

**SB**

**158**

# FISCAL NOTE

**STATE OF ALASKA**  
**1998 LEGISLATIVE SESSION**

No. 2  
 BILL NO: Bill Version: CS SB 158 (L+C)  
 (S) Publish Date: 2/20/98

Revision Date: _____	Dept. Affected: <u>Administration</u>	_____
Title: <u>"An Act relating to motor vehicle liability Insurance..."</u>	BRU: <u>Motor Vehicles</u>	_____
Sponsor: <u>Senate Judiciary</u>	Component: <u>Driver Services</u>	_____
Requestor: <u>(S) L&amp;C</u>	COMPONENT SERIAL NO. <u>2150</u>	_____

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( ) Revenue Code						
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**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimate of current year (FY 98) impact: \$ 0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill will not fiscally impact the Division of Motor Vehicles

Prepared By:	<u>Juanita M. Hensley</u>	Phone:	<u>465-5648</u>
Division:	<u>Motor Vehicles</u>	Date:	<u>2/4/98</u>
Approved by Commissioner:	<u>Mark Boyer</u> <i>Mark Boyer</i>	Date:	<u>2/4/98</u>
Agency:	<u>Department of Administration</u>		

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# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. SB 158 | \_\_\_\_\_

Revision Date (Note if correction) \_\_\_\_\_ Dept. Affected Commerce & Economic Development  
 Title Insurance Changes For Driver's License BRU Insurance  
 Revocation \_\_\_\_\_ Component Insurance  
 Sponsor Senate Judiciary Committee  
 Requester Senate Labor & Commerce Component Serial No. 354

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY98) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 Section 1 amends the existing statute to prohibit canceling a personal automobile insurance policy when a minor's license is revoked for possession of alcohol.  
  
 Section 2 adds a new section that prohibits an insurer from canceling, nonrenewing, denying a claim, or increasing the premium on a motor vehicle liability insurance policy when a minor's license has been revoked for possession or consumption of alcohol.

Prepared by Marianne K. Burke, Director Phone 465-2515  
 Division Insurance Date 2/2/98  
 Approved by Commissioner Deborah B. Sedwick Date 2-3-98  
 Agency Commerce and Economic Development

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# ALASKA STATE LEGISLATURE



Sen. Robin Taylor, Chair  
Sen. Drue Pearce, Vice Chair  
Sen. Mike Miller  
Sen. Sean Parnell  
Sen. Johnny Ellis

State Capitol  
Juneau, AK 99801-1182  
(907) 465-3717  
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## Senate Judiciary Committee

### SPONSOR STATEMENT FOR

CS FOR SENATE BILL 158 ( ) "An Act relating to motor vehicle liability insurance covering a person who has had the person's driver's license revoked."

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The "use it or lose it" provisions of current statute have had an unintended consequence. Minors who lose their drivers licenses for minor consuming offenses often find themselves and their families with increased insurance premiums and occasionally a policy cancellation.

Senate Bill 158 would correct this situation by prohibiting an insurer from raising rates and/or cancelling existing policies solely for suspension of a minor's drivers license as a result of minor consuming (where not involving driving).

This narrowly focused version of SB 158 does not address other offenses such as DWI, using false ID, or possession of controlled substances.

## Sectional Analysis

### CSSB 158

Section 1 adds language to the existing statute stating that AS 21.36.210 (a) (2) does not apply to an administrative revocation as described in AS 21.89.027, the new section which begins on page 2 of the bill.

AS 21.36.210 (a) specifies why an insurer may cancel a policy: nonpayment of premium or suspension or revocation of a drivers license.

Section 2 is the operative section of the bill and adds a new provision to state law. (a) says an insurer may not refuse to issue or renew motor vehicle liability insurance, cancel an existing policy, deny a covered claim, or increase the premium only because of an administrative or court ordered suspension for minor consuming. (b) says that (a) does not prevent an insurer from underwriting or rating a loss in the same manner as it would have had the suspension not occurred.

Section 3 says the bill would apply to policies issued or renewed on or after the effective date. This would mean that policies currently being charged a higher rate would have to be adjusted at the next renewal

prepared 1/29/98 by Joe Ambrose

3-2-98

SB 307 -- FILL U.S. SENATE VACANCIES.

DILL STUTZ TESTIFIES FOR SENATOR HALFORD.

PASSED OUT WOO

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SB 158 MINOR CONSUMING / DR. LIC. REVOC.

DIRECTOR OF INSURANCE DIV. SUPPORTS THE  
CLARIFICATION.

INDUSTRY DOES NOT SUPPORT THE BILL EVEN THOUGH  
IT'S NARROWLY FOCUSED. THEY FEEL THAT THE  
INDUSTRY MUST BE FREE TO ASSESS RISK FOR WHAT  
THEY FEEL ARE RELATED RISK FACTORS.

SENATOR MILLER MOVES - SB 158 WITH INDIV. RECS.  
NO OBJECTION.

# SENATE COMMITTEE REPORT

DATE: 2/20/98

FURTHER:

DATE TURNED  
IN TO OFFICE: 3-2-98

Judiciary Committee considered

SENATE BILL NO. 158

"An Act relating to motor vehicle liability insurance covering a person who has had the person's driver's license revoked."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_
- adopt previous \_\_\_\_\_ CS FOR SB 158 (LIC)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Mike Killee</i>	<input checked="" type="checkbox"/>	<i>Alan Farrell</i>			
CHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>	CHAIR:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
<i>Co</i>			

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
<i>COMINGLED</i>	<i>2-20-98</i>	<input checked="" type="checkbox"/>	
<i>ADMIN. DMV/PA. SVCS.</i>	<i>2-20-98</i>	<input checked="" type="checkbox"/>	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill