the South 48, but coming up here and abandoning all responsibility is not finding freedom, it is running from it. I once had freedom defined to me, as the freedom to take on the responsibilities you choose. We should be responsible enough to be certain that our affairs are in order to the point where we can pay for injury and damage to others for our actions. This is normally done by insurance on home and auto. We should be responsible enough to only take motor vehicles on the road which comply with the law and give everyone else a "fighting chance" to live... we should do these things, but many of us do not.

As an individual and as a business owner, both with adequate insurance, I am sick to my stomach when time after time one of my vehicles is hit and the other driver has no insurance, no regular job, no cash reserves and often no license or registration.

We had one of our brand new Datsun diesel pickups smashed out from under my partner by a driver who had no insurance, no license, was drunk as a skunk, and who now lives in the Matanuska Valley where he gold mines and refuses to come to the phone or accept a certified letter. Our insurance paid the major portions, and we paid the \$500 deductible. Our insurance carrier is "attempting to recover" both the funds they advanced and the deductible, but who knows when and if that will ever happen?

Recently our new Mazda service diesel was ripped open from end to end by a guy in a Chevy pickup with no insurance, no license, no registration. Same deal again, and another \$2,800-plus.



Daily we all see the death-on-wheels that some folks push on to the public highways; no bumpers, broken windshields, missing lights, lights aimed up in your face, no defrosters, ice covered windows and drivers peering out through a postage-stamp sized hole, no brake lights, no turn indicators, bald tires in winter and summer and the whole works.

Estimates have been made that over 60 percent of the driving public in Alaska is not insured. That means that all the premiums required to cover all the accidents and injuries are paid by fewer than half of us who do have the responsibility to have coverage. What's fair about that? Maybe we should cancel as well and let the rest of the world try to pry money out of us if we cause an accident.

I know that there will be some who will cry, "but what about the folks who cannot afford the insurance, cannot afford to keep

# forum

## sary responsibility for all



“If folks cannot, or will not, develop that sort of old-fashioned responsibility, then I am afraid we must legislate it.”

their vehicles up to a safe standard?”

My answer may appear a tad cold on the surface, but think about it: perhaps they should not drive! There is the People Mover Bus system now, the third such system since I've been here and this one is working! There are special concessions made to car-poolers. Remember, the courts have long held that driving an automobile on the public highways is a *privilege*, not a *right*. When you take your ton of steel out there and aim it at folks, you are supposed to have your act together. If you do not, keep off the track.

You're not supposed to fly airplanes without licenses and medical. You're not supposed to conduct brain surgery or practice law without certain certificates. Why, then, should folks be allowed to go out there and cause more property damage and death each year than all the wars we've ever been in, on the public highway with no such responsibility? If

folks cannot, or will not, develop that sort of old-fashioned responsibility, then I am afraid we must legislate it.

It's a manageable program. It's a bill that already has been written once, and there are comment sheets to get it on track. We have seen recently an ordinance that lets the police pick up vehicles driven by drunks; why not the same for those who drive when their licenses have been revoked, those who drive with no public liability and those who drive vehicles with 20 or 30 write-ups?

I recognize that the mandatory vehicle inspection system offers opportunity either for heavier bureaucracy or graft, but it can be made to work . . . Hawaii and Texas do it with ease. Sure we have difficulties in the Bush, and making the same rules apply there and here in town, but they can be worked out certainly.

□ Kent Leo Woodman is a 25-year resident of Anchorage, a licensed insurance agent, a small business owner, pilot and regional representative for the Aircraft Owners and Pilots Association.

STATE OF ALASKA  
FISCAL NOTE

Revision Date , 1983

REVENUES  
Item 209

I. REQUEST  
 Bill/Resolution No.: SSHB 7  
 Title: Motor Vehicle Insurance  
 Sponsor: Hayes  
 Requestor: \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected: Public Safety  
 Program Category Affected: Public Prot/Just  
 BRU, Program of Subprogram(s) Affected:  
Driver/Vehicle Services/Alaska State Troop

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
<b>OPERATING</b>						
100 PERSONAL SERVICES		498.5	528.4	560.1	593.7	629.3
200 TRAVEL		31.0	32.9	34.9	37.0	39.2
300 CONTRACTUAL		460.2	487.8	517.1	548.1	581.0
400 COMMODITIES		35.5	37.6	39.9	42.3	44.8
500 EQUIPMENT		147.9				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
<b>TOTAL OPERATING</b>		1173.1	1086.7	1152.0	1221.1	1294.3
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND		1173.1	1086.7	1152.0	1122.1	1294.3
FEDERAL FUNDS						
OTHER (Specify Source)-						

POSITIONS:

FULL-TIME		12.0	12.0	12.0	12.0	12.0
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not identified by sponsor.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Marcia Lynn McKenzie  
 Division: Administrative Services

Phone: 465-4349  
 Date: 04/06/83

Approved by Commissioner: [Signature]  
 Department: Public Safety

Date: 4/6/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

3/8/83

FISCAL NOTE ANALYSIS  
SSEB-7 (SB-223)

The basic assumption of this fiscal note is that for this bill to be effective there must be an adequate system of enforcement and compliance. Other states with mandatory insurance laws estimate that 5%-15% of their vehicles are operating without insurance as owners find ways to circumvent the law. We find that our present Financial Responsibility Law, AS 28.20, is practically as effective and far less costly both to the state bureaucracy and to the citizens directly.

This fiscal note assumes an effective date of July 1, 1983. A 6% inflation factor has been applied to FY 85 and beyond.

Fiscal Note Detail - Alaska State Troopers

SS House Bill No. 7

Motor Vehicle Liability Insurance

Passage of this bill will require a statewide enforcement effort to ensure compliance. If a vehicle is stopped and proves not to have current insurance it will need to be impounded. This will require numerous Troopers all over the State to spend patrol time enforcing provisions of this particular law. The bulk of the activity will take place in the Anchorage area, Fairbanks and Juneau. One additional Trooper is requested for each of these locations to absorb the increased work load.

FY '84

	Three Troopers	Academy (2)	Totals
Per. Ser.	190,268		190,268
Travel	6,000		6,000
Contractual	52,704	9,000	61,704
Commodities	9,900	600	10,500
Equip. (1)	60,900		60,900
	<u>319,772</u>	<u>9,600</u>	<u>329,372</u>

- (1) Equipment costs are incurred during the first year only.
- (2) The Public Safety Academy is budgeted only for costs of training replacement Troopers based on normal turnover of personnel. Any new Troopers required due to new legislation need additional funding.

Note: Inflation after FY '84 is estimated at 6% per year. A Form 13 for each position is attached.

1.	POSITION TITLE State Trooper			RANGE/STEP 76A	BARG. UNIT PSEA	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PPT	STAFF MONTHS 13.9	RP NUMBER	PCH NUMBER	BRU PRIORITY	LOCATION Palmer	ELECTION DISTRICT 7-15	LEC.	
3.	CONTINUATION LEVEL	ADDITION			JUSTIFICATION				
4.	TYPE OF EXPENDITURE		AMOUNT		<p>This position will be utilized on increased patrol activity due to the need to check motor vehicle records to assure compliance with this new law.</p> <p>Equipment costs will be incurred in the first year only.</p>				
	1	2	3						
	PERSONAL SERVICES								
5.	Salary: \$2,698 + 25 hrs. OT	44,118							
6.	Benefits .2721	11,266							
7.	Supplemental Benefits	2,880							
8.	Fixed Benefits	2,240							
9.	TOTAL PERSONAL SERVICES	01	60,504						
10.	Travel	02	2,000						
11.	Contractual	03	17,568						
12.	Commodities	04	3,300						
13.	Equipment	05	20,300						
14.	Other								
15.	TOTAL COST		103,672						
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004		103,672					
19.		I-A Receipts 1005							
20.		Program Receipts 1020							
21.		Other							
FOR BSN USE ONLY									
4A KEY NUMBER _____									

**13 REQUEST FOR  
NEW POSITION**

AGENCY Department of Public Safety  
PROGRAM Crime ID & Apprehension  
BRU Alaska State Trooper  
COMPONENT Detachments & C.

Revised Late

**FY 84**

1.	POSITION TITLE State Trooper			RANGE/STEP 76A	BARC. UNIT PSEA	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.																					
2.	TYPE OF POSITION PPT	STAFF MONTHS 13.9	RP NUMBER	PCH NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT 7-15	LEG.																						
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION																											
TYPE OF EXPENDITURE			AMOUNT																											
PERSONAL SERVICES																														
5.	Salary: \$2,998 + 25 hrs. OT		44,118																											
6.	Benefits .2721		11,266																											
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21.	Other																													
<p>FOR BSM USE ONLY</p> <p>4A KEY NUMBER _____</p>																														

This position will be utilized on increased patrol activity due to the need to check motor vehicle records to assure compliance with this new law.

\* Equipment costs will be incurred in the first year only.

**13** REQUEST FOR NEW POSITION

AGENCY Department of Public Safety

PROGRAM Crime ID & Apprehension

BRU Alaska State Troopers

COMPONENT Detachments & C.I.B.

FY 84

Page 2 of 3

Revised Date \_\_\_\_\_

1.	POSITION TITLE State Trooper				RANGE/STEP 76A	DARG. UNIT PSEA	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 13.9	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 18-21	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1			2		3				
	PERSONAL SERVICES									
5.	Salary \$3,472 + 25 hrs OT		51,093							
6.	Benefits		13,047							
7.	Supplemental Benefits		2,880							
8.	Fixed Benefits		2,240							
9.	TOTAL PERSONAL SERVICES		01	69,260						
10.	Travel		02	2,000						
11.	Contractual		03	17,568						
12.	Commodities		04	3,300						
13.	Equipment		05	20,300						
14.	Other									
15.	TOTAL COST			112,428						
	RECEIPT CODE		FUNDING SOURCE							
16.			Federal Receipts 1002							
17.			G.F. Hatch 1003							
18.			General Funds 1004		112,428					
19.			I-P Receipts 1005							
20.			Program Receipts 1028							
21.			Other							

This position will be utilized on increased patrol activity due to the need to check motor vehicle records to assure compliance with this new law.

\* Equipment costs will be incurred in the first year only.

FOR BSM USE ONLY  
4A KEY NUMBER

**13** REQUEST FOR  
NEW POSITION

AGENCY Department of Public Safety  
PROGRAM Crime ID & Apprehension  
BRU Alaska State Troopers  
COMPONENT Detachments & C.I.B.

FY 04

Page 3 of 3  
Revised Date

EXPENDITURES

	FY 84	FY 85	FY 86
100 Personal Services	308.2	326.7	346.3
200 Travel	25.0	26.5	28.1
300 Contractual	398.5	422.4	447.7
400 Commodities	25.0	26.5	28.1
500 Equipment	<u>87.0</u>	<u>-0-</u>	<u>-0-</u>
TOTAL	843.7	802.1	850.2

For this bill to be effective the Division of Motor Vehicles must create a compliance unit of 9 employees. The compliance unit must be located with Division headquarters since there must be ready reference to the existing ownership and registration record. The present headquarters location will not accommodate any expansion, therefore, the fiscal note provides for relocation and lease of new space for the Division of Motor Vehicles headquarters in FY-84.

A further breakdown by object code is attached. The reason for such a large figure in the 310 category is because of statutory requirements that all suspension notices must be sent by registered or certified mail, return receipt requested. If action is taken on 30,000 uninsured vehicles, at \$1.55 postage per notice, that cost alone is \$46,500.

ANALYSIS (continued):

The FY-84 costs for the compliance unit are as follows:

100 Personal Services

1 - Insurance Compliance Unit Supervisor (Range 18, new classification)	49.5
2 - Hearing Officers (Range 16, new classification)	85.0
1 - Clerk V	31.3
4 - Clerk IV	112.8
1 - Microfilm Equipment Operator	29.6
TOTAL	308.2

200 Travel

Hearing Officers to travel to various cities to conduct suspension hearings	25.0
--	------

300 Contractual

310 - phones, tolls, postage	51.5
320 - forms, advertising, public notice	15.0
330 - headquarter's space lease (6,000 sq. ft.)	162.0
360 - equipment rental (4 AJIS terminals)	30.0
382a - DP Chargeback programming and maintenance	80.0
TOTAL	398.5

ANALYSIS (continued):

400 Commodities

Normal office supplies 25.0

500 Equipment

Office Equipment (9 employees) 27.0  
Word Processing Station (Wang) 20.0  
Microfilm Camera and Printer 40.0

TOTAL 87.0

Inflation for subsequent years if figured at the 6% level.

1.	POSITION TITLE Clerk IV				RANGE/STEP 9	BARC. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.			
3.	CONTINUATION LEVEL				JUSTIFICATION						
4.	TYPE OF EXPENDITURE				AMOUNT						
	1		2		3						
	PERSONAL SERVICES										
5.	Salary	1700	20.4								
6.	Benefits		3.6								
7.	Supplemental Benefits		1.3								
8.	Fixed Benefits		2.9								
9.	TOTAL PERSONAL SERVICES		01		28.2						
10.	Travel		02								
11.	Contractual		03		5.0						
12.	Commodities		04		1.0						
13.	Equipment		05		3.0						
14.	Other										
15.	TOTAL COST				37.2						
<p>The state is required to suspend vehicle registrations and operator's licenses of those found to be operating a motor vehicle without liability insurance. The clerical functions associated with this are highly specialized in that the Clerk IV must be able to do detailed research in both motor vehicle and drivers records, must be familiar with different types of insurance policies, and must have a working knowledge of all motor vehicle laws.</p> <p>Accuracy is essential in this work since the consequences of the unit's actions on individual citizens is great. The loss of vehicle and driving privileges is a harsh step and the possibility of error must be eliminated to avoid working hardships on innocent parties. To assist in record tracking and handling similar form correspondence, a Wang word processing unit will be used by the section.</p> <p>Based on other states' experience, approximately 10% or 30,000 vehicle owners will try to circumvent or violate this law. The volume of records and correspondence with 30,000 cases annually will require a unit of 4 Clerk IVs.</p>											
	RECEIPT CODE	FUNDING SOURCE									
16.		Federal Receipts 1002									
17.		G.F. Match 1003									
18.		General Funds 1004			37.2						
19.		I-A Receipts 1005									
20.		Program Receipts 1028									
21.		Other									
<p>FOR B&amp;M USE ONLY</p> <p>4A KEY NUMBER _____</p>											

**13** REQUEST FOR  
NEW POSITION

AGENCY Department of Public Safety

PROGRAM Life and Property Protection

BRU Driver/Vehicle Services

COMPONENT Vehicle Services

**FY 84**

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Revised Date \_\_\_\_\_

1.	POSITION TITLE Clerk IV				RANGE/STEP 9	BARC. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.		
2.	TYPE OF POSITION PPT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.				
3.	CONTINUATION LEVEL				JUSTIFICATION							
4.	TYPE OF EXPENDITURE				<p>The state is required to suspend vehicle registrations and operator's licenses of those found to be operating a motor vehicle without liability insurance. The clerical functions associated with this are highly specialized in that the Clerk IV must be able to do detailed research in both motor vehicle and drivers records, must be familiar with different types of insurance policies, and must have a working knowledge of all motor vehicle laws.</p> <p>Accuracy is essential in this work since the consequences of the unit's actions on individual citizens is great. The loss of vehicle and driving privileges is a harsh step and the possibility of error must be eliminated to avoid working hardships on innocent parties. To assist in record tracking and handling similar form correspondence, a Wang word processing unit will be used by the section.</p> <p>Based on other states' experience, approximately 10% or 30,000 vehicle owners will try to circumvent or violate this law. The volume of records and correspondence with 30,000 cases annually will require a unit of 4 Clerk IVs.</p>							
	1		2								3	
	PERSONAL SERVICES											
5.	Salary	1700	20.4									
6.	Benefits		3.6									
7.	Supplemental Benefits		1.3									
8.	Fixed Benefits		2.9									
9.	TOTAL PERSONAL SERVICES		01	28.2								
10.	Travel		02									
11.	Contractual		03	5.0								
12.	Commodities		04	1.0								
13.	Equipment		05	1.0								
14.	Other											
15.	TOTAL COST			37.2								
	RECEIPT CODE	FUNDING SOURCE										
16.		Federal Receipts	1002									
17.		G.F. Match	1003									
18.		General Funds	1004	37.2								
19.		I-A Receipts	1005									
20.		Program Receipts	1028									
21.		Other										
FOR B&M USE ONLY												
4A KEY NUMBER												

**13** REQUEST FOR  
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1.	POSITION TITLE Clerk IV			RANGE/STEP 9	BARG. UNIT GGU	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PPT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL			ADDITION	JUSTIFICATION				
4.	TYPE OF EXPENDITURE			AMOUNT					
	1			2		3			
	PERSONAL SERVICES								
5.	Salary	1700		20.4					
6.	Benefits			3.6					
7.	Supplemental Benefits			1.3					
8.	Fixed Benefits			2.9					
9.	TOTAL PERSONAL SERVICES		01	28.2					
10.	Travel		02						
11.	Contractual		03	5.0					
12.	Commodities		04	1.0					
13.	Equipment		05	3.0					
14.	Other								
15.	TOTAL COST			37.2					
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004		37.2					
19.		I-A Receipts 1005							
20.		Program Receipts 1028							
21.		Other							
FOR D&M USE ONLY									
4A KEY NUMBER									

The state is required to suspend vehicle registrations and operator's licenses of those found to be operating a motor vehicle without liability insurance. The clerical functions associated with this are highly specialized in that the Clerk IV must be able to do detailed research in both motor vehicle and drivers records, must be familiar with different types of insurance policies, and must have a working knowledge of all motor vehicle laws.

Accuracy is essential in this work since the consequences of the unit's actions on individual citizens is great. The loss of vehicle and driving privileges is a harsh step and the possibility of error must be eliminated to avoid working hardships on innocent parties. To assist in record tracking and handling similar form correspondence, a Wang word processing unit will be used by the section.

Based on other states' experience, approximately 10% or 30,000 vehicle owners will try to circumvent or violate this law. The volume of records and correspondence with 30,000 cases annually will require a unit of 4 Clerk IVs.

**13** REQUEST FOR  
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1.	POSITION TITLE Hearing Officer				RANGE/STEP 16	BARC. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.			
3.	CONTINUATION LEVEL				ADDITION		JUSTIFICATION				
4.	TYPE OF EXPENDITURE				AMOUNT						
	1		2		3.						
	PERSONAL SERVICES										
5.	Salary	2670	32.0								
6.	Benefits		5.6								
7.	Supplemental Benefits		2.0								
8.	Fixed Benefits		2.9								
9.	TOTAL PERSONAL SERVICES		01	42.5							
10.	Travel		02	10.0							
11.	Contractual		03	5.0							
12.	Commodities		04	2.0							
13.	Equipment		05	3.0							
14.	Other										
15.	TOTAL COST			62.5							
	RECEIPT CODE	FUNDING SOURCE									
16.		Federal Receipts 1002									
17.		G.F. Match 1003									
18.		General Funds 1004		62.5							
19.		I-A Receipts 1005									
20.		Program Receipts 1020									
21.		Other									
FOR BSM USE ONLY											
4A KEY NUMBER _____											

The mandatory insurance bill requires the state to suspend vehicle registrations, plates, and operator's licenses for those people who operate a vehicle without the required liability insurance. Prior to taking any action of this type, the department must provide the person an opportunity for an administrative hearing (AS 28.05.131).

Using estimates based on other states' experience with mandatory insurance, there will only be a 90% compliance level. This means action will be taken on the remaining 10% or 30,000 uninsured vehicles. The hearing officer must travel to all areas of the state to administer the hearings. With this volume there will be two hearing officers required.

Due to the limited scope of the hearing items, it is not necessary to have an attorney in this position.

**13** REQUEST FOR  
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PROGRAM Life and Property Protection

BRU Driver/Vehicle Services

COMPONENT Vehicle Services

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Revised Date \_\_\_\_\_

1.	POSITION TITLE Microfilm Equipment Operator I			RANGE/STEP 10	BARC. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION						
4.	TYPE OF EXPENDITURE			AMOUNT					
	PERSONAL SERVICES								
5.	Salary	1803	21.6						
6.	Benefits		3.8						
7.	Supplemental Benefits		1.3						
8.	Fixed Benefits		2.9						
9.	TOTAL PERSONAL SERVICES		01	29.6					
10.	Travel		02						
11.	Contractual		03	5.0					
12.	Commodities		04	4.0					
13.	Equipment		05	43.0					
14.	Other								
15.	TOTAL COST			118.8					
16.	RECEIPT CODE	FUNDING SOURCE							
17.		Federal Receipts 1002							
18.		C.F. Match 1003							
19.		General Funds 1004		118.8					
20.		I-A Receipts 1005							
21.		Program Receipts 1028							
		Other							
FOR BAH USE ONLY									
4A KEY NUMBER _____									

As a result of this bill, each vehicle operator must present some form of proof of insurance at the time of registration. This form is kept with the vehicle records which are microfilmed. Also the records of registration, suspensions, and all associated documents are microfilmed and kept with vehicle records. These forms and documents will represent a 20% increase in the documents presently maintained by the Vehicle Services Unit.

To accommodate this increased workload, a Microfilm Equipment Operator I is necessary to augment the present staff. Equipment associated with this position includes a microfilm camera and a reader-printer work station.

The microfilm retrieval system currently being used has proved cost effective in terms of labor savings and rapid response to filing needs. The high initial cost of equipment is soon offset by savings in labor and file storage costs.

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1.	POSITION TITLE Insurance Compliance Unit Supervisor				RANGE/STEP 18	BARG. UNIT Sup.	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.			
3.	CONTINUATION LEVEL				JUSTIFICATION						
4.	TYPE OF EXPENDITURE										
	1	2		3							
	PERSONAL SERVICES										
5.	Salary	3143		37.7							
6.	Benefits			6.6							
7.	Supplemental Benefits			2.3							
8.	Fixed Benefits			2.9							
9.	TOTAL PERSONAL SERVICES		01	49.5							
10.	Travel		02	5.0							
11.	Contractual		03	5.0							
12.	Commodities		04	2.0							
13.	Equipment		05	3.0							
14.	Other										
15.	TOTAL COST			64.5							
	RECEIPT CODE	FUNDING SOURCE									
16.		Federal Receipts 1002									
17.		G.F. Match 1003									
18.		General Funds 1004		64.5							
19.		I-A Receipts 1005									
20.		Program Receipts 1028									
21.		Other									

The mandatory insurance laws require that the state take action against those who do not have liability insurance or those who cancel policies after registration. Administration of this program is the responsibility of the Insurance Compliance Unit. The Supervisor of this unit will act under the general direction of the Chief of Vehicle Services and will be responsible for the supervision of seven employees.

This position carries considerable authority in that this unit has the responsibility of suspending both vehicle registration and operator's licenses of violators. This will require close coordination with the insurance industry, the court system, and law enforcement agencies to ensure that appropriate and timely action is taken and that complete due process is given to the citizen.

The intent of the law is to have 100% compliance, however based on other states' experience, usually only 90% compliance is achieved. This will require some action be taken on 30,000 uninsured vehicles and their owners.

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4A KEY NUMBER

**13** REQUEST FOR  
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**FY 84**

1.	POSITION TITLE Clerk V			RANGE/STEP 11	BARG. UNIT CCU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PPT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRJ PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.	

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary	1914	23.0
6.	Benefits		4.0
7.	Supplemental Benefits		1.4
8.	Fixed Benefits		2.9
9.	TOTAL PERSONAL SERVICES		31.3
10.	Travel	01	
11.	Contractual	03	5.0
12.	Commodities	04	1.0
13.	Equipment	05	3.0
14.	Other		
15.	TOTAL COST		40.3

JUSTIFICATION

Under the general supervision of the Insurance Compliance Unit Supervisor, this position will supervise the clerical section of this unit. The unit will perform checks on those suspected of being in violation of the insurance laws. The consequences of the actions of this section in suspending vehicle registrations and operator's licenses and complexity of the due process system require a high level of supervision and expertise.

The section supervisor must have a thorough knowledge of motor vehicle laws and forms and vehicle insurance practices and policies. This section will also schedule administrative hearings and the supervisor must coordinate these with the hearing officer's travel plans.

This position will be responsible for the final action of the unit, and accuracy and good judgement are essential to ensure correct compliance with the insurance laws and to avoid hardships for innocent vehicle operators.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	40.3
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

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4A KEY NUMBER \_\_\_\_\_

**13** REQUEST FOR  
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## Speaker of the House of Representatives

Touch V  
State Capitol  
Juneau, Alaska 99811  
(907) 455-3720

Official Business

April 11, 1983

To: House Labor and Commerce Committee

From: Jeff Day *JED*  
Assistant to the Speaker

Re: Fiscal Note for Department of Public Safety on SSHB 7

There are several misconceptions made in the fiscal note provided for SSHB 7 that this office wishes to respond to. Additionally it is felt, the fiscal note is not an accurate reflection the result of the legislation but, rather, is intended to discourage passage of the bill.

1. This is virtually the same fiscal note that was produced for the original HB 7 despite the fact that numerous changes and revisions were made in the sponsor substitute with a desire of lowering the proposed fiscal impact. It is felt that the changes in SSHB 7 were not taken into consideration in preparation of this fiscal note.
2. The fiscal note assumes an effective date of July 1, 1983. In fact the bill proposes an effective date of July 1, 1984 in order to give the Department sufficient time to prepare to implement this legislation. The fiscal impact in FY 84 should be minimal. This note does not reflect that fact.
3. The fiscal note states that every car stopped in which the driver could not provide proof of insurance would have to be impounded. That is not the case. The legislation gives discretion to a peace officer to impound a car on the spot. It does not mandate impoundment at that time. In fact a provision has been provided to issue a citation which is believed will be the usual course of action in such cases. Impoundment on the spot would only be likely if a peace officer knows he is dealing with a repeat offender or some similar case.  
The fiscal note reflects the desire for three state troopers to enforce the impoundment procedures which it feels are mandated. Since the bill does not mandate impoundment, it is felt these troopers are not needed for this activity. This cost should be eliminated from the fiscal note.

Page 2  
It must also be noted that the request for the three troopers includes 25 hours overtime in their proposed salaries without justification from the Department.

The fiscal note assumes a compliance unit of 9 persons will be required all based in Anchorage. If all are based in Anchorage, it is stipulated there must be more space made available. Why must all nine employees be based in Anchorage?

In the justification sections for the Clerk positions there are some misleading statements. The simple check for license and registration with regard to liability insurance should not be a "highly specialized" function as the fiscal note assumes. Micro film and computer technology should make this a relatively simple task along with the resulting form paper work. It is agreed that accuracy will be essential, but the qualifications and justification for this level of clerk service are overstated.

The fiscal note assumes that 10% will try to circumvent the law. While the ten per cent figure may be legitimate, it must be pointed out that some states have stated that only 5% try to circumvent the law. In any case, the legislation does not direct DMV to search all their records and find those who are trying to slip through the cracks. It only directs DMV to take action on those that come to its attention through notification by insurance companies. The assumption must also be made that this law will provide an incentive for many uninsured drivers to get insurance, provide proof to DMV at the time of registration or license renewal or the registration simply will not be renewed. There is no intent for DMV to initiate investigations into non insured motorists unless there is a clear action in which a motorist cancels a policy.

The justification for a clerk V position is questionable. These duties could be carried out by the unit supervisor or by one of the other four clerk positions.

In summary, the fiscal note reflects a cost that is similar to programs enacted in other states but which deal with many more vehicles than the number registered in Alaska. There are several wrong or misleading assumptions that have created what is felt to be an inflated fiscal note. These areas should be re-examined and the department should be urged to read the sponsor substitute and understand it to a better degree for preparation of a revised fiscal note.

# Alaska State Legislature



## Speaker of the House of Representatives

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3720

Official Business

April 18, 1983

The Honorable Walt Furnace  
Chairman  
House Labor and Commerce Committee  
Pouch V  
Juneau, Alaska 99811

Re: SSKB 7/ Reply to letter by Michael Thomas

Dear Representative Furnace:

You have received a letter from Michael Thomas who represents the American Insurance Association. He lists a number of reasons why this legislation should not be enacted. I wish to offer the following arguments for enactment of the legislation.

First, the insurance industry in general has opposed compulsory insurance, yet it has been enacted in about 2 dozen states. While it has been repealed in a couple and amended in some states, the fact remains...THE MAJORITY OF THOSE STATES WHICH HAVE TRIED THIS APPROACH HAVE KEPT IT. If such laws are so ineffective as the industry would want you to believe, why have most of the states retained these laws?

The arguments say that no law has proved completely effective in accomplishing a 100% insured motoring population. We do not expect 100% compliance. We do expect two accomplishments. It is believed that more people will buy insurance. If we can achieve even 90% compliance, that is a significant improvement over current estimates. Some states have achieved an even higher insured percentage. Two, the bill provides strong disincentives to drive while not insured. It is believed that the possibility of severe penalties will keep a significant portion of uninsured drivers off the road rather than risking loss of driving privileges or a motor vehicle. The bill is not aimed solely at mandating compliance. It also seeks to provide an incentive for to find alternate transportation for the uninsured.

The letter says that North Carolina has had problems achieving successful results with its law and "has still left many vehicles uninsured." However, in statistics obtained in 1981 it was learned that the prediction was that only 5% evaded the system and were uninsured. And of the accidents occurring in state involving in state drivers, less than one half of one per cent were found to be uninsured. In Alaska, a survey of accidents showed in 1980 and 1981 that about 20% of those people involved in accidents were uninsured. This points out that the North Carolina law has worked and I believe, if we could achieve their success rate, the legislation would have to be considered a success.

Two points need to be made. The letter from the insurance industry is misleading and vague. If there are inaccuracies in this one section, I submit that same vagueness likely persists throughout the letter. Insurance industry publications on this subject argue very effectively but in a very vague manner.

The letter also infers that compulsory insurance doesn't work because states still mandate the offering of uninsured insurance. First, you must realize uninsured or underinsured insurance is not required by any driver. It can be waived by the insured. But its offering allows a person to take ALL precautions to protect himself.

The letter infers that this law would be easy to avoid and that a motorist will cancel insurance the day after he buys it to comply with the law. While it is recognized a small hard core percentage might do this, once again there are disincentives in the bill that will make people really think about taking the chance of getting caught without insurance. I don't believe there is another state which has proposed as severe penalties as this legislation seeks to do for non compliance. There has not been serious objection to the notification requirements placed on insurance companies by this legislation at this point. North Carolina has reported reduced cost and administrative burden by requiring notification by insurance companies of cancellation only within the first six months of policy issuance. This is what our bill proposes to require.

Nobody is assuming the law will cost nothing to enforce. It will take efficient enforcement and a substantial amount of money. It is not believed it will require what Dept. of Public Safety is asking for in a fiscal note.

Representative Walt Furnace  
April 18, 1983  
Page 3

The bill also infers that premiums will rise dramatically if this program is adopted. First it is obvious premiums will rise if higher minimum liability limits are adopted. The desire to raise the limits may be a bargaining item even though it is not believed rates will increase as substantially as proposed. Whether there may be an increase in premiums simply as a result of mandatory insurance is subject to debate. The removal of the higher minimum limits negates much of the letter's argument, however.

The letter says that study of alternatives has not been undertaken on how to improve current law. A substantial directive has been received from the public for mandatory insurance. The public wants action now..not a study.

### Conclusion

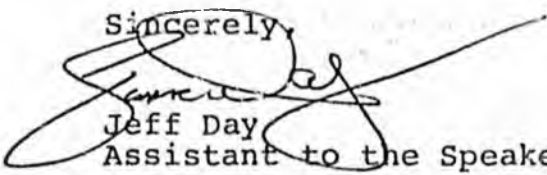
No one has ever assumed enactment of this legislation will result in a 100% insured motoring public. But results from other states have shown similar laws do increase the number of insured drivers. A combination of mandatory liability insurance and the offering of uninsured and underinsured insurance coupled with retention of the current financial responsibility law is the most effective way to close loopholes and protect the public.

Other states have encountered problems with the law, but most states that have enacted the law HAVE KEPT IT. Obviously, something beneficial is happening. It is realized there will likely be amendments to this law in the future if adopted. But it is a good starting point. Efforts have been taken to choose the better parts of legislation from many states so that it is effective and cost efficient.

The insurance industry has a very well financed lobbying effort to ward off these laws when they crop up around the nation. I caution the committee not to be misled by vague facts or misrepresentations in statement. I believe the public has expressed an interest in this legislation and it is the responsibility of the legislature to represent the public..not the insurance industry.

This office remains open to work with others seriously concerned with addressing this public concern.

Sincerely,



Jeff Day

Assistant to the Speaker

**Accidents urged**  
**NEW YORK** — The standardization of accident reports is being urged by state regulators by Independent Insurance Agents of America. It recommends that an accident report be developed by the National Association of Insurance Commissioners in cooperation with IIR/ACORD Corporation in order to cut costs for consumers and streamline the reporting process. In a letter to the President and Executive Vice Chairman Bill Gunter, the IIAA requested that an advisory committee be set up to develop such a form. The request will be brought before the NAIC's systems for deregulation and improved regulation subcommittee at the NAIC meeting in March.

**Kilpatrick to assume national executive roles**  
**NEW YORK** — Ralph S. Saul, president of CIGNA Corporation, announced January 17 that the co-chief executive structure, established at the time of the 1982 merger of Colonial General and INA, will be replaced with a more traditional structure. Saul will be named chief executive as of the April 18 annual meeting of shareholders. Following the meeting it is planned that Saul will serve as chairman of the board of directors and Robert D. Kilpatrick will serve as president and chief executive officer of CIGNA. Kilpatrick has been co-chief executive since the merger. In announcing this action, Saul said that for decisions to integrate Colonial General and INA have been made and the policies and procedures required to manage CIGNA have been established. Moreover, Saul is expected to meet the goals of the merger. In view of the changes made regarding the merger, Saul said that it is now appropriate to return to a more traditional form of corporate structure to address strategic and operational needs of the new structure. Saul, in announcing his resignation as chairman of the board, will chair the executive and non-executive members of the board. Saul served as chairman and chief executive officer of INA from 1978 to the merger. Kilpatrick, 59, served as president and chief executive officer of Connecticut General from 1976 until the merger, and joined the company in 1954.

**auto identification card**  
**WHITE PLAINS, NY** — Robert E. Merriman, executive vice president of the recently merged IIR/ACORD Corporation, has announced the availability of a uniform automobile insurance identification card effective February 15. Six of the 18 states that require proof of insurance as part of their mandatory automobile insurance laws have approved the ACORD form. Three other states appear to be nearing approving it, and several others have indicated that they are looking favorably upon it.

Those states where the card has been approved include Colorado, Connecticut, Delaware, Montana and Texas. Kansas also has given its approval, but has limited its use to private passenger automobiles.

Companies also are required to print and distribute ID cards of some type in Florida, Georgia, Hawaii, Idaho, Kentucky, Michigan, Nevada, New Jersey, New York, Oklahoma, Pennsylvania, and West Virginia. Some companies also issue ID's on a voluntary basis in states where they are not required. Although the majority of these forms are similar in appearance, each jurisdiction has some unique content or size requirement, necessitating separate forms which will comply with the state's regulation.

**Reinsurance arbitration program offered by IAF**

**NEW YORK** — A new arbitration program to help insurers and reinsurers speedily resolve their disputes has been developed by Insurance Arbitration Forums, Inc.

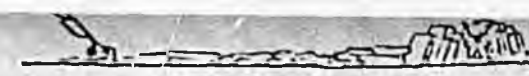
The "Excess/Primary Reinsurance Arbitration" program provides an effective vehicle for the settlement of inter-insurer disputes, according to Bernard L. Hines Jr., executive director of IAF, a non-profit industry organization.

"This program will enable insurers and reinsurers to resolve their disputes more quickly and efficiently," he said.

Prior to the establishment of the IAF program, there were no formal rules to guarantee an objective and prompt settlement of a reinsurance dispute, said Hines.

Now, through IAF's national network, cases involving all types of reinsurance disputes are being handled according to specific arbitration rules, he said. In addition, the entire arbitration process takes only 60 to 90 days.

Under the reinsurance program, disputing parties choose the hearing site and participate in the selection of



**The new COS**

Theories of liability have developed legal scholars and underwriters of a

The latest and perhaps the hardest of liability for wrongful life... not theory was accepted by the Wash (January 14 INSURANCEWEEK) a

Under the recent ruling of the Wash their parents may recover damages properly inform expectant parents prevented the choice of abortion.

It is difficult to argue against the sure from a physician concerning unborn child. It is logical in some of the right to decide on abortion could doctor who failed to properly inform defects. However, the ruling that the damages against the doctor in favor is stretching the judicial function be

Most of us will agree that we can stand under which we would prefer the court to award damages to a wrongfully permitting the child to information that could have resulted in a jury to place a negative measurement

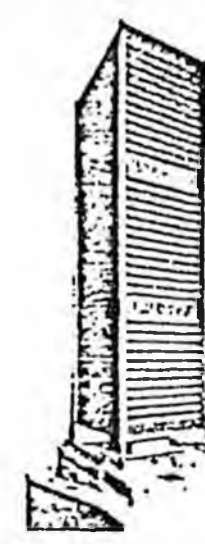
Permitting recoveries for wrongful liability to the unborn and to the holding physicians liable for the permitting them to die.

Wrongful life liability and the expansion of liability for medical pressures on medical practitioners increase costs for patients.

arbitrators from IAF's group of experienced reinsurance executives.

Filing cost for the program is \$250 for each disputing party. The program is voluntary and handled on a per case basis.

Additional information is available



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Juneau, Alaska 99811  
465-3991

MEMORANDUM

March 6, 1980

TO: Representative Sally Smith

FROM: Peter B. Froehlich

RE: Uninsured Motorists and the Motor Vehicle Safety Responsibility Act (AS 28.20) (Research Request No. 69)

You recently asked this agency to explore possible methods to "tighten up" the Motor Vehicle Safety Responsibility Act (AS 28.20). In the course of our research on the Act, we learned that the Senate Commerce Committee has been studying the same issue. That committee has received a report from Richard Block, former director of the Division of Insurance, addressing amendments to the Act, as well as other approaches to the problem of uninsured motorists in Alaska. Senator Bradley has recently introduced one bill as a result of Mr. Block's report (SB 460 authorizing municipalities to impose mandatory insurance). Another, which will amend and tighten up the Motor Vehicle Safety Responsibility Act is currently being drafted by the Legal Services Division of the Legislative Affairs Agency for the committee.

In light of the existence of Mr. Block's report and the legislation which Senate Commerce Committee intends to introduce amending the Act, you have instructed us that completion of our research pursuant to your request was not necessary. Nonetheless, we offer this memorandum as a brief summary of our work thus far.

\* \* \* \* \*

The problem at hand is that over 50% of the registered private vehicles in Alaska are completely uninsured. In 1978, according to Division of Insurance statistics, the figure was 49.1%. Although that year is the most recent for which complete data is available, the trend has been an increase in the figure each year.

The answer to the problem is not at all simple, and many possibilities have been suggested. Mandatory insurance appears to be the least popular for several reasons. In the states which have tried it, enforcement and administration has been an expensive burden and insurance rates have often climbed faster than in states without mandatory insurance.

"No fault" insurance is perhaps a more workable solution, but has not been popular with insurance carriers, attorneys and others in Alaska when it has been considered by the legislature in the past.

Amendment of the existing Motor Vehicle Safety Responsibility Act may be the most feasible answer. This approach would take advantage of the main body of an existing chapter of the Alaska Statutes. It would therefore result in less disruption, adjustment and staff increase in the existing bureaucracy which implements the Act. It would be simpler both to legislate and to administer. Because fewer people would be forced by law to buy insurance, individual freedom of choice would be preserved to a greater degree. While all possible problems with uninsured drivers would not be solved, significant improvement could result from amending the Act.

The Motor Vehicle Safety Responsibility Act was enacted in 1959 during the first legislative session after Statehood. The Act deals with two separate subjects: 1) the requirement of deposit of security by uninsured motorists involved in an accident (AS 28.20.050-220); and 2) the requirement of proof of financial responsibility for the future by motorists convicted of certain offenses or involved in an accident (AS 28.20.230-600). The Act has been amended 13 times from 1964 through 1977. However, none of these amendments were really substantive. They merely made minor changes such as raising dollar amounts (e.g., ch 202 SLA 1976 and ch 144 SLA 1977), repealing some sections and subsections (e.g., 53 SLA 1973 and ch 135 SLA 1977), and substituting the Department of Public Safety for the Department of Revenue in the administration of the Act (e.g., ch 214 SLA 1976). Although the Alaska Supreme Court made several specific suggestions for substantive amendments to the Act in Paulson vs. National Indemnity Co. 498 P2 d731 (AK 1972), no remedial action was taken by the legislature. The Act has been significantly interpreted in one other Alaska Supreme Court case, Hart vs. National Indemnity Co. 422 P2 d1015 (AK 1967). It has been cited or applied in at least 9 other cases, including three Alaska Supreme Court cases, two Federal District Court cases, and four Alaska Superior Court cases.

Several amendments to the Act have been suggested either by others contacted during our research or by the research itself. First, of course, are the suggestions of the Alaska Supreme Court in the Paulson decision 498 P2 d731 at 737. These suggestions are directed at tightening the requirements of the second part of the Act for proof of financial responsibility for the future by motorists involved in accidents. The court suggested the repeal of language in AS 28.20.410 and 440 which allows a motorist to satisfy the act by insuring only one of several vehicles he owns.

Representative Sally Smith

March 6, 1980

Page 3

Two amendments were suggested by Ken Moore, director of the Division of Insurance in a January 24, 1980 letter to Senator Hackney. These amendments would 1) prevent registration of a vehicle or renewal thereof by anyone required under the Act to file proof of responsibility for the future who did not do so; and 2) make any falsification of such proof punishable by a fine or jail sentence. The latter suggested amendment appears to be covered by existing AS 28.20.570. The first suggestion, essentially tightening the relationship between the Act and AS 28.10 (Vehicle Registration) appears to be necessary and desirable; however, it would be susceptible to devious compliance by an individual who obtains an insurance policy, registers his car, and then cancels his policy.

Another possible amendment to tighten the Act would be repealing AS 28.20.260(b) which exempts anyone involved in an accident who establishes his freedom from fault in court from the proof of financial responsibility in the future requirement. The Department of Public Safety in 13 AAC 08.110 has implemented this section by providing that only those who "in the department's opinion" stand a "reasonable possibility" of being held liable in court need provide the required proof. Eliminating the exemption of AS 28.20.250(b) would force more people to prove financial responsibility and save the department from making its finding as to reasonable possibility of liability. However, it would also force innocent parties to accidents to buy what would probably be high risk, high cost "SR 22" insurance.

One last amendment which has been suggested may be the most effective measure. It is a suggestion which apparently arose from Mr. Block's report to the Senate Commerce Committee and will be included in that committee's bill. This approach would follow the example of New Mexico and enact a fairly stiff penalty (fine and/or jail) for any uninsured motorist who is involved in an accident in which he has any fault.

In conclusion, we should note that the whole area of automobile insurance and solutions to the problem of uninsured motorists is very complex, and no perfect solutions seem to be available. If you have any further questions or desire any additional background information on this matter, please contact us.

PBF/dp

A STUDY OF UNINSURED  
MOTORISTS INVOLVED IN  
REPORTED AUTOMOBILE ACCIDENTS

AUGUST 1980

ANN DURAND

INSURANCE INDUSTRY STUDIES  
BY THE  
ALL-INDUSTRY RESEARCH ADVISORY COUNCIL

RESEARCH REPORT A80-5

## ACKNOWLEDGMENTS

This research report was carried out under the auspices of the Personal Lines Committee of the All-Industry Research Advisory Council. Additional copies of the study may be made or it may be quoted with proper attribution to the author and Personal Lines Committee of the Council. Correspondence regarding the study should be directed to the All-Industry Research Advisory Council, 7315 Wisconsin Avenue, Suite 231-W, Bethesda, Maryland 20014.

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A Study of Uninsured Motorists  
Involved in Reported Automobile Accidents

Overview

A study of the characteristics of uninsured motorists and of the vehicles they drive has been done by the Personal Lines Committee of the All-Industry Research Advisory Council (AIRAC). This study was based on data obtained from official accident report forms filed with motor vehicle departments in seven states--California, Florida, Louisiana, North Carolina, Oregon, Virginia, and West Virginia. It was assumed that a vehicle was uninsured if the accident report did not show the vehicle was insured, or if the driver at the time of the accident was other than the owner and no insurance was shown.

Major findings from this study of uninsured drivers involved in reported accidents were as follows:

1. About 70% of the uninsured motorists in the study were males. In all accidents (including both insured and uninsured), almost 70% of the drivers were males, also. Thus, there does not appear to be any significant difference by sex in the insured population and the uninsured population. It is interesting to note that males, who make up 53% of all licensed drivers, were involved in a disproportionate share of accidents.
2. Uninsured motorists tended to be younger drivers. Some 46% of the uninsured motorists in the study were under age 25 compared with 38% of all drivers involved in accidents and 22% of all licensed drivers in the seven survey states.
3. About 30% of the uninsured motorists were not owners of the vehicles driven in the reported accidents. Younger drivers were less likely than older drivers to be owners (possibly a reflection of young people driving parents' cars).

4. A large proportion of the uninsured vehicles were older models. Some 46% of the uninsured vehicles in the study were 1971 models or older compared with 36% of all cars in operation.
  
5. A special analysis of the areas of residence of the uninsured motorists examined levels of income and of mobility. This analysis suggested that failure to have auto insurance was not restricted to a limited segment of the population (i.e., the uninsured motorists were not concentrated in any particular types of areas.)

## Introduction

Although the magnitude of the problem presented by the uninsured driver to the insured public and to the auto insurance industry is difficult to measure, it has been alleged that the number of uninsured drivers is increasing and that a major reason for car owners driving without insurance is the high cost of such auto insurance. In 1978, the Personal Lines Committee of the All-Industry Research Advisory Council (AIRAC) charged a subcommittee with exploring changes in consumer behavior resulting from increases in auto insurance premium. One project initiated by this subcommittee was a study of the characteristics of uninsured motorists and of the vehicles they drive. This report summarizes the results of that study.

## Methodology

Recognizing the limitations of examining aggregate statistics comparing car registrations with insured cars and of surveying consumer attitudes and behavior (possible self-reporting bias), the approach taken in this study was to examine information provided on official accident report forms that described accidents involving private passenger vehicles. Information about uninsured drivers and vehicles was provided by motor vehicle departments in seven states from the reports of accidents that occurred during a one-month period or from reports processed during a one-month period. For the purpose of this study, it was assumed a vehicle was uninsured if the accident report did not show that the vehicle was insured. Also, if the driver was other than the owner and no insurance was shown, it was assumed that there was no insurance applicable. It should be noted that data in this study describing uninsured drivers were based solely on accident reports filed in the seven survey states, and no effort was made in the course of this study to verify the accuracy or completeness of these reports.

Information was obtained from the states of California, Florida, Louisiana, North Carolina, Oregon, Virginia, and West Virginia using survey forms similar to that shown in Appendix A. The following items were collected for each uninsured driver: accident date, accident location (county), residence ZIP code, birthdate, sex, vehicle ownership, vehicle model year, vehicle make, and types of damage. States were selected to take part in this study on the basis of their ability to provide the desired information and their willingness to participate. A list of survey periods is shown in Appendix B for each participating state.

It should be noted that this method did not provide information about uninsured motorists in general, but about uninsured motorists who were involved in accidents reported to their respective state motor vehicle departments. Consequently, comparisons in this report of uninsured motorists with distributions of all drivers involved in accidents are more meaningful than comparisons with all licensed drivers (which are also provided). Because distributions of all drivers involved in accidents were not available for the seven survey states individually, data for 24 states combined were used for comparison purposes. Unfortunately, appropriate distributions of all vehicles involved in accidents by make and by model year were not available.

#### Summary of Results

Descriptive information was collected for a total of 6,159 uninsured motorists involved in reported accidents in the seven survey states. The number of uninsured motorists and the number of accident reports reviewed during the survey period are shown for each state in Table 1. The largest absolute numbers of uninsured motorists were found in the states of Florida (2,169) and California (1,035). The particularly small number of uninsured motorists in North Carolina (51) was probably a result of the selection criterion used by that state: information was provided only for those cases where action was being taken by the state. It is not recommended that state-to-state comparisons be made of the number of

Table 1

Number of Uninsured Motorists and Number of  
Accident Reports Reviewed by State

State	Number of Uninsured Motorists Involved In Reported Accidents	Number of Accident Reports Reviewed
California	1,035	47,494
Florida	2,169	6,539
Louisiana	778	24,762
North Carolina	51	Not Available
Oregon	446	10,535
Virginia	773	38,297
West Virginia	907	4,950

uninsured drivers as a percentage of accident reports reviewed because of suspected differences in data collection methods among the participating states. This report focuses on descriptions of uninsured motorists and vehicles rather than on such comparisons of incidence for this reason.

It should be noted that the number of uninsured motorists per state may differ in subsequent tables due to varying amounts of missing data for individual survey items. Tables presented in the remainder of this report are based on valid data only.

Sex and age of uninsured motorists are examined individually in Tables 2 and 3, and Table 4 contains distributions of uninsured motorists by age and sex combined. Similar proportions of uninsured motorists involved in accidents and of all drivers involved in accidents were males. A disproportionately large number of the uninsured drivers and of all drivers in accidents were found to be males when comparisons were made with the distribution of all licensed drivers in the seven survey states. Almost 70% of all uninsured drivers in the study and of all drivers involved in accidents were males compared with 53% of all licensed drivers in the seven survey states (see Table 2 and Figure 1).

Uninsured motorists tended to be younger drivers as shown in Table 3 and Figure 2. Drivers under age 20 accounted for 20% of the uninsured motorists in the study compared with 18% of all drivers involved in accidents and 8% of all licensed drivers. About 46% of the uninsured motorists were 24 years old or younger compared with 38% of all drivers involved in accidents and 22% of all licensed drivers.

The distributions of uninsured motorists and of all licensed drivers categorized by age and sex are shown in Table 4. A similar distribution for all drivers involved in accidents was not available. Consequently, comparisons with all drivers involved in accidents by age and by sex that are shown in Tables 2 and 3 should be a consideration when interpreting information shown in this table. Young males under age 25 accounted for about one-third of the uninsured motorists for the seven states combined, but only 12% of all licensed drivers were males in this age group. Some 18% of the uninsured motorists and 37% of all licensed drivers in the

seven survey states were females aged 25 or older. Similar observations regarding the age and sex of uninsured motorists could be made for each of the seven participating states individually.

A substantial number of uninsured motorists were not owners of the vehicles involved in the reported accidents. As shown in Table 5, about 30% of all uninsured motorists in the study did not own the vehicles driven, and the percentages of nonownership ranged from a low of 20% in California to a high of 44% in Louisiana. The strong relationship between vehicle ownership and driver age (possibly a reflection of young people driving parents' cars) is apparent in Table 6. Half of the uninsured motorists under age 20 did not own the vehicles which they drove at the time of their accidents compared to 30% of those between the ages of 20 and 24. The percentage of uninsured motorists who were nonowners continued to decrease with increasing age for the other age groups shown in this table.

Distributions of uninsured vehicles by model year and by make are shown in Tables 7 and 8. Uninsured vehicles tended to be somewhat older when comparisons were made with all vehicles in operation (see Table 7 and Figure 3). About 46% of the uninsured vehicles in the study and 36% of all cars in operation were 1971 models or older. This general observation regarding uninsured vehicle age applied to all states in the study except Louisiana where 28% of the uninsured vehicles were reported to be 1971 models or older. Strikingly higher percentages of uninsured vehicles were in this age group in North Carolina (68%--but the sample size was very small) and in Oregon (64%).

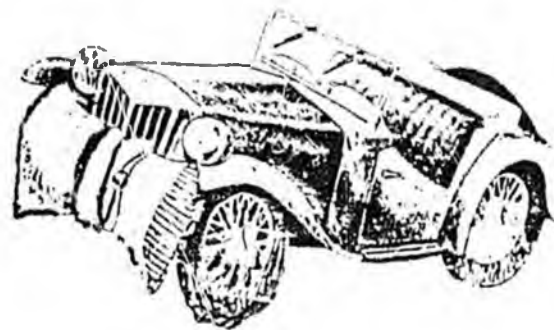
There was no apparent relationship between vehicle make and involvement in a reported accident while uninsured. As shown in Table 8, the distribution of uninsured vehicles in the study by make was similar to the distribution of all cars in operation.

Residence areas of the uninsured motorists and of all people in four of the survey states were compared in an effort to determine the extent to which the failure to have auto insurance (and involvement in a reported accident) was restricted to a limited segment of the population.

Tables 9 and 10 contain distributions of income levels and of mobility (i.e., percentages of households with length of residence two years or less) for residence ZIP code areas of the uninsured motorists and comparison distributions for the state populations. This analysis was restricted to the states which supplied ZIP codes for at least 85% of the uninsured motorists and for which there were adequate numbers of uninsureds. There was no consistent pattern appearing in either the income distributions or in the mobility distributions that was present for each of the four states. This suggested that uninsured motorists were not concentrated in any particular types of areas.

Further analyses of accident locations and areas of residence were done in order to discover whether there was a relationship between driving in urban areas and having auto insurance. As shown in Table 11, 32% of the accidents in Florida involving uninsured motorists occurred in Dade County (Miami) while 15% of all vehicles in Florida were registered in that county. Similarly, 39% of the accidents reported in California occurred in Los Angeles County compared to 31% of all registered vehicles (see Table 12). A substantially higher percentage of the uninsured motorists than of the total population in California resided in the city of Los Angeles--13% compared to 8%--as shown in Table 13. These comparisons seem to support a hypothesis that uninsured motorists were more likely to drive or to reside in urban areas. However, accident frequencies are higher in urban areas than in nonurban areas. Thus, since this study was based on uninsured motorists who were involved in reported accidents, these comparisons may reflect, in part, a higher accident frequency in urban areas rather than a characterization of uninsured motorists.

# **ALASKA 1982 PRIVATE PASSENGER AUTO INSURANCE**



**AND**



# **HOMEOWNERS INSURANCE**



**A STATISTICAL  
ANALYSIS**



**PART  
ONE**

**AUTOMOBILE**

1982 - STATISTICAL ANALYSIS  
PRIVATE PASSENGER AUTOMOBILE INSURANCE

- SUMMARY -

In 1981, the majority of companies writing private passenger automobile liability and physical damage insurance in Alaska garnered a profit. The overall loss ratio for all admitted companies writing private passenger automobile insurance was 56.8%, 4.6% higher than the 52.2% ratio enjoyed in 1980.

According to the July 19, 1982 edition of "Best's Insurance Management Report" Alaska had, for the fourth consecutive year, the lowest loss ratio of any state for all automobile insurance, 56.1%. This includes commercial automobile and private passenger automobile insurance. The loss ratio nationally was 70.7%, 14.6 percentage points higher. A consistently profitable automobile insurance market is something few states have been able to maintain in recent years. We are quite happy with the state of the market in Alaska. Over the past three years, we have seen an increase in the number of companies pursuing a share of the market. We now have a very active non-standard market helping to make insurance available at competitive prices to those drivers with numerous or serious violations on their driving records. Good drivers have many different companies and a wide variation of prices from which to choose. On the negative side, we still find ourselves striving to overcome misconceptions and trepidations underwriting by many companies. Being the largest of the United States, yet having a population of only just over 400,000 people does cause problems from a statistical credibility standpoint. Too often the negative results from other states have an influence on our market conditions. When profit conditions indicate a need for a company to tighten their underwriting, Alaska has in the past felt first the tightening rope of reduced availability. We sincerely hope that the consistent profitability of the Alaska automobile insurance market will cause the industry to consider us a desirable market in which to do business.

We have again divided this portion of the "Personal Lines Statistical Analysis" into two sections. First, is a review of the private passenger automobile insurance market in Alaska. The second section is a display of the rates charged for five different risks by numerous companies writing private passenger automobile insurance in Alaska.

Exhibit I ranks the 1981 market shares of the 30 leading writers in Alaska by line of automobile insurance and compares those shares to the 1980, 1979 and 1978 figures for those 30 companies.

The first chart of Exhibit I shows us that State Farm Mutual Automobile Insurance Company is the leading writer of private passenger auto liability insurance in this State. During 1981, State Farm Mutual Auto increased its written premium for this line by 7.8% despite dropping its market share by .15% to 22.15%, nearly a full percentage below its 23.1% share in 1979. Ranked number two, Allstate gained an additional .3% of the market and now holds a 20.5% market share, an increase of 2.6% over 1979's 17.9% share. Allstate's premium volume went up 10.1% in 1981. Third place Criterions market share remained about the same, 7.04%, up from 7% in 1980, premium volume was up 9.2%. United Services Automobile Association lost .3% of its share down to 4.19% from 4.5% in 1980, but they increased their premium volume 1.2%. Number five, State Farm Fire and Casualty gained a full percentage point of the market from 2.9% in 1980 to 3.92% in 1981 and had 49.4% more premium than 1980. Elsewhere in the top ten, four companies increased their market share and premium volume. Number seven, Leader National, lost 1.43% of its share down to 3.47% from 4.9%, while writing 22.5% less premium than 1980. The cumulative market share for the top ten is 74.8%, this compares to 74.7% in 1980. The top 30 companies accounted for 98.62% of the market, while the 30 top companies in 1980 had 98.9% of the market. Of the 30 companies, 13 increased their market share, 17 lost share. Written premiums were up for 17 companies and down for 13 companies. For all companies writing private passenger automobile liability in Alaska, written premiums were up 8.4% to \$32,408,000 from \$29,900,000 in 1980.

Exhibit I, Chart 2 shows that State Farm Mutual Auto has 22.5% of the private passenger auto physical damage market, an increase of .4% from 1980 and 3% from 1979. Written premiums for State Farm Mutual were up 23.1%. Allstate lost about .1% of its share down to 17.73% from 17.8% in 1980, but still up 1% over the 1979 share. Premiums for Allstate increased 10.1% from 1980. Criterion retains third place with a 1% increase in market share, 7.1% compared to 6.1% in 1980, premiums were up 23.6% since 1980. United Services Automobile Association moved into fourth place with a 5.42% share; 1.42% over 1980, premiums were up 50.9%. Foremost dropped to fifth, losing over 1.1% of its share and 15.2% in written premiums. The remainder of the top ten are led by State Farm Fire and Casualty in sixth place which now hold 3.22% of the market; up from 2.0% or 14th place in 1980, premium jumped 9.1% during the year. Nationwide Mutual joined the top ten in 1981 with a .5% increase in share, to 3.0%. The ten top writers account for 3.5% more of the market of 1981, 71.44% opposed to 67.9% in 1980. 95.95% of the private passenger auto physical damage business was written by the 30 companies, up 1.35% over 1980. Fourteen companies gained market share while 16 lost, but 19 increased premium volume and only 11 wrote less premium. Written premium volume for all companies was up 11.6% to \$26,896,000.

Chart 3 of the first exhibit displays the market shares of the top 30 companies based on their combined written premiums for liability and physical damage. Again, State Farm Mutual Auto leads with 22.31%, Allstate remains second with a 19.24% share of the market a slight drop from 1980. Of more significance is the fact that Allstate has fallen 3% behind State Farm. In 1978 and 1979, Allstate trailed State Farm by about 4%, closing the gap to 2.2% in 1980 and now falling back to 3%. Criterion has 7.1% of the market up .4% from 1980. United Services Automobile Association is up .45% over 1980 to 4.75%. In 1981, State Farm Fire and Casualty increased its share 1.1% to 3.6%. All of the top ten this year increased their premium volume and only one company from last year dropped out of the top ten, Leader National falling from 5th in 1980, a 3.3% share, to 11th in 1981 with a 2.41% share. Of these 30 writers, 13 companies increased their market share, 15 declined and two remained about the same. Nineteen companies wrote more premium in 1981 and 11 wrote less. Cumulatively, the 30 companies accounted for 96.39% of all private passenger auto premiums, whereas the 30 top writers in 1980 represented 96.6% of the market. Premium volume for all admitted companies writing private passenger automobile insurance in 1981 was \$59,304,000 up 10.5% over the 1980 figure of \$53,666,000

Exhibit 2, Chart 1 shows us that liability business was not as profitable in 1981 as in years past. The loss ratio for the top 30 writers and the overall market was the same in 1981, 62.8%. This is a substantial increase from the 51.5% loss ratio experienced by the total private passenger auto liability market in 1980. Of the top 30 companies, 10 had better experience, 18 worse and two were new markets in 1981. Eleven of the 18 companies with loss ratios worse than last year had loss ratios in excess of 60%, eight had in excess of 70%, three companies experienced a loss ratio greater than 80%. Eleven of the 30 companies had loss ratios below 50%, seven of these were below 40%.

The second chart of Exhibit 2 shows that the private passenger automobile physical damage market had a good year in 1981. The loss ratio for all companies was 49.5% compared to 53% in 1980. Fifteen of the top 30 companies improved their loss ratios in 1981. Only five of the 30 companies had loss ratios in excess of 60%, eight of the 30 had loss ratios less than 40%.

Chart 3 has the loss ratios for the top 30 writers of both liability and physical damage coverages and again we see generally profitable results. Of the 30 companies, four had loss ratios in excess of 70%, 14 had loss ratios less than 50% and the overall loss ratios for all companies was 56.8%, 4.6% higher than 1980 but still low enough for profit.

The two charts of Exhibit III further illustrate the profitability of the private passenger auto market in Alaska. Here we have the top 30 writers of liability and physical damage auto coverages and their expense exhibits. We have calculated the loss ratios, which should indicate a company's break-even point--permissible loss ratio (PLR)--(the ratios do not provide for investment income, reserves or the traditional 5% profit percentages). In the liability arena 14 companies had actual

loss ratios that exceeded their PLR, up from seven in 1980. Four of these companies had expense ratios in excess of that normally allowed by this division. An expense factor (including profit) greater than 45% is in most cases considered excessive. Thirteen companies had actual loss ratios 15% below their PLR in 1981 compared to 17 in 1980. The average PLR for the 30 companies was 61.2%. The expense exhibits for physical damage evidenced five companies whose loss ratios exceeded their PLR. Four of these companies had expense ratios in excess of the normally allowed 45%. Twelve companies had actual loss ratios 20% or more below their permissible loss ratios. The average PLR for the 30 companies was 61.9%, compared to actual loss ratios for the 30 companies of 49.5%, leaving 12.4% for incurred but not reported claims and profit requirements.

Writers of private passenger automobile insurance in Alaska have experienced five consecutive years of profitability a condition that's rare in today's automobile market. In many markets in the "Lower 48" states, combined ratios of 100% or more are common. Over the next 12 months we will be urging some companies to lower their rates and/or bring their expenses into line with accepted standards.

Exhibit IV is an illustration of the total private passenger automobiles registered in the State versus the insured car years, a comparison which provides a means of approximating the percent of uninsured motorists in this State. We have reevaluated the data base used in previous reports and find that statistics for the total number of autos were misstated. We have corrected the deficiencies and now have what we believe to be the most accurate possible estimation of the number of uninsured motorists. It is impossible to determine precisely the percentage uninsured. Even with the inherent inadequacies of this system, we can see that the number of insured drivers increased somewhat in 1980, we estimate 59.5% were insured up 1.8% over 1979 and 6.3% over 1978. While this increase is welcome, the thought that approximately 40% of Alaskans on the highways are uninsured is unsettling at best. Reasons for the large numbers of uninsured drivers are illusive. There does not appear to be a lack of available markets, and rates, in general, are not excessive.

Exhibit V concerns the Automobile Insurance Plan (assigned risk plan). Part A shows that in 1980, 2.6% of all insureds in the State were written through the Plan. This is 1% less than in 1979, 3.1% less than in 1978 and 5.2% less than 1977. 6.5% of the insureds countrywide were written through a plan of some sort in 1980, this is compared to 3.9% in 1979, an increase of 67%. In part B we see that the population of the plan continues to decline. At the end of 1980 there were 3,564 insureds in the plan, 24.1% less than in December 1979. 2,627 were in the plan at the end of 1981, a 26.3% drop from 1980 and 70.2% less than the 9,447 at the end of 1977. The depopulation of the plan is continuing in 1982 as shown in part C. Through September of 1982 only 1,009 policies had been assigned, 37.8% less than September 1981. The number of policies assigned each month has declined for 57 straight months. Part D charts the percentage of private passenger automobile liability premiums attributable to the Automobile Insurance Plan. The percentage in 1980 was 4.3%, down 2% from the 6.3% in 1979.

This division remains concerned about the population of the plan. While the population continues to decrease, the division feels that many insureds being placed in the plan could be written by companies on a voluntary basis. In conversations with agents around the State who utilize the plan extensively, we have heard that one of the main reasons for their use of the plan is price. We agree that for some types of risks the plan rates are low in comparison to voluntary market, but these rates are low because the experience of the plan has been favorable. The preponderance of clean risks or certainly risks that would be acceptable to companies on a voluntary basis are, to some degree, responsible for this good experience. The Alaska Automobile Insurance Plan Advisory Committee has been exploring various methods of depopulating the plan. One method receiving consideration is the requirement that agents give insureds a brochure explaining the plan and advising that by shopping, they may find companies willing to write voluntarily at lower rates or with improved coverage and better service.

For several years we have closed this narrative summary with a statement to the effect that the private passenger automobile insurance market in Alaska is profitable; this year is no exception. We are of the opinion that this profitability will continue. While this division continues to push for reduced insurance rates, we are not going to hinder the right of a company to make a reasonable profit. We will continue our efforts to assure that auto insurance rates in Alaska are neither excessive, inadequate nor unfairly discriminatory.

Norm Cheney  
Insurance Market Analyst

EXHIBIT I  
CHART I

PRIVATE PASSENGER AUTO LIABILITY MARKET SHARE

<u>Company Name</u>	<u>Written Premiums (000's Omitted)</u>	<u>% Market Share 1981</u>	<u>% Market Share 1980</u>	<u>% Market Share 1979</u>	<u>Cumula- tive Market Share 1981</u>
1. State Farm Mutual Auto Ins. Co.	7,178	22.15	22.3	23.1	22.15
2. Allstate Ins. Co.	6,643	20.50	20.2	17.9	42.65
3. Criterion Ins. Co.	2,282	7.04	7.0	7.4	49.69
4. United Services Automobile Assn.	1,359	4.19	4.5	4.5	53.88
5. State Farm Fire & Casualty Co.	1,271	3.92	2.9	1.9	57.80
6. Continental Insurance Co.	1,195	3.62	3.5	2.8	61.42
7. Leader National	1,123	3.47	4.9	5.9	64.89
8. Nationwide Mutual Fire Ins. Co.	1,090	3.36	3.2	3.0	68.25
9. Nationwide Mutual Ins. Co.	1,068	3.30	2.9	2.5	71.55
10. Horace Mann Ins. Co.	1,052	3.25	3.2	3.0	74.80
11. Government Employees Ins. Co.	870	2.68	3.0	3.2	77.48
12. Industrial Indemnity Co. of Ak.	724	2.23	1.7	1.9	79.71
13. Industrial Indemnity Co.	679	2.10	1.0	1.0	81.81
14. Firemans Fund Ins. Co.	638	1.97	2.7	3.2	83.78
15. Globe American Casualty Co.	604	1.86	.7	--	85.64
16. Associated Indemnity Corp.	594	1.83	1.9	2.9	87.47
17. Alaska Ins. Co.	579	1.79	2.0	1.8	89.26
18. AIU Ins. Co.	449	1.39	1.8	2.5	90.65
19. National Indemnity Co.	375	1.16	1.8	2.5	91.81
20. Colonial Penn Ins. Co.	307	.95	1.2	1.2	92.76
21. Insurance Co. of North America	302	.93	1.2	.8	93.69
22. Lumbermans Mutual Casualty Co.	235	.73	1.0	1.5	94.42
23. USAA Casualty Insurance Co.	217	.67	.8	.9	95.09
24. Dairyland Ins. Co.	198	.61	--	--	95.70
25. National Surety Corp.	195	.60	.5	.7	96.30
26. Industrial Indemnity Co. of the NW	192	.59	.9	1.	96.89
27. International Service Ins. Co.	169	.52	.6	.7	97.41
28. Fidelity & Casualty Co. of N.Y.	150	.46	.5	.4	97.87
29. Progressive Casualty Ins. Co.	143	.44	--	--	98.31
30. Foremost Ins. Co.	102	.31	.5	--	98.62
Total Top 30 Companies	31,676		98.9*		98.62
Total All Companies	32,408				100.0

\* Based on Top 30 copies 1980

Source: Insurance Reports 1979-81

## CHART II

## PRIVATE PASSENGER AUTO PHYSICAL DAMAGE MARKET SHARE

<u>Company Name</u>	<u>Written Premiums (000's Omitted)</u>	<u>% Market Share 1981</u>	<u>% Market Share 1980</u>	<u>% Market Share 1979</u>	<u>Cumula- tive Market Share 1981</u>
1. State Farm Mutual Auto. Ins. Co.	6,051	22.50	20.1	19.5	22.50
2. Allstate Insurance Co.	4,770	17.73	17.8	16.7	40.23
3. Criterion Ins. Co.	1,928	7.17	6.1	5.8	47.40
4. United Services Automobile Assn.	1,457	5.42	4.0	3.9	52.82
5. Foremost Ins. Co.	1,010	3.76	4.9	--	56.58
6. State Farm Fire & Casualty Co.	865	3.22	2.0	1.2	59.80
7. Nationwide Mutual Fire Ins. Co.	849	3.16	2.9	2.8	62.96
8. Nationwide Mutual Ins. Co.	806	3.00	2.5	2.2	65.96
9. Continental Ins. Co.	742	2.76	2.8	2.2	68.72
10. Horace Mann Ins. Co.	731	2.72	2.5	2.3	71.44
11. Government Employees Ins. Co.	728	2.71	2.8	2.9	74.15
12. American Family Home Ins. Co.	622	2.31	2.8	--	76.46
13. AIU Ins. Co.	504	1.87	2.2	2.6	78.33
14. Alaska Ins. Co.	453	1.68	1.7	1.7	80.01
15. Industrial Indemnity Co. of Alaska	435	1.62	1.1	1.2	81.63
16. Industrial Indemnity Co.	416	1.55	.7	.7	83.18
17. Motors Ins. Corp.	399	1.48	1.7	1.6	84.66
18. Associated Indemnity Co.	379	1.41	1.3	1.4	86.07
19. Firemans Fund Ins. Co.	339	1.26	1.6	2.0	87.33
20. Bankers & Shippers Ins. Co. of N.Y.	314	1.17	1.3	1.5	88.50
21. Leader National Ins. Co.	305	1.13	1.4	2.0	89.63
22. Globe American Casualty Co.	296	1.10	--	--	90.73
23. Imperial Casualty & Indemnity Co.	243	.90	3.7	4.5	91.63
24. Colonial Penn Ins. Co.	203	.75	.9	.9	92.38
25. Insurance Co. of North America	195	.73	--	--	93.11
26. National Indemnity Co.	187	.70	1.1	1.7	93.81
27. USAA Casualty Ins. Co.	177	.66	.5	.6	94.47
28. Dependable Ins. Co.	146	.54	--	--	95.01
29. Lumbermans Mutual Casualty Co.	131	.49	.8	1.1	95.50
30. Puritan Ins. Co.	122	.45	1.0	.8	95.95
Total Top 30 Companies	25,803		94.6*		95.95
Total All Companies	26,896				100.0

\*Based on top 30 companies 1980  
Source: Insurance Reports 1979-80

## CHART III

## PRIVATE PASSENGER AUTO PHYSICAL DAMAGE &amp; LIABILITY MARKET SHARE

<u>Company Name</u>	<u>Written Premiums (000's Omitted)</u>	<u>% Market Share 1981</u>	<u>% Market Share 1980</u>	<u>% Market Share 1979</u>	<u>% Market Share 1978</u>	<u>Cumula- tive Market Share 1981</u>
1. State Farm Mutual Auto Ins. Co.	13,229	22.31	21.5	21.4	21.1	22.31
2. Allstate Ins. Co.	11,413	19.24	19.3	17.3	17.2	41.55
3. Criterion	4,210	7.10	6.7	6.6	8.8	48.65
4. United Services Auto Assoc.	2,816	4.75	4.3	4.3	5.2	53.40
5. State Farm Fire & Casualty	2,136	3.60	2.5	1.6	1.3	57.00
6. Nationwide Mutual Fire Ins. Co	1,939	3.27	3.2	2.9	2.7	60.27
7. Continental Ins. Co.	1,937	3.27	3.2	2.5	1.7	63.54
8. Nationwide Mutual Ins. Co.	1,874	3.16	2.8	2.3	2.0	66.70
9. Horace Mann Insurance Co.	1,783	3.01	2.9	2.7	2.7	69.71
10. Government Employees Ins. Co.	1,598	2.69	2.9	3.1	2.6	72.40
11. Leader National Ins. Co.	1,428	2.41	3.3	4.1	3.8	74.81
12. Industrial Indemnity Co. of Ak.	1,159	1.95	1.5	1.6	--	76.76
13. Foremost Insurance Co.	1,112	1.88	2.5	--	--	78.64
14. Industrial Indemnity Co.	1,095	1.85	.9	.9	--	80.49
15. Alaska Ins. Co.	1,032	1.74	1.9	1.8	1.6	82.23
16. Firemans Fund Ins. Co.	977	1.65	2.3	2.7	3.0	83.88
17. Associated Indemnity Co.	973	1.64	1.6	1.8	1.9	85.52
18. AIU Ins. Co.	953	1.61	2.0	2.5	2.6	87.13
19. Globe American Casualty Co.	900	1.52	--	--	--	88.65
20. American Family Home Ins. Co.	622	1.05	1.3	--	--	89.70
21. National Indemnity Co.	562	.95	1.5	2.1	3.2	90.65
22. Colonial Penn Ins. Co.	510	.86	1.1	1.1	1.1	91.51
23. Insurance Co. of North America	497	.84	.7	.4	.5	92.35
24. Motors Ins. Corp.	399	.67	.8	.7	.6	93.02
25. USAA Casualty Ins. Co.	394	.66	.7	.8	1.1	93.68
26. Lumbermans Mutual Casualty Co.	366	.62	.9	1.3	1.7	94.30
27. Bankers & Shippers Ins. Co. of N.Y.	345	.58	.6	.7	.9	94.88
28. Industrial Indemnity Co. of the N.W.	306	.52	.8	.5	--	95.40
29. National Surety Corp.	297	.50	--	--	--	95.90
30. International Service Ins. Co.	289	.49	.6	.6	.7	96.39
Total Top 30 Companies	57,151			96.5*		96.39
Total All Companies	59,304					100.0

\*Based on top 30 companies 1980

Source: Insurance Reports 1978-81

## EXHIBIT II

## PRIVATE PASSENGER AUTO LIABILITY LOSS RATIO

## CHART I

	Earned Premium (000's Omitted)	Incurred Losses (000's Omitted)	Loss Ratio 1981	Loss Ratio 1980	Loss Ratio 1979	Loss Ratio 1978
1. State Farm Mutual Auto Ins. Co	7,081	4,589	64.9	49.4	31.4	43.2
2. Allstate Ins. Co.	6,557	4,664	71.1	58.5	56.3	55.1
3. Criterion Ins. Co.	2,198	1,128	51.3	40.0	55.7	73.4
4. United Services Automobile Assoc.	1,409	834	59.2	27.5	52.0	24.9
5. State Farm Fire & Casualty Co.	1,159	1,040	89.7	20.8	3.4	5.0
6. Continental Ins. Co.	1,090	847	77.7	62.4	30.5	49.9
7. Leader National Ins. Co.	1,207	535	44.3	47.4	46.1	40.4
8. Nationwide Mutual Fire Ins. Co.	1,056	962	91.1	80.2	55.0	45.1
9. Nationwide Mutual Ins. Co.	1,011	928	91.8	61.9	70.8	84.6
10. Horace Mann Ins. Co.	1,023	392	38.3	43.7	43.5	54.8
11. Government Employees Ins. Co.	877	453	51.7	78.6	31.5	80.5
12. Industrial Indemnity Co. of Ak.	718	298	41.5	90.0	44.4	33.0
13. Industrial Indemnity Co.	479	294	61.4	37.7	27.1	--
14. Firemans Fund Ins. Co.	683	151	22.1	34.3	31.9	28.5
15. Globe American Casualty	492	280	56.9	12.9	--	--
16. Associated Indemnity Corp.	584	222	38.0	41.6	44.4	33.0
17. Alaska Ins. Co.	585	437	74.7	71.3	61.0	76.6
18. AIU Ins. Co.	445	329	73.9	51.9	61.0	76.6
19. National Indemnity Co.	403	254	63.0	12.6	6.2	45.1
20. Colonial Penn Ins. Co.	323	132	40.9	22.8	20.4	35.8
21. Insurance Co. of North America	297	117	39.4	51.8	47.4	44.9
22. Lumbermans Mutual Casualty	252	141	56.0	115.1	38.4	83.5
23. USAA Casualty Ins. Co.	229	66	28.8	29.0	37.5	27.3
24. Dairyland Ins. Co.	147	82	55.8	--	--	--
25. National Surety Corp.	192	88	45.8	35.0	60.2	32.0
26. Industrial Indemnity Co. of the NW	239	180	75.3	57.1	54.6	--
27. International Service Ins. Co.	183	104	56.8	45.2	34.3	45.4
28. Fidelity & Casualty Co. of N.Y.	140	23	16.4	9.2	9.9	18.2
29. Progressive Casualty Ins. Co.	94	51	54.3	--	--	--
30. Foremost Ins. Co.	118	20	16.9	28.9	10.1	43.5
Total Top 30 Companies	31,271	19,642	62.8	50.5*	42.9*	
Total All Companies	31,734	19,940	62.8	51.5	44.7	50.0

\* Based on Top 30 companies 1979, 1980

Source: Insurance Reports 1978-81

## CHART II

## PRIVATE PASSENGER AUTO PHYSICAL DAMAGE - LOSS RATIO

<u>Company Name</u>	<u>Written Premiums (000's Omitted)</u>	<u>Incurred Losses (000's Omitted)</u>	<u>Loss Ratio 1981</u>	<u>Loss Ratio 1980</u>	<u>Loss Ratio 1979</u>	<u>Loss Ratio 1978</u>
1. State Farm Mutual Auto Ins. Co.	5,704	3,082	54.0	55.5	47.0	38.4
2. Allstate Ins. Co.	4,661	2,466	52.9	44.3	45.4	35.5
3. Criterion	1,705	1,043	61.2	53.0	49.6	49.2
4. United Services Automobile Assoc.	1,347	655	43.6	62.4	39.0	38.7
5. Foremost Ins. Co.	1,201	291	24.2	87.5	45.7	32.5
6. State Farm Fire & Casualty Co.	751	476	63.4	56.5	30.3	33.1
7. Nationwide Mutual Fire Ins. Co.	806	480	59.6	47.4	45.9	47.2
8. Nationwide Mutual Ins. Co.	754	500	66.3	59.5	63.9	41.2
9. Continental Insurance Co.	697	290	41.6	49.6	22.0	43.0
10. Horace Mann Ins. Co.	693	328	47.0	53.6	62.5	43.9
11. Government Employees Ins. Co.	708	365	51.6	48.9	41.2	38.6
12. American Family Home	662	144	21.8	84.4	51.4	7.0
13. AIU Ins. Co.	486	263	54.1	61.2	46.3	60.7
14. Alaska Ins. Co.	435	209	48.0	67.3	41.9	83.7
15. Industrial Indemnity Co. of Ak.	406	236	58.1	43.8	82.3	--
16. Industrial Indemnity Co.	279	208	74.6	62.3	39.2	--
17. Motors Ins. Corp.	414	181	43.7	33.3	36.4	31.8
18. Associated Indemnity Corp.	354	121	34.2	43.5	35.5	21.7
19. Firemans Fund Ins. Co.	344	148	43.0	53.7	28.4	39.9
20. Bankers & Shippers Ins. Co. of N.Y.	318	53	16.7	52.0	33.2	30.2
21. Leader National Ins. Co.	305	174	57.0	32.4	43.1	28.5
22. Globe American Casualty Co.	222	137	61.7	--	--	--
23. Imperial Casualty & Indemnity	378	51	13.5	24.6	24.4	--
24. Colonial Penn Ins. Co.	213	80	37.6	47.0	40.0	49.9
25. Insurance Co. of North America	192	78	40.6	--	--	--
26. National Indemnity Co.	205	105	51.2	30.7	30.1	36.3
27. USAA Casualty Ins. Co.	166	52	31.3	70.3	42.5	40.6
28. Dependable Ins. Co.	129	65	51.2	--	--	--
29. Lumbermans Mutual Casualty	145	32	22.1	45.6	36.0	21.3
30. Puritan Ins. Co.	164	79	48.2	47.2	17.8	0.0
Total Top 30 Companies	24,849	12,393	49.9	53.5*	42.5*	--
Total All Companies	25,993	12,866	49.5	53.6	43.1	39.5

\*Based on Top 30 Companies 1979-80

Course: Insurance Reports 1978-81

## PRIVATE PASSENGER AUTO LIABILITY AND PHYSICAL DAMAGE - LOSS RATIOS

Company Name	1981	1981	Loss Ratio 1981	Loss Ratio 1980	Loss Ratio 1979	Loss Ratio 1978	Loss Ratio 1977
	Earned Premiums (000's Omitted)	Incurred Losses (000's Omitted)					
1. State Farm Mutual Auto Ins. Co.	12,785	7,671	60.0	52.0	37.8	40.0	44.2
2. Allstate Ins. Co.	11,218	7,130	63.6	52.5	51.5	47.7	56.3
3. Criterion	3,903	2,171	55.6	45.7	53.1	62.3	60.8
4. United Services Automobile Assoc.	2,756	1,489	54.0	42.1	46.7	30.8	53.4
5. State Farm Fire & Casualty	1,910	1,516	79.4	44.4	45.4	37.7	3.5
6. Nationwide Mutual Fire Ins. Co.	1,862	1,442	77.4	66.2	51.1	43.3	56.3
7. Continental Insurance Co.	1,787	1,137	63.6	57.3	27.2	47.4	--
8. Nationwide Mutual Ins. Co.	1,765	1,428	80.9	60.9	67.9	65.5	52.4
9. Horace Mann Ins. Co.	1,721	720	41.8	47.5	51.0	50.4	34.8
10. Government Employees Ins. Co.	1,585	818	51.6	65.7	35.6	62.9	71.2
11. Leader National Insurance Co.	1,512	709	46.9	44.4	45.4	37.7	--
12. Industrial Indemnity Co. of Ak.	1,124	534	47.5	74.1	57.0	10.0	--
13. Foremost Ins. Co.	1,319	311	23.6	81.6	42.0	33.6	--
14. Industrial Indemnity Co.	758	502	66.2	46.5	31.5	--	--
15. Alaska Ins. Co.	1,020	646	63.3	69.7	53.0	79.3	23.4
16. Firemans Fund Ins. Co.	1,027	299	29.1	40.6	30.7	33.0	79.9
17. Associated Indemnity Co.	938	343	36.6	42.2	40.1	28.7	51.1
18. AIU Ins. Co.	931	592	63.6	56.5	51.6	53.6	51.5
19. Globe American Casualty	714	417	58.4	--	--	--	--
20. American Family Home	665	144	21.8	84.4	51.4	7.0	--
21. National Indemnity Co.	608	359	59.0	18.7	14.9	41.9	45.6
22. Colonial Penn Ins. Co.	536	212	39.6	32.3	28.0	41.4	82.5
23. Insurance Co. of North America	489	195	39.9	51.7	47.4	43.5	--
24. Motors Ins. Corp.	414	181	43.7	33.3	36.4	31.8	60.1
25. USAA Casualty Ins. Co.	395	118	29.9	43.7	39.3	32.3	39.1
26. Lumbermans Mutual Casualty	397	173	43.6	88.0	37.5	62.9	57.2
27. Bankers & Shippers Ins. Co. of N.Y.	318	53	16.7	52.0	33.2	29.0	34.8
28. Industrial Indemnity Co. of the N.W.	372	268	72.0	57.4	55.2	--	--
29. National Surety Corp.	291	137	47.1	--	--	35.0	46.0
30. International Service Ins. Co.	314	163	51.9	50.7	40.2	41.2	63.5
Total Top 30 Companies	55,431	31,878	57.5	51.9*	43.0*	44.8*	51.4*
Total All Companies	57,727	32,806	56.8	52.2	44.0	45.6	52.9

\*Based on Top 30 Companies 1977, 78, 79, 80  
Source: Insurance Reports 1979-81

## EXHIBIT III

## CHART I

## PRIVATE PASSENGER AUTO LIABILITY EXPENSE EXHIBITS 1981

<u>Company Name</u>	<u>Earned Premium 1981</u>	<u>Loss Adjust- ment Expense</u>	<u>Comsnn. and Brkrg.</u>	<u>Other Acquis. &amp; Field Supv. Collect.</u>	<u>Gen Expns.</u>	<u>Taxes, Licenses and Fees Incurred</u>	<u>Total Expns.</u>	<u>Permis. Loss Ratio</u>	<u>Act- ual Loss Ratio</u>	<u>Comb. Loss Ratios Col. 7 and 9</u>
1. State Farm Mutual Auto. Ins. Co.	7,081	13.9	2.2	10.2	2.6	2.2	31.1	68.9	64.9	96.5
2. Allstate Ins. Co.	6,557	14.0	9.1	5.9	3.0	4.1	36.1	65.9	71.1	107.2
3. Criterion Ins. Co.	2,198	12.5	2.9	10.7	2.6	2.8	31.6	68.4	51.3	82.6
4. United Services Automobile Assn.	1,409	16.2	.5	7.3	1.0	2.3	27.3	72.7	59.2	86.5
5. State Farm Fire & Casualty Co.	1,159	2.6	(283.7)	17.3	0	287.0	23.3	76.7	89.7	113.0
6. Continental Ins. Co.	1,090	12.1	16.6	3.7	10.6	2.6	45.6	54.4	77.7	123.3
7. Leader National Ins. Co.	1,207	8.3	23.9	10.3	1.1	2.6	46.2	53.8	44.3	90.5
8. Nationwide Mutual Fire Ins. Co.	1,056	9.3	8.9	7.5	4.6	3.1	33.4	66.6	91.1	124.5
9. Nationwide Mutual Ins. Co.	1,011	9.3	8.9	7.5	4.6	3.1	33.4	66.6	91.8	125.2
10. Horace Mann Ins. Co.	1,023	8.8	14.7	1.5	5.6	3.1	33.7	66.3	38.3	72.0
11. Government Employees Ins. Co.	877	14.2	.8	5.4	5.1	2.6	28.1	71.9	51.7	79.8
12. Industrial Indemnity Co. of Ak.	718	11.1	15.8	2.9	9.9	2.9	42.6	57.4	41.5	84.1
13. Industrial Indemnity Co.	479	11.1	15.8	2.9	9.9	2.9	42.6	57.4	61.4	104.0
14. Firemans Fund Ins. Co.	683	5.8	16.6	2.7	6.0	2.7	33.7	66.3	22.1	55.8
15. Globe American Casualty Co.	492	9.7	16.8	15.4	4.8	2.7	49.5	50.5	56.9	106.4
16. Associated Indemnity Corp.	584	5.8	16.6	2.7	6.0	2.7	33.7	66.3	38.0	71.7
17. Alaska Ins. Co.	523	8.3	17.0	4.6	2.9	2.3	35.1	64.9	74.7	109.8
18. AIU Ins. Co.	445	11.3	1.8	24.0	21.5		58.6	41.4	73.9	132.5
19. National Indemnity Co.	403	12.3	27.3	2.5	9.3	2.2	53.6	46.4	63.0	116.6
20. Colonial Penn Ins. Co.	323	9.4	1.3	11.5	8.0	2.8	33.0	67.0	40.9	73.9
21. Insurance Co. of North America	297	10.7	14.8	3.9	10.4	3.2	43.0	57.0	39.4	82.4
22. Lumbermans Mutual Casualty	252	12.2	15.2	7.8	7.1	3.6	45.9	54.1	56.0	101.9
23. USAA Casualty Ins. Co.	229	20.5	3.5	9.6	1.8	2.8	38.6	61.4	28.8	67.4
24. Dairyland Ins. Co.	147	9.5	1.5	9.3	2.1	2.8	25.2	74.8	55.8	81.0
25. National Surety Corp.	192	5.8	16.6	2.7	6.0	2.7	33.7	66.3	45.8	79.5
26. Industrial Indemnity Co. of N.W.	239	11.1	15.8	2.9	9.9	2.9	42.6	57.4	75.3	112.9
27. International Service Ins. Co.	183	13.3	17.7	7.0	2.9	3.1	43.8	56.2	56.8	100.6
28. Fidelity & Casualty Co. of N.Y.	140	12.1	16.6	3.7	10.6	2.6	45.6	54.4	16.4	62.0
29. Progressive Casualty Ins. Co.	94	16.9	18.8	11.4	4.1	2.5	49.0	51.0	54.3	103.3
30. Foremost Ins. Co.	118	7.3	20.4	13.1	3.5	2.3	46.6	53.4	16.9	63.5

## CHART II

## PRIVATE PASSENGER AUTO PHYSICAL DAMAGE EXPENSE EXHIBITS 1981

Company Name	Earned Premium 1981	Loss Adjustment Expense	Comssn. and Brkrg.	Other Acquis. & Field Supv. Collect.	Gen Exps.	Taxes, Licenses and Fees Incurred	Total Exps.	Permis. Loss Ratio	Act-ual Loss Ratio	Comb. Loss Ratios Col. 7 and 9
1. State Farm Mutual Auto. Ins. Co.	5,704	9.8	1.8	10.6	2.7	2.2	27.1	72.9	54.0	81.1
2. Allstate Ins. Co.	4,661	7.6	7.6	6.3	3.2	4.3	29.0	71.0	52.9	81.9
3. Criterion Ins.	1,705	11.8	3.1	10.7	2.6	2.9	31.1	68.9	61.2	92.3
4. United Service Automobile Assn.	1,347	9.7	.5	7.4	1.0	8.3	20.9	79.1	48.6	69.5
5. Foremost Ins. Co.	1,201	5.0	29.5	17.1	4.5	3.0	59.1	40.9	24.2	83.3
6. State Farm Fire & Marine Ins. Co.	751		(999.9)	62.6		999.9	20.8	79.2	63.4	84.2
7. Nationwide Mutual Ins. Co.	806	6.2	11.9	6.2	2.8	3.0	30.1	69.9	59.6	89.7
8. Nationwide Mutual Ins. Co.	754	6.2	11.9	6.2	2.9	2.9	30.1	69.9	66.3	96.4
9. Continental Ins. Co.	697	9.4	17.4	3.0	10.1	2.5	42.4	57.6	41.6	84.0
10. Horace Mann Ins. Co.	698	6.2	14.1	1.5	5.6	3.1	30.5	69.5	47.0	77.5
11. Government Employees Ins. Co.	708	8.6	.6	5.4	5.0	2.7	22.3	77.7	51.6	73.9
12. American Family Home Ins. Co.	662	7.0	32.2		4.5	1.6	45.3	54.7	21.8	67.1
13. AIU Ins. Co.	486	11.0	(2.6)	5.8	4.5	.6	19.3	80.7	54.1	73.4
14. Alaska Ins. Co.	435	3.7	18.2	4.4	2.8	2.4	31.5	68.5	48.0	79.5
15. Industrial Indemnity Co. of Ak.	405	8.8	17.2	2.9	10.2	2.3	41.3	58.7	58.1	99.4
16. Industrial Indemnity Co.	275	8.8	17.2	2.9	10.2	2.3	41.3	58.7	74.6	105.9
17. Motors Ins. Corp.	414	6.0	11.6	14.8	7.4	3.4	43.2	56.8	43.7	86.9
18. Associated Indemnity Co.	354	12.5	17.9	6.5	13.5	2.9	53.2	46.8	34.2	87.4
19. Firemans Fund Ins. Co.	344	12.5	17.9	6.5	13.5	2.9	53.2	46.8	43.0	96.2
20. Bankers & Shippers Ins. Co. of N.Y.	318		23.5	4.3	4.1	5.3	37.2	62.8	16.7	53.9
21. Leader National Ins. Co.	305	11.7	24.3	10.5	1.1	2.7	50.2	49.8	57.0	107.2
22. Globe American Casualty Co.	222	5.5	16.3	16.0	5.0	2.6	45.4	54.6	61.7	107.1
23. Imperial Casualty & Indemnity	378	3.6	21.3	1.3	1.9	10.4	38.5	61.5	13.5	52.0
24. Colonial Penn Ins. Co.	213	15.0	1.0	11.6	7.5	2.8	37.9	62.1	37.6	75.5
25. Insurance Co. of North America	192	3.4	14.0	3.0	8.8	3.1	37.3	62.7	40.6	77.9
26. National Indemnity Co.	205	15.2	29.4	1.6	6.6	2.2	55.0	45.0	51.2	106.2
27. USAA Casualty Ins. Co.	166	13.3	2.5	9.1	1.6	2.8	29.3	70.7	31.3	60.6
28. Dependable Ins. Co.	129	2.5	35.3	.9	1.0	1.7	41.4	58.6	51.2	92.6
29. Lumbermans Mutual Casualty Co.	145	8.7	16.2	7.7	7.0	3.4	43.0	57.0	22.1	65.1
30. Puritan Ins. Co.	164	6.4	26.2	7.4	13.7	2.6	56.2	43.8	48.2	104.4

EXHIBIT IV

TOTAL PRIVATE PASSENGER AUTOS  
VERSUS INSURED CAR YEARS

<u>YEAR</u>	<u>TOTAL NUMBER OF AUTOS*</u>	<u>INSURED CAR YEARS+</u>	<u>PERCENTAGE INSURED</u>
1975	199,536	117,355	58.8
1976	221,386	120,964	54.6
1977	226,329	121,635	53.7
1978	232,425	123,581	53.2
1979	229,403	132,391	57.7
1980	230,040	136,895	59.5

\* Based on data supplied by Alaska Department of Transportation and  
Public Facilities

+ Automobile Insurance Plans Service Office

EXHIBIT V

AUTOMOBILE INSURANCE PLAN VOLUME

A. Insured Car Years

<u>Year</u>	<u>Total Car Years Insured</u>	<u>Automobile Ins. Plan Car Years Insured</u>	<u>Percentage In Plan</u>
1974	95,430	409	.4%
1975	117,355	622	.5
1976	120,964	4,760	3.9
1977	121,635	9,454	7.8
1978	123,619	7,021	5.7
1979	132,391	4,698	3.6
1980	136,895	3,564	2.6
1979 Countrywide	102,018,115	4,007,139	3.9
1980 Countrywide	106,164,766	6,563,269	6.5

B. Number of Autos Insured In Plan

<u>Year Ending Dec. 1977</u>	<u>Year Ending Dec. 1978</u>	<u>Percent Change</u>	<u>Year Ending Dec. 1979</u>	<u>Percent Change</u>	<u>Year Ending Dec. 1980</u>	<u>Percent Change</u>	<u>Year Ending Dec. 1981</u>	<u>Percent Change</u>	<u>% Change 1977-1981</u>
9,447	7,021	-25.7%	4,698	-33.1%	3,564	-24.1%	2,627	-26.3%	-72.2%

C. Policies Assigned

	<u>1979</u>	<u>% Change From 1978</u>	<u>1980</u>	<u>% Change From 1979</u>	<u>1981</u>	<u>% Change From 1980</u>	<u>1982</u>	<u>% Change From 1981</u>
Jan.	297	-33.9	180	-39.4	121	-32.8	94	-22.3
Feb.	510	-37.8	326	-36.1	267	-18.1	190	-28.8
Mar.	771	-39.1	535	-30.6	471	-12.0	307	-34.8
Apr.	1,061	-38.9	771	-27.3	673	-12.7	433	-35.7
May	1,400	-39.3	991	-29.2	876	-11.6	544	-37.9
June	1,707	-40.0	1,239	-27.4	1,101	-11.1	664	-39.7
July	1,992	-40.0	1,445	-27.5	1,272	-12.0	773	-39.2
Aug.	2,286	-40.3	1,665	-27.2	1,455	-12.2	892	-38.7
Sept.	2,582	-39.9	1,909	-26.1	1,623	-15.0	1,009	-37.8
Oct.	2,894	-39.7	2,132	-26.3	1,793	-15.9		
Nov.	3,167	-39.0	2,319	-26.8	1,943	-16.2		
Dec.	3,363	-38.7	2,503	-25.6	2,083	-16.8		

D. Liability Earned Premium

Alaska

<u>Year</u>	<u>Voluntary &amp; Auto. Ins. Plans</u>	<u>Auto. Ins. Plans</u>	<u>% In Plan</u>
1974	12,857,000	107,806	.8%
1975	14,616,466	119,346	.8
1976	20,445,569	623,422	3.1
1977	26,399,393	2,446,715	9.3
1978	29,945,782	2,667,621	8.9
1979	30,041,000	1,896,568	6.3
1980	29,958,926	1,280,028	4.3

Countrywide

1978	12,620,966,467	1,011,415,614	8.0%
1979	13,581,985,775	1,168,765,604	8.6

Source: Automobile Insurance Plans Service Office  
New York and San Francisco

## PRIVATE PASSENGER AUTOMOBILE RATING EXAMPLES

The rating examples on the following pages have been compiled by the division based on data supplied by the companies listed. Our thanks to them for their cooperation. The rating examples are all based on the same coverage levels and rating information, excepting the differences noted.

The fact that a company has a rate for a particular risk does not mean to imply that they will write the risk. As much as possible, we have tried to identify what companies will not write what risk. Underwriting and marketing considerations will determine whether a particular risk is acceptable to a particular company.

The division urges prospective insureds to shop for their insurance coverages as they would for any other large purchase. A review of the rates shown for each example demonstrates the great variance in price available for the same coverage.

The product should not be judged based solely on price. Service, in all its numerous aspects, is an equally important factor.

All rates are current as of October 1, 1982.

Coverages: (Rates as of 10-1-82)

\$25,000/50,000	Bodily Injury Liability
\$10,000	Property Damage Liability
\$ 5,000	Medical Payments
\$ 100	Deductible Comprehensive
\$ 200	Deductible Collision
\$25,000/50,000	Uninsured Motorists
Alaska Suits	(Civil Rule 82)

The vehicle in all examples is a 1981 Ford Escort (4 door).

Coverage Exceptions:

Globe American Casualty - Medical Payments are \$2,000.

Leader National - \$250 deductible collision.

State Farm Mutual Automobile - \$50 deductible comprehensive.

Dairyland - \$250 deductible for collision, medical payments are \$2,000.

National Indemnity - \$50 deductible comprehensive, \$250 deductible collision.

Rating Data Exceptions:

Firemans Fund

Associated Indemnity

National Surety: Rates for Anchorage and Fairbanks are for vehicles garaged in the city; rates for the suburban areas of the two cities are approximately 20% lower in Anchorage and 43% lower in Fairbanks.

Government Employees Insurance Co.: 10% bumper discount applies to collision premiums. Five year "Good Driver Discount" applied to Example A.

Dairyland: Liability rates include \$10 new business policy fee that applies during first year. 5% premium credit each quarter the insured remains accident free during first year, 5% each 6 months thereafter to maximum of 40%. This company writes policies on a monthly basis.

EXAMPLE A: Adult driver (married, over 25)  
 No accidents or citations  
 Pleasure use of vehicle (less than 7,500 miles annually)

TERRITORY 1 - (ANCHORAGE)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	173	320	514
Alaska Ins. Co.	185	306	513
Alaska Pacific Assurance Co.	84	141	236
Allstate Ins. Co.	134	156	323
All West Ins. Co.	182	227	447
American Automobile Ins. Co.	206	298	542
American Ins. Co.	206	298	542
Associated Indemnity Co.	134	236	402
Automobile Ins. Plan	242	680	952
Continental Ins. Co.	151	250	420
Criterion Ins. Co.	216	361	619
Dairyland Ins. Co.	286	552	901
Firemans Fund Ins. Co.	206	298	542
Globe American Casualty Ins. Co.	427	540	1,041
Government Employees Ins. Co.	153	218	403
Horace Mann Ins. Co.	157	209	385
Insurance Services Office	185	306	513
International Service Ins. Co.	204	237	463
Leader National Ins. Co.	390	530	1,010
Lumbermans Mutual Casualty Co.	187	307	518
National Indemnity Co.	462	571	1,090
National Surety Co.	268	376	688
Nationwide Mutual Fire Ins. Co.	124	201	349
Nationwide Mutual Ins. Co.	129	209	363
Progressive Casualty Co.	268	531	859
State Farm Fire & Casualty Co.	170	371	579
State Farm Mutual Automobile Ins. Co.	113	267	404
United Services Automobile Assn. (USAA)	115	215	344
USAA Casualty Ins. Co.	131	245	391

TERRITORY 2 - (FAIRBANKS)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	167	380	569
Alaska Ins. Co.	180	362	565
Alaska Pacific Assurance Co.	82	169	263
Allstate Ins. Co.	128	174	333
All West Ins. Co.	164	248	450
American Automobile Ins. Co.	302	334	666
American Ins. Co.	302	334	666
Associated Indemnity Co.	96	274	494
Automobile Ins. Plan	242	791	1,064
Continental Ins. Co.	148	295	463
Criterion Ins. Co.	187	326	555
Dairyland Ins. Co.	238	588	889
Firemans Fund Ins. Co.	302	334	666
Globe American Casualty Ins. Co.	381	633	1,080
Government Employees Ins. Co.	135	249	414
Horace Mann Ins. Co.	124	207	350
Insurance Services Office	180	362	565
International Service Ins. Co.	180	266	467
Leader National Ins. Co.	360	550	1,000
Lumbermans Mutual Casualty Co.	183	363	572
National Indemnity Co.	412	617	1,086
National Surety Co.	394	434	862
Nationwide Mutual Fire Ins. Co.	139	229	394
Nationwide Mutual Ins. Co.	145	239	410
Progressive Casualty Co.	241	567	868
State Farm Fire & Casualty Co.	172	404	612
State Farm Mutual Automobile Ins. Co.	114	301	439
United Services Automobile Assn. (USAA)	112	254	381
USAA Casualty Ins. Co.	128	290	434

TERRITORY 3 - (REMAINDER OF STATE)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	132	293	446
Alaska Ins. Co.	143	280	445
Alaska Pacific Assurance Co.	62	128	201
Allstate Ins. Co.	100	154	283
All West Ins. Co.	134	204	376
American Automobile Ins. Co.	146	306	484
American Ins. Co.	146	306	484
Associated Indemnity Co.	94	250	370
Automobile Ins. Plan	195	624	849
Continental Ins. Co.	118	229	366
Criterion Ins. Co.	151	328	521
Dairyland Ins. Co.	214	588	865
Firemans Fund Ins. Co.	146	306	484
Globe American Casualty Ins. Co.	333	552	951
Government Employees Ins. Co.	100	221	349
Horace Mann Ins. Co.	99	193	311
Insurance Services Office	143	280	445
International Service Ins. Co.	130	272	422
Leader National Ins. Co.	354	510	954
Lumbermans Mutual Casualty Co.	145	281	450
National Indemnity Co.	336	622	1,015
National Surety Co.	190	398	624
Nationwide Mutual Fire Ins. Co.	110	188	322
Nationwide Mutual Ins. Co.	115	196	335
Progressive Casualty Co.	201	510	771
State Farm Fire & Casualty Co.	144	358	539
State Farm Mutual Automobile Ins. Co.	96	262	382
United Services Automobile Assn. (USAA)	89	196	299
USAA Casualty Ins. Co.	101	224	340

TERRITORY 4 - (JUNEAU/SOUTHEAST ALASKA)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
American Automobile Ins. Co.	206	230	462
American Ins. Co.	206	230	462
Associated Indemnity Co.	132	188	340
Firemans Fund Ins. Co.	206	230	462
National Surety Co.	268	298	594
Nationwide Mutual Fire Ins. Co.	100	192	315
Nationwide Mutual Ins. Co.	164	200	327
State Farm Fire & Casualty Co.	120	348	501
State Farm Mutual Automobile Ins. Co.	79	252	354

EXAMPLE B:20-year old, single, male driver (licensed 3yrs.)  
 Principal operator-no drivers training  
 No accidents or citations  
 Pleasure use(less than 7,500 miles annually)

TERRITORY 1 - (ANCHORAGE)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	529	988	1,564
Alaska Ins. Co.	494	826	1,316
Alaska Pacific Assurance Co.	239	402	663
Allstate Ins. Co.	456	636	1,143
All West Ins. Co.	517	655	1,274
American Automobile Ins. Co.	584	818	1,470
American Ins. Co.	584	818	1,470
Associated Indemnity Co.	388	670	1,102
Automobile Ins. Plan	731	1,980	2,769
Continental Ins. Co.	494	806	1,346
Criterion Ins. Co.	509	847	1,391
Dairyland Ins. Co.	454	1,236	1,753
Firemans Fund Ins. Co.	584	818	1,470
Globe American Casualty Ins. Co.	610	1,019	1,719
Government Employees Ins. Co.	530	756	1,347
Horace Mann Ins. Co.	556	742	1,348
Insurance Services Office	185	306	513
International Service Ins. Co.	581	675	1,302
Leader National Ins. Co.	650	1,008	1,748
Lumbermans Mutual Casualty Co.	533	875	1,458
National Indemnity Co.	693	1,184	1,934
National Surety Co.	758	1,062	1,902
Nationwide Mutual Fire Ins. Co.	507	825	1,386
Nationwide Mutual Ins. Co.	528	859	1,442
Progressive Casualty Co.	552	1,137	1,749
State Farm Fire & Casualty Co.	590	1,290	1,951
State Farm Mutual Automobile Ins. Co.	511	1,207	1,774
United Services Automobile Assn. (USAA)	307	580	916
USAA Casualty Ins. Co.	351	663	1,046

TERRITORY 2 - (FAIRBANKS)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	509	1,183	1,744
Alaska Ins. Co.	480	986	1,515
Alaska Pacific Assurance Co.	234	481	740
Allstate Ins. Co.	430	704	1,183
All West Ins. Co.	442	709	1,113
American Automobile Ins. Co.	860	948	1,864
American Ins. Co.	860	948	1,864
Associated Indemnity Co.	558	780	1,380
Automobile Ins. Plan	848	2,274	3,191
Continental Ins. Co.	480	986	1,515
Criterion Ins. Co.	433	756	1,231
Dairyland Ins. Co.	406	1,320	1,789
Firemans Fund Ins. Co.	860	948	1,864
Globe American Casualty Ins. Co.	543	1,155	1,790
Government Employees Ins. Co.	468	862	1,386
Horace Mann Ins. Co.	440	736	1,224
Insurance Services Office	480	986	1,515
International Service Ins. Co.	513	758	1,314
Leader National Ins. Co.	570	1,030	1,690
Lumbermans Mutual Casualty Co.	522	1,035	1,613
National Indemnity Co.	619	1,251	1,927
National Surety Co.	1,118	1,234	2,420
Nationwide Mutual Fire Ins. Co.	571	942	1,569
Nationwide Mutual Ins. Co.	594	981	1,633
Progressive Casualty Co.	497	1,201	1,758
State Farm Fire & Casualty Co.	597	1,404	2,067
State Farm Mutual Automobile Ins. Co.	516	1,361	1,930
United Services Automobile Assn. (USAA)	298	691	1,020
USAA Casualty Ins. Co.	341	790	1,165

TERRITORY 3 - (REMAINDER OF STATE)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	393	898	1,339
Alaska Ins. Co.	375	732	1,153
Alaska Pacific Assurance Co.	177	365	564
Allstate Ins. Co.	342	614	999
All West Ins. Co.	364	595	1,000
American Automobile Ins. Co.	414	866	1,342
American Ins. Co.	414	866	1,342
Associated Indemnity Co.	268	714	1,028
Automobile Ins. Plan	683	1,797	2,545
Continental Ins. Co.	375	752	1,173
Criterion Ins. Co.	339	758	1,139
Dairyland Ins. Co.	358	1,320	1,741
Firemans Fund Ins. Co.	414	866	1,342
Globe American Casualty Ins. Co.	474	1,027	1,575
Government Employees Ins. Co.	348	765	1,159
Horace Mann Ins. Co.	351	687	1,083
Insurance Services Office	375	752	1,173
International Service Ins. Co.	371	775	1,186
Leader National Ins. Co.	574	962	1,626
Lumbermans Mutual Casualty Co.	413	801	1,264
National Indemnity Co.	505	1,255	1,817
National Surety Co.	538	1,126	1,740
Nationwide Mutual Fire Ins. Co.	451	773	1,274
Nationwide Mutual Ins. Co.	471	805	1,328
Progressive Casualty Co.	414	1,086	1,560
State Farm Fire & Casualty Co.	502	1,245	1,813
State Farm Mutual Automobile Ins. Co.	433	1,187	1,674
United Services Automobile Assn. (USAA)	231	525	785
USAA Casualty Ins. Co.	265	601	898

TERRITORY 4 - (UNEAU/SOUTHEAST ALASKA)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
American Automobile Ins. Co.	582	652	1,284
American Ins. Co.	582	652	1,284
Associated Indemnity Co.	378	534	948
Firemans Fund Ins. Co.	582	652	1,284
National Surety Co.	756	848	1,666
Nationwide Mutual Fire Ins. Co.	408	787	1,244
Nationwide Mutual Ins. Co.	426	820	1,294
State Farm Fire & Casualty Co.	416	1,208	1,681
State Farm Mutual Automobile Ins. Co.	359	1,142	1,545

EXAMPLE C: Adult driver (married over 25)

One at fault accident in past year, over \$500 damage

Drives ten miles to work daily (over 7,500 miles annually)

TERRITORY 1 - (ANCHORAGE)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	313	583	928
Alaska Ins. Co.	293	489	812
Alaska Pacific Assurance Co.	139	233	387
Allstate Ins. Co.	222	248	505
All West Ins. Co.	413	521	1,016
American Automobile Ins. Co.	338	474	860
American Ins. Co.	338	747	860
Associated Indemnity Co.	220	388	646
Automobile Ins. Plan	386	748	1,172
Continental Ins. Co.	293	489	812
Criterion Ins. Co.	299	499	846
Dairyland Ins. Co.	382	636	1,081
Firemans Fund Ins. Co.	338	474	860
Globe American Casualty Ins. Co.	455	572	1,100
Government Employees Ins. Co.	288	410	740
Horace Mann Ins. Co.	278	371	678
Insurance Services Office	293	489	812
International Service Ins. Co.	337	391	758
Leader National Ins. Co.	390	530	1,010
Lumbermans Mutual Casualty Co.	290	476	798
National Indemnity Co.	462	571	1,090
National Surety Co.	440	616	1,112
Nationwide Mutual Fire Ins. Co.	173	282	483
Nationwide Mutual Ins. Co.	180	293	503
Progressive Casualty Co.	322	531	913
State Farm Fire & Casualty Co.	226	485	754
State Farm Mutual Automobile Ins. Co.	137	323	486
United Services Automobile Assn. (USAA)	182	343	544
USAA Casualty Ins. Co.	209	392	622

TERRITORY 2 - (FAIRBANKS)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	301	697	1,032
Alaska Ins. Co.	286	581	899
Alaska Pacific Assurance Co.	135	279	431
Allstate Ins. Co.	210	276	519
All West Ins. Co.	354	564	999
American Automobile Ins. Co.	498	550	1,086
American Ins. Co.	498	550	1,086
Associated Indemnity Co.	324	452	806
Automobile Ins. Plan	387	870	1,297
Continental Ins. Co.	286	581	899
Criterion Ins. Co.	257	449	754
Dairyland Ins. Co.	322	684	1,069
Firemans Fund Ins. Co.	498	550	1,086
Globe American Casualty Ins. Co.	406	663	1,143
Government Employees Ins. Co.	254	468	761
Horace Mann Ins. Co.	220	368	616
Insurance Services Office	286	581	899
International Service Ins. Co.	297	439	765
Leader National Ins. Co.	360	550	1,000
Lumbermans Mutual Casualty Co.	284	560	882
National Indemnity Co.	412	617	1,086
National Surety Co.	648	714	1,408
Nationwide Mutual Fire Ins. Co.	195	322	546
Nationwide Mutual Ins. Co.	203	335	568
Progressive Casualty Co.	289	567	916
State Farm Fire & Casualty Co.	229	524	793
State Farm Mutual Automobile Ins. Co.	138	364	528
United Services Automobile Assn. (USAA)	177	408	605
USAA Casualty Ins. Co.	204	466	692

TERRITORY 3 - (REMAINDER OF STATE)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	234	532	798
Alaska Ins. Co.	225	446	701
Alaska Pacific Assurance Co.	103	211	329
Allstate Ins. Co.	162	240	433
All West Ins. Co.	293	474	847
American Automobile Ins. Co.	240	526	808
American Ins. Co.	240	526	808
Associated Indemnity Co.	156	414	598
Automobile Ins. Plan	311	686	1,035
Continental Ins. Co.	225	446	701
Criterion Ins. Co.	205	450	703
Dairyland Ins. Co.	286	684	1,009
Firemans Fund Ins. Co.	240	526	808
Globe American Casualty Ins. Co.	355	583	1,004
Government Employees Ins. Co.	189	415	639
Horace Mann Ins. Co.	179	343	546
Insurance Services Office	225	446	701
International Service Ins. Co.	214	449	690
Leader National Ins. Co.	354	510	954
Lumbermans Mutual Casualty Co.	225	436	693
National Indemnity Co.	336	622	1,015
National Surety Co.	312	684	1,046
Nationwide Mutual Fire Ins. Co.	154	264	445
Nationwide Mutual Ins. Co.	161	275	463
Progressive Casualty Co.	241	510	811
State Farm Fire & Casualty Co.	192	466	699
State Farm Mutual Automobile Ins. Co.	116	317	459
United Services Automobile Assn. (USAA)	139	311	469
USAA Casualty Ins. Co.	159	356	536

TERRITORY 4 - (JUNEAU/SOUTHEAST ALASKA)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
American Automobile Ins. Co.	336	378	748
American Ins. Co.	336	378	748
Associated Indemnity Co.	220	308	554
Firemans Fund Ins. Co.	336	378	748
National Surety Co.	436	492	968
Nationwide Mutual Fire Ins. Co.	139	269	435
Nationwide Mutual Ins. Co.	145	280	452
State Farm Fire & Casualty Co.	160	453	650
State Farm Mutual Automobile Ins. Co.	96	305	425

EXAMPLE D: 20 year old, single female driver (licensed 3 years +)  
 Principle operator- no drivers training  
 No accidents or citations  
 Pleasure use of vehicle (less than 7,500 miles annually)

TERRITORY 1 - (ANCHORAGE)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	241	448	715
Alaska Ins. Co.	227	377	629
Alaska Pacific Assurance Co.	105	177	295
Allstate Ins. Co.	260	334	639
All West Ins. Co.	272	339	663
American Automobile Ins. Co.	276	386	704
American Ins. Co.	276	386	704
Associated Indemnity Co.	180	318	532
Automobile Ins. Plan	411	821	1,272
Continental Ins. Co.	227	377	629
Criterion Ins. Co.	305	509	856
Dairyland Ins. Co.	346	792	1,201
Firemans Fund Ins. Co.	276	386	704
Globe American Casualty Ins. Co.	468	795	1,337
Government Employees Ins. Co.	270	384	695
Horace Mann Ins. Co.	252	336	615
Insurance Services Office	227	377	629
International Service Ins. Co.	255	297	577
Leader National Ins. Co.	494	768	1,352
Lumbermans Mutual Casualty Co.	299	492	823
National Indemnity Co.	477	678	1,212
National Surety Co.	358	502	908
Nationwide Mutual Fire Ins. Co.	272	443	750
Nationwide Mutual Ins. Co.	283	461	781
Progressive Casualty Co.	431	787	1,278
State Farm Fire & Casualty Co.	358	782	1,192
State Farm Mutual Automobile Ins. Co.	279	660	977
United Services Automobile Assn. (USAA)	140	264	420
USAA Casualty Ins. Co.	167	301	480

TERRITORY 2 - (FAIRBANKS)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	232	535	795
Alaska Ins. Co.	221	447	695
Alaska Pacific Assurance Co.	102	212	328
Allstate Ins. Co.	244	370	657
All West Ins. Co.	234	366	653
American Automobile Ins. Co.	408	450	892
American Ins. Co.	408	450	892
Associated Indemnity Co.	264	370	662
Automobile Ins. Plan	412	945	1,399
Continental Ins. Co.	221	447	695
Criterion Ins. Co.	262	457	761
Dairyland Ins. Co.	310	840	1,213
Firemans Fund Ins. Co.	408	450	892
Globe American Casualty Ins. Co.	417	927	1,418
Government Employees Ins. Co.	238	439	715
Horace Mann Ins. Co.	200	333	559
Insurance Services Office	221	447	695
International Service Ins. Co.	225	333	582
Leader National Ins. Co.	418	792	1,300
Lumbermans Mutual Casualty Co.	293	581	910
National Indemnity Co.	431	731	1,219
National Surety Co.	530	586	1,156
Nationwide Mutual Fire Ins. Co.	306	506	849
Nationwide Mutual Ins. Co.	319	526	883
Progressive Casualty Co.	382	831	1,279
State Farm Fire & Casualty Co.	362	851	1,262
State Farm Mutual Automobile Ins. Co.	282	744	1,062
United Services Automobile Assn. (USAA)	137	312	466
USAA Casualty Ins. Co.	157	357	532

TERRITORY 3 - (REMAINDER OF STATE)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	183	409	618
Alaska Ins. Co.	175	344	544
Alaska Pacific Assurance Co.	78	160	251
Allstate Ins. Co.	196	324	559
All West Ins. Co.	195	309	545
American Automobile Ins. Co.	196	410	644
American Ins. Co.	196	410	644
Associated Indemnity Co.	128	338	496
Automobile Ins. Plan	331	746	1,117
Continental Ins. Co.	175	344	544
Criterion Ins. Co.	209	459	710
Uairyland Ins. Co.	274	840	1,177
Firemans Fund Ins. Co.	196	410	644
Globe American Casualty Ins. Co.	364	811	1,241
Government Employees Ins. Co.	177	389	599
Horace Mann Ins. Co.	159	311	495
Insurance Services Office	175	344	544
International Service Ins. Co.	163	340	526
Leader National Ins. Co.	400	734	1,224
Lumbermans Mutual Casualty Co.	232	450	714
National Indemnity Co.	354	732	1,143
National Surety Co.	254	532	830
Nationwide Mutual Fire Ins. Co.	242	414	691
Nationwide Mutual Ins. Co.	253	432	720
Progressive Casualty Co.	324	751	1,135
State Farm Fire & Casualty Co.	304	754	1,108
State Farm Mutual Automobile Ins. Co.	237	649	922
United Services Automobile Assn. (USAA)	107	241	364
USAA Casualty Ins. Co.	123	275	416

TERRITORY 4 - (JUNEAU/SOUTHEAST ALASKA)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
American Automobile Ins. Co.	276	308	614
American Ins. Co.	276	308	614
Associated Indemnity Co.	180	434	458
Firemans Fund Ins. Co.	276	308	614
National Surety Co.	353	400	794
Nationwide Mutual Fire Ins. Co.	219	422	674
Nationwide Mutual Ins. Co.	228	440	702
State Farm Fire & Casualty Co.	252	732	1,028
State Farm Mutual Automobile Ins. Co.	196	624	852

EXAMPLE E: Adult male driver (divorced, over 30 years old)  
 One, driving while intoxicated conviction, 28 months ago  
 SR-22 (Financial responsibility) filing required  
 One at-fault accident 12 months ago (over \$500 damage)  
 Drives to work ten miles daily (over 7,500 miles annually)

TERRITORY 1 - (ANCHORAGE)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	1,955	3,669	5,783
Alaska Ins. Co.	595	995	1,644
Alaska Pacific Assurance Co.	291	486	803
Allstate Ins. Co.	460	362	821
All West Ins. Co.	848	1,041	2,057
American Automobile Ins. Co.	1,384	1,936	3,454
American Ins. Co.	1,384	1,936	3,454
Associated Indemnity Co.	900	1,588	2,582
Automobile Ins. Plan	966	1,870	2,910
Continental Ins. Co.	NA	NA	NA
Criterion Ins. Co.			
Dairyland Ins. Co.	598	840	1,501
Firemans Fund Ins. Co.	1,384	1,936	3,454
Globe American Casualty Ins. Co.	556	771	1,409
Government Employees Ins. Co.	629	897	1,595
Horace Mann Ins. Co.	608	812	1,474
Insurance Services Office	595	995	1,644
International Service Ins. Co.	704	818	1,576
Leader National Ins. Co.	574	738	1,402
Lumbermans Mutual Casualty Co.	626	1,029	1,712
National Indemnity Co.	693	785	1,541
National Surety Co.	1,798	2,518	4,484
Nationwide Mutual Fire Ins. Co.	422	624	1,090
Nationwide Mutual Ins. Co.	439	649	1,134
Progressive Casualty Co.	456	845	1,361
State Farm Fire & Casualty Co.	339	485	867
State Farm Mutual Automobile Ins. Co.	205	323	555
United Services Automobile Assn. (USAA)	369	699	1,102
USAA Casualty Ins. Co.	423	798	1,259

TERRITORY 2 - (FAIRBANKS)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	1,880	4,415	6,405
Alaska Ins. Co.	577	1,188	1,822
Alaska Pacific Assurance Co.	283	583	895
Allstate Ins. Co.	434	392	859
All West Ins. Co.	722	1,171	2,092
American Automobile Ins. Co.	2,040	2,248	4,404
American Ins. Co.	2,040	2,248	4,404
Associated Indemnity Co.	1,324	1,848	3,252
Automobile Ins. Plan	1,016	2,175	3,271
Continental Ins. Co.	NA	NA	NA
Criterion Ins. Co.	532	926	1,538
Dairyland Ins. Co.	490	888	1,441
Firemans Fund Ins. Co.	2,040	2,248	4,404
Globe American Casualty Ins. Co.	496	854	1,424
Government Employees Ins. Co.	555	1,023	1,641
Horace Mann Ins. Co.	482	805	1,338
Insurance Services Office	577	1,188	1,822
International Service Ins. Co.	621	917	1,588
Leader National Ins. Co.	518	784	1,392
Lumbermans Mutual Casualty Co.	613	1,216	1,893
National Indemnity Co.	619	845	1,527
National Surety Co.	2,652	2,922	5,720
Nationwide Mutual Fire Ins. Co.	475	712	1,233
Nationwide Mutual Ins. Co.	495	741	1,283
Progressive Casualty Co.	410	897	1,367
State Farm Fire & Casualty Co.	343	524	907
State Farm Mutual Automobile Ins. Co.	207	364	597
United Services Automobile Assn. (USAA)	359	833	1,228
USAA Casualty Ins. Co.	411	952	1,403

## TERRITORY 3 - (REMAINDER OF STATE)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
AIU Ins. Co.	1,446	3,332	4,936
Alaska Ins. Co.	450	905	1,409
Alaska Pacific Assurance Co.	214	442	682
Allstate Ins. Co.	338	348	717
All West Ins. Co.	592	979	1,739
American Automobile Ins. Co.	978	2,052	3,154
American Ins. Co.	978	2,052	3,154
Associated Indemnity Co.	638	1,690	2,414
Automobile Ins. Plan	828	1,716	2,618
Continental Ins. Co.	NA	NA	NA
Criterion Ins. Co.	413	928	1,421
Dairyland Ins. Co.	442	888	1,393
Firemans Fund Ins. Co.	978	2,052	3,154
Globe American Casualty Ins. Co.	432	766	1,272
Government Employees Ins. Co.	412	908	1,371
Horace Mann Ins. Co.	384	751	1,184
Insurance Services Office	450	905	1,409
International Service Ins. Co.	448	939	1,434
Leader National Ins. Co.	446	726	1,262
Lumbermans Mutual Casualty Co.	486	941	1,484
National Indemnity Co.	505	842	1,410
National Surety Co.	1,272	2,668	4,096
Nationwide Mutual Fire Ins. Co.	375	584	1,001
Nationwide Mutual Ins. Co.	392	609	1,044
Progressive Casualty Co.	342	809	1,211
State Farm Fire & Casualty Co.	288	466	795
State Farm Mutual Automobile Ins. Co.	174	317	517
United Services Automobile Assn. (USAA)	278	633	945
USAA Casualty Ins. Co.	318	723	1,079

## TERRITORY 4 - (JUNEAU/SOUTHEAST ALASKA)

<u>Company Name</u>	<u>Liability</u>	<u>Physical Damage</u>	<u>Total All Coverages</u>
American Automobile Ins. Co.	1,378	1,546	3,024
American Ins. Co.	1,378	1,546	3,024
Associated Indemnity Co.	896	1,266	2,232
Firemans Fund Ins. Co.	1,378	1,546	3,024
National Surety Co.	1,792	2,010	3,928
Nationwide Mutual Fire Ins. Co.	339	595	975
Nationwide Mutual Ins. Co.	354	620	1,015
State Farm Fire & Casualty Co.	239	453	729
State Farm Mutual Automobile Ins. Co.	144	305	473

**PART  
TWO**

**HOMEOWNERS**

1982 - STATISTICAL ANALYSIS  
HOMEOWNERS' INSURANCE

- SUMMARY -

This portion of the 1982 Personal Lines Statistical Analyses is devoted to the Alaska homeowners insurance market. Following the statistical exhibits is a comparison of the rates charged by many writers of homeowners insurance in Alaska. The comments that led off the Private Passenger Automobile summary apply likewise to the profitable homeowners market.

Exhibit I illustrates the percentage of the overall market garnered by each of the top 25 writers of homeowners insurance in Alaska (rank, based on written premium). State Farm Fire and Casualty leads the pack in 1981, as they have for many years. State Farm Fire and Casualty had 41.9% of the market in 1981, the same percentage they had in 1980. They did increase their premium volume by 18.8% during 1981. Allstate, the second largest writer, lost about .3% of their share, down to 20.38% from 20.7% in 1980. Their premium volume was up 16.7%. Third place Alaska Pacific Assurance lost both market share and premium volume in 1981. They had 5.23% of the market in 1981 compared to 6.8% in 1980, a drop of about 1.5% while premium volume dropped 7.3%. Continental held onto fourth place by increasing their market share by about .6% to 4.18% up from 3.6% in 1980. Premium volume for them was up 39.4%. The largest gain in market share was by Dependable Insurance Company now in fifth place with a 2.74% share compared with 1% in 1980. Premium volume for Dependable was up 224.5%. Of the top ten companies, four increased their market share, four lost share and two stayed the same. Out of the ten companies, eight increased their premium volume in 1981. Of the 25 companies, 11 increased their share while nine lost and five stayed the same. Overall, the 25 companies in 1981 represent 98.6% of the market compared to 1980 when the 25 top companies accounted for 99.9% of the market. Premium volume for 20 of the companies was up, only five had less written premium in 1981 than 1980. For all companies writing homeowners insurance in Alaska premium volume was \$24,160,000, up 18.8% from \$20,357,000 written in 1980.

While we are pleased that the market has spread somewhat, we are still concerned that nearly 75% of the homeowners market is shared by five companies. Even more disturbing is the fact that two companies hold over 62% of the market. The division is rather powerless to change this concentration and, therefore, must rely on the other companies writing in Alaska to aggressively pursue a larger share of the market. Companies writing this coverage have been able to show a profit in 11 of the past 12 years and we are at a loss as to why more companies are not actively seeking more new business.

Exhibit II adds credence to the above point. Here we have the same 25 companies and their loss ratios for 1978-1981. As the chart shows, 1981 was a return to the profitable experience experienced in every year since 1969, a record marred only by 1980's wind storm losses. The loss ratio for all companies was 49.9%, an improvement of 74 percentage points over the 123.9% loss ratio of 1980 and .4% better than 1979. Of the 25 companies, 15 had loss ratios of 50% or less, 14 had 40% or less and seven had a loss ratio of 20% or less.

Exhibit III further illustrates how profitable homeowners insurance has been in Alaska. This chart lists the top 25 companies along with their expenses in 1981. In 1980, 16 companies had combined loss ratios greater than 100%; in 1981, 16 companies had less than a 100% combined loss ratio. Of the eight companies with combined ratios over 100%, six had expenses that exceeded the 45% that this division considers acceptable. Total expenses averaged 42.4% which when combined with the actual loss ratio for the 25 companies of 50.7%, indicates a combined of 93.1%, this leaves 6.9% for profit and the ever popular IBNR (incurred but not reported) claimed.

Norm Cheney  
Insurance Market Analyst

EXHIBIT I  
CHART I

HOMEOWNERS MARKET SHARE

<u>Company Name</u>	<u>Written Premium 1981</u>	<u>Market Share 1981</u>	<u>Market Share 1980</u>	<u>Market Share 1979</u>	<u>Market Share 1978</u>	<u>Cumulative Market Share 1981</u>
1. State Farm Fire & Casualty Co.	10,124	41.90	41.9	41.2	40.6	41.90
2. Allstate Ins. Co.	4,924	20.38	20.7	19.3	16.9	62.28
3. Alaska Pacific Assurance	1,275	5.28	6.8	2.8	--	67.56
4. Continental Ins. Co.	1,009	4.18	3.6	3.5	1.8	71.74
5. Dependable Ins. Co.	662	2.74	1.0	--	--	74.48
6. Horace Mann Ins. Co.	655	2.71	2.7	2.9	2.8	77.19
7. American Ins. Co.	598	2.48	3.3	4.2	4.6	79.67
8. State Farm General Ins. Co.	587	2.43	2.5	2.6	2.9	82.10
9. Alaska Ins. Co.	555	2.30	2.2	2.4	1.9	84.40
10. Associated Indemnity Corp.	514	2.13	2.0	2.3	2.7	86.53
11. Pacific Employers Ins. Co.	512	2.12	2.3	1.2	--	88.65
12. United Services Automobile Assn.	447	1.85	1.8	1.9	1.8	90.50
13. Allstate Indemnity Co.	346	1.43	1.9	2.1	1.2	91.93
14. Industrial Indemnity Co.	288	1.19	.6	.5	--	93.12
15. Industrial Indemnity Co. of Ak.	285	1.18	1.4	1.3	--	94.30
16. Great American Ins. Co. of Ak.	238	.99	1.5	--	--	95.29
17. Nationwide Mutual Fire Ins. Co.	205	.85	.8	.8	.7	96.14
18. Insurance Co. of North America	194	.80	--	--	--	96.94
19. Firemans Fund Insurance Co.	88	.36	.4	.3	.2	97.30
20. American Motorists Ins. Co.	80	.33	.5	--	--	97.63
21. Colonial Penn Ins. Co.	72	.30	.3	.4	.5	97.93
22. Umialik Ins. Co.	58	.24	--	--	--	98.17
23. Government Employees Ins. Co.	44	.18	.2	.2	.2	98.45
24. USAA Casualty Ins. Co.	39	.16	.1	.1	.1	98.61
25. American Bankers Ins. Co. of Florida	18	.07	--	--	--	98.67
Total Top 25 Companies	23,817	98.58	99.9*			
Total All Companies	24,160					

\*Based on Top 25 Companies 1980

## HOMEOWNERS LOSS RATIOS

<u>Company Name</u>	<u>Earned Premium 1981</u>	<u>Incurred Losses 1981</u>	<u>Loss Ratio 1981</u>	<u>Loss Ratio 1980</u>	<u>Loss Ratio 1979</u>	<u>Loss Ratio 1978</u>
1. State Farm Fire & Casualty	9,250	4,450	48.1	140.1	55.1	31.3
2. Allstate Ins. Co.	4,500	2,865	63.7	158.1	61.8	40.8
3. Alaska Pacific Assurance	1,321	822	62.2	73.0	18.1	--
4. Continental Ins. Co.	839	328	39.1	106.1	24.1	106.6
5. Dependable Ins. Co.	423	112	26.5	72.9	--	--
6. Horace Mann Ins. Co.	595	175	29.4	89.7	47.6	37.7
7. American Ins. Co.	642	389	60.6	83.7	46.5	47.7
8. State Farm General Ins. Co.	541	202	37.3	167.0	69.6	65.1
9. Alaska Ins. Co.	503	352	70.0	64.7	19.5	31.6
10. Associated Indemnity Corp.	442	122	27.6	52.0	25.5	43.0
11. Pacific Employers Ins. Co.	482	286	59.3	121.9	151.7	--
12. United Services Automobile Assn.	388	64	16.5	181.3	30.1	16.0
13. Allstate Indemnity Co.	372	72	19.4	37.1	28.7	76.9
14. Industrial Indemnity Co.	284	191	67.3	66.4	11.5	--
15. Industrial Indemnity Co. of Ak.	189	218	115.3	93.1	30.5	0.0
16. Great American Ins. Co. of Ak.	295	46	15.6	33.3	--	--
17. Nationwide Mutual Fire Ins. Co.	181	65	35.9	40.6	4.4	4.7
18. Insurance Co. of North America	200	(58)	0.0	150.2	48.6	27.8
19. Firemans Fund Ins. Co.	83	166	200.0	49.3	0.0	78.5
20. American Motorists Ins. Co.	92	8	8.7	52.4	--	1.3
21. Colonial Penn Ins. Co.	71	29	40.8	64.2	131.0	15.4
22. Umialik Ins. Co.	6	0	0.0	--	--	--
23. Government Employees Ins. Co.	41	135	329.3	128.6	32.3	0.0
24. USAA Casualty Ins. Co.	33	4	12.1	--	--	--
25. American Bankers Ins. Co.	18	11	61.1	--	--	--
Total Top 25 Companies	21,791	11,054	50.7	124.6*	50.2*	35.2*
Total All Companies	22,095	11,025	49.9	123.9	50.3	35.1

\*Based on Top 25 Companies 1978, 1979, 1980

Source: Insurance Reports 1978-81

## CHART III

## HOMEOWNERS EXPENSE EXHIBIT 1981

<u>Company Name</u>	<u>Earned Premium 1981</u>	<u>Loss Adjust- ment Expense</u>	<u>Comssn. and Brkrng.</u>	<u>Other Acquis. &amp; Field Supv. Collect.</u>	<u>Gen Expns.</u>	<u>Taxes, Licenses and Fees Incurred</u>	<u>Total Expns.</u>	<u>Permis. Loss Ratio</u>	<u>Act- ual Loss Ratio</u>	<u>Comb. Loss Ratios Col. 7 and 9</u>
1. State Farm Fire & Casualty Co.	9,250	6.9	19.0	3.6	3.2	2.7	35.4	64.6	48.1	83.5
2. Allstate Ins. Co.	4,500	9.0	9.7	6.9	3.1	3.5	32.2	67.8	63.7	95.9
3. Alaska Pacific Assurance Co.	1,321	9.6	19.6	4.1	9.0	3.5	45.8	54.2	62.2	108.0
4. Continental Ins. Co.	839	6.5	21.1	3.5	9.9	2.9	43.9	56.1	39.1	83.0
5. Dependable Ins. Co.	423	6.1	47.4	1.4	1.6	2.7	59.2	40.8	26.5	85.7
6. Horace Mann Ins. Co.	595	5.7	19.1	3.1	11.6	3.6	43.1	56.9	29.4	72.5
7. American Ins. Co.	642	7.8	22.4	4.1	8.8	3.1	46.2	53.8	60.6	106.8
8. State Farm General Ins. Co.	541	6.9	19.0	3.6	3.2	2.7	35.4	64.6	37.3	72.7
9. Alaska Ins. Co.	503	7.7	19.7	5.5	2.9	2.9	38.7	61.3	70.0	108.7
10. Associated Indemnity Corp.	442	7.8	22.4	4.1	8.8	3.1	46.2	53.8	27.6	73.8
11. Pacific Employers Ins. Co.	482	9.6	19.6	4.1	9.0	3.5	45.8	54.2	59.3	105.2
12. United Services Auto Assn.	388	8.0	(.3)	15.3	2.5	2.8	28.3	71.7	16.5	44.8
13. Allstate Indemnity Co.	372	9.0	9.7	6.9	3.1	3.5	32.2	67.8	19.4	51.6
14. Industrial Indemnity Co.	284	8.4	22.6	3.4	11.5	3.1	49.0	51.0	67.3	116.3
15. Industrial Indemnity Co. of Alaska	189	8.4	22.6	3.4	11.5	3.1	49.0	51.0	115.3	164.3
16. Great American Ins. Co. of Ak.	295	4.0	25.3	4.0	9.3	4.0	46.7	53.3	15.6	62.3
17. Nationwide Mutual Fire Ins. Co.	181	8.0	16.2	7.2	4.2	4.4	40.0	60.0	35.9	75.9
18. Insurance Co. of North America	200	9.1	19.4	4.0	9.4	3.5	45.4	54.6	0.0	45.4
19. Firemans Fund Ins. Co.	83	7.8	22.4	4.1	8.8	3.1	46.2	53.8	200.0	246.2
20. American Motorists Ins. Co.	92	6.7	21.8	8.7	6.4	3.4	47.0	53.0	8.7	55.7
21. Colonial Penn Ins. Co.	71	14.2	.3	19.8	13.8	2.9	51.1	48.9	40.8	91.9
22. Unialik Ins. Co.	NEW DOMESTIC CO. FORMED 1981									
23. Government Employees Ins. Co.	41	14.1	.1	11.1	13.2	1.8	40.8	59.2	329.3	370
24. USAA Casualty Ins. Co.	33	8.5	0	17.8	3.8	3.6	33.7	66.3	12.1	45.8
25. American Bankers Ins. Co.	18	1.9	10.7	1.9	9.5	3.6	35.7	64.3	61.1	96.8

## HOMEOWNERS INSURANCE RATE EXAMPLES

The rating examples on the following pages are all based on the same coverage levels and rating information. The product should not be judged solely on the basis of price. Service, in all its numerous aspects, is also an important consideration.

Rates are current as of 8/1/82.

### Rating and Coverage Data:

Policy	- HO-3
Construction	- Frame
Premium	- Annual (\$100 deductible)
Locations	- Anchorage
	- Fairbanks
	- Juneau
Protection Classes	- 4, 6, 8, 9, 10
Insured Amount Each	
Location & Protection Class	- \$ 50,000
	- 80,000
	- 110,000

ANCHORAGE  
(50,000)

	Protection Class				
	4	6	8	9	10
Alaska Ins. Co.	175	175	241	383	438
Alaska Pacific Assurance Co.	301	301	449	503	583
All State Ins. Co.	233	275	404	497	497
Allstate Indemnity Co.	350	413	606	746	746
American Ins. Co.	275	322	481	633	633
American Motorists Ins. Co.	291	291	320	509	502
Associated Indemnity Co.	228	267	399	524	524
Colonial Penn Ins. Co.	231	231	231	435	435
Continental Ins. Co.	285	285	311	499	568
Dependable Ins. Co.	220	251	292	394	476
Firemans Fund Ins. Co.	275	322	481	633	633
Government Employees Ins. Co.	295	295	325	515	589
Great American Ins. Co. of Ak.	219	219	241	383	438
Horace Mann Ins. Co.	212	249	356	393	431
Industrial Indemnity Co.	211	211	312	389	445
Industrial Indemnity Co. of Ak.	323	323	477	596	684
Insurance Co. of North America	301	301	449	503	583
Insurance Services Office	291	291	320	507	579
Nationwide Mutual Fire Ins. Co.	199	236	335	414	414
Pacific Employers Ins. Co.	241	241	359	402	466
State Farm Fire & Casualty Co.	209	246	351	435	435
State Farm General Ins. Co.	277	322	450	551	551
Unialik Ins. Co.	291	291	320	507	579
United Services Auto Assoc.	190	190	209	330	377

ANCHORAGE  
(80,000)

	Protection Class				
	4	6	8	9	10
Alaska Ins. Co.	286	286	394	626	717
Alaska Pacific Assurance Co.	433	433	648	726	842
All State Ins. Co.	308	363	533	656	656
Allstate Indemnity Co.	462	545	800	984	984
American Ins. Co.	358	419	625	823	823
American Motorists Ins. Co.	402	402	442	703	804
Associated Indemnity Co.	296	347	519	681	681
Colonial Penn Ins. Co.	364	364	364	686	686
Continental Ins. Co.	411	411	452	719	820
Dependable Ins. Co.	280	212	272	505	615
Firemans Fund Ins. Co.	358	419	625	823	823
Government Employees Ins. Co.	560	560	613	981	1,121
Great American Ins. Co. of Ak.	358	358	394	626	716
Horace Mann Ins. Co.	261	307	440	637	694
Industrial Indemnity Co.	294	294	435	543	622
Industrial Indemnity Co. of Ak.	451	451	666	833	957
Insurance Co. of North America	433	433	648	726	842
Insurance Services Office	401	401	440	699	798
Nationwide Mutual Fire Ins. Co.	268	318	453	561	561
Pacific Employers Ins. Co.	346	346	518	581	674
State Farm Fire & Casualty Co.	282	332	475	589	589
State Farm General Ins. Co.	366	426	600	738	738
Unialik Ins. Co.	401	401	440	699	798
United Services Auto Assoc.	261	261	287	455	520

ANCHORAGE  
(110,000)

	Protection Class				
	4	6	8	9	10
Alaska Ins. Co.	430	430	592	938	1,077
Alaska Pacific Assurance Co.	566	566	847	949	1,101
All State Ins. Co.	395	466	683	841	841
Allstate Indemnity Co.	593	699	1,025	1,262	1,262
American Ins. Co.	457	535	798	1,080	1,080
American Motorists Ins. Co.	544	544	598	951	1,088
Associated Indemnity Co.	378	443	662	870	870
Colonial Penn Ins. Co.	568	568	568	1,068	1,068
Continental Ins. Co.	567	567	620	989	1,132
Dependable Ins. Co.	358	404	482	660	807
Firemans Fund Ins. Co.	457	535	798	1,080	1,080
Government Employees Ins. Co.	860	860	948	1,509	1,721
Great American Ins. Co. of Ak.	537	537	591	940	1,075
Horace Mann Ins. Co.	319	375	536	776	847
Industrial Indemnity Co.	383	383	567	707	813
Industrial Indemnity Co. of Ak.	588	588	869	1,086	1,250
Insurance Co. of North America	566	566	847	949	1,101
Insurance Services Office	541	541	594	944	1,078
Nationwide Mutual Fire Ins. Co.	343	409	582	722	722
Pacific Employers Ins. Co.	453	453	578	759	881
State Farm Fire & Casualty Co.	362	427	611	759	759
State Farm General Ins. Co.	462	541	765	943	943
Umialik Ins. Co.	541	541	594	944	1,078
United Services Auto Assoc.	358	358	393	623	711

FAIRBANKS  
(50,000)

	Protection Class				
	4	6	8	9	10
Alaska Ins. Co.	175	175	241	383	438
Alaska Pacific Assurance Co.	357	357	531	595	691
All State Ins. Co.	233	275	404	497	497
Allstate Indemnity Co.	350	413	606	746	746
American Ins. Co.	396	463	693	911	911
American Motorists Ins. Co.	291	291	320	509	582
Associated Indemnity Co.	329	385	576	757	757
Colonial Penn Ins. Co.	231	231	231	435	435
Continental Ins. Co.	285	285	311	499	568
Dependable Ins. Co.	246	271	307	422	564
Firemans Fund Ins. Co.	396	463	693	911	911
Government Employees Ins. Co.	295	295	325	515	589
Great American Ins. Co. of Ak.	219	219	241	383	438
Horace Mann Ins. Co.	212	249	356	393	431
Industrial Indemnity Co.	247	247	364	457	523
Industrial Indemnity Co. of Ak.	379	379	559	700	804
Insurance Co. of North America	357	357	531	595	691
Insurance Services Office	291	291	320	507	579
Nationwide Mutual Fire Ins. Co.	237	275	396	488	488
Pacific Employers Ins. Co.	286	286	425	476	553
State Farm Fire & Casualty Co.	248	290	416	513	513
State Farm General Ins. Co.	325	376	528	646	646
Umialik Ins. Co.	291	291	320	507	579
United Services Auto Assoc.	190	190	209	330	377

FAIRBANKS  
(80,000)

	Protection Class				
	4	6	8	9	10
Alaska Ins. Co.	286	286	394	626	717
Alaska Pacific Assurance Co.	515	515	767	860	999
All State Ins. Co.	308	363	533	656	656
Allstate Indemnity Co.	462	545	800	984	984
American Ins. Co.	515	602	901	1,184	1,184
American Motorists Ins. Co.	402	402	442	703	804
Associated Indemnity Co.	428	501	749	984	984
Colonial Penn Ins. Co.	364	364	364	686	686
Continental Ins. Co.	411	411	452	719	820
Dependable Ins. Co.	245	271	307	422	564
Firemans Fund Ins. Co.	515	602	901	1,184	1,184
Government Employees Ins. Co.	560	560	618	981	1,121
Great American Ins. Co. of Ak.	358	358	394	626	716
Horace Mann Ins. Co.	261	307	440	486	532
Industrial Indemnity Co.	345	345	509	638	731
Industrial Indemnity Co. of Ak.	530	530	781	979	1,125
Insurance Co. of North America	515	515	767	860	999
Insurance Services Office	401	401	440	699	798
Nationwide Mutual Fire Ins. Co.	306	356	512	632	632
Pacific Employers Ins. Co.	412	412	614	506	799
State Farm Fire & Casualty Co.	320	375	539	665	665
State Farm General Ins. Co.	412	478	677	830	830
Umialik Ins. Co.	407	401	440	699	798
United Services Auto Assoc.	261	261	287	455	520

FAIRBANKS  
(110,000)

	Protection Class				
	4	6	8	9	10
Alaska Ins. Co.	430	430	592	938	1,077
Alaska Pacific Assurance Co.	672	672	1,003	1,124	1,307
All State Ins. Co.	395	466	683	841	841
Allstate Indemnity Co.	593	699	1,025	1,262	1,262
American Ins. Co.	657	769	1,150	1,512	1,512
American Motorists Ins. Co.	544	544	598	951	1,088
Associated Indemnity Co.	546	639	956	1,257	1,257
Colonial Penn Ins. Co.	568	568	568	1,068	1,068
Continental Ins. Co.	567	567	620	989	1,132
Dependable Ins. Co.	397	444	511	705	1,035
Firemans Fund Ins. Co.	657	769	1,150	1,512	1,512
Government Employees Ins. Co.	860	860	948	1,509	1,721
Great American Ins. Co. of Ak.	537	537	591	940	1,075
Horace Mann Ins. Co.	319	375	536	592	649
Industrial Indemnity Co.	450	450	664	834	956
Industrial Indemnity Co. of Ak.	691	691	1,020	1,278	1,470
Insurance Co. of North America	672	672	1,003	1,124	1,307
Insurance Services Office	541	541	594	944	1,078
Nationwide Mutual Fire Ins. Co.	386	448	647	797	797
Pacific Employers Ins. Co.	538	538	983	899	1,046
State Farm Fire & Casualty Co.	404	473	681	841	841
State Farm General Ins. Co.	513	597	850	1,043	1,043
Umialik Ins. Co.	541	541	594	944	1,078
United Services Auto Assoc.	358	358	393	623	711

(50,000)

	Protection Class				
	4	6	8	9	10
Alaska Ins. Co.	175	175	241	383	438
Alaska Pacific Assurance Co.	265	265	393	439	511
All State Ins. Co.	212	221	318	384	384
Allstate Indemnity Co.	318	332	477	576	576
American Ins. Co.	233	256	381	524	524
American Motorists Ins. Co.	291	291	320	509	582
Associated Indemnity Co.	193	212	316	434	434
Colonial Penn Ins. Co.	212	212	212	435	435
Continental Ins. Co.	275	275	301	479	546
Dependable Ins. Co.	205	218	278	377	456
Firemans Fund Ins. Co.	233	256	381	524	524
Government Employees Ins. Co.	295	295	325	515	589
Great American Ins. Co. of Ak.	219	219	241	383	438
Horace Mann Ins. Co.	180	212	303	438	478
Industrial Indemnity Co.	211	211	312	389	445
Industrial Indemnity Co. of Ak.	323	323	477	596	684
Insurance Co. of North America	265	265	393	439	511
Insurance Services Office	291	291	320	507	579
Nationwide Mutual Fire Ins. Co.	178	201	282	340	340
Pacific Employers Ins. Co.	212	212	314	419	409
State Farm Fire & Casualty Co.	186	211	297	359	359
State Farm General Ins. Co.	250	280	383	458	458
Umialik Ins. Co.	291	291	320	507	579
United Services Auto Assoc.	190	190	209	330	377

JUNEAU  
(80,000)

	Protection Class				
	4	6	8	9	10
Alaska Ins. Co.	286	286	394	626	717
Alaska Pacific Assurance Co.	381	381	567	633	738
All State Ins. Co.	279	292	420	507	507
Allstate Indemnity Co.	419	438	630	761	761
American Ins. Co.	303	333	495	681	681
American Motorists Ins. Co.	402	402	442	703	804
Associated Indemnity Co.	251	276	411	564	564
Colonial Penn Ins. Co.	332	332	332	686	686
Continental Ins. Co.	397	397	434	690	788
Dependable Ins. Co.	257	276	351	479	582
Firemans Fund Ins. Co.	303	333	495	681	681
Government Employees Ins. Co.	560	560	618	981	1,121
Great American Ins. Co. of Ak.	358	358	394	626	716
Horace Mann Ins. Co.	222	261	374	541	590
Industrial Indemnity Co.	294	294	435	543	622
Industrial Indemnity Co. of Ak.	451	451	666	833	957
Insurance Co. of North America	381	381	567	633	738
Insurance Services Office	401	401	440	699	798
Nationwide Mutual Fire Ins. Co.	224	253	355	429	429
Pacific Employers Ins. Co.	305	305	454	506	590
State Farm Fire & Casualty Co.	233	264	372	451	451
State Farm General Ins. Co.	306	343	475	571	571
Umialik Ins. Co.	401	401	440	699	798
United Services Auto Assoc.	261	261	287	455	520

JUNEAU  
(110,000)

	Protection Class				
	4	6	8	9	10
Alaska Ins. Co.	430	430	592	938	1,077
Alaska Pacific Assurance Co.	497	497	740	828	965
All State Ins. Co.	358	374	539	650	650
Allstate Indemnity Co.	537	561	809	975	975
American Ins. Co.	387	425	632	870	870
American Motorists Ins. Co.	544	544	598	951	1,088
Associated Indemnity Co.	320	352	525	720	720
Colonial Penn Ins. Co.	511	511	511	1,068	1,068
Continental Ins. Co.	547	547	596	948	1,088
Dependable Ins. Co.	328	349	450	623	760
Firemans Fund Ins. Co.	387	425	632	870	870
Government Employees Ins. Co.	860	860	948	1,509	1,721
Great American Ins. Co. of Ak.	537	537	591	940	1,075
Horace Mann Ins. Co.	271	319	456	660	720
Industrial Indemnity Co.	383	383	567	707	813
Industrial Indemnity Co. of Ak.	588	588	869	1,086	1,250
Insurance Co. of North America	497	497	740	828	965
Insurance Services Office	541	541	594	944	1,078
Nationwide Mutual Fire Ins. Co.	284	323	455	548	548
Pacific Employers Ins. Co.	398	398	542	622	772
State Farm Fire & Casualty Co.	298	338	478	579	579
State Farm General Ins. Co.	385	433	603	726	726
Umfalik Ins. Co.	541	541	594	944	1,078
United Services Auto Assoc.	358	358	393	623	711