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SENATE COMMITTEE REPORT

DATE: 3/24/99

FURTHER:

DATE TURNED IN TO OFFICE: 3/29/99

Judiciary Committee considered SENATE BILL NO. 87

"An Act requiring a license to sell rental car insurance."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- 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 <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
		<i>[Signature]</i>	✓		
CHAIR: <i>[Signature]</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
DCED	3/24	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill



Official Business

Alaska State Legislature

SENATE LABOR & COMMERCE COMMITTEE

State Capitol
Juneau, AK 99801-1182

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REQUESTERS STATEMENT

SB 87, License to Sell Rental Car Insurance.

Senate Bill 87 provides for a limited license to a motor vehicle rental company authorizing the sale of insurance incidental to the rental transaction. Currently, the Alaska insurance code is not clear on whether incidental sale of personal insurance on a rental motor vehicle should be licensed by the state or not.

As a result of regulatory action and litigation in other states, industry representatives and regulators are reviewing state statutes to determine if they contain provisions for the sale of these products when incidental to the renting or leasing of a motor vehicle. This Act will remove any ambiguity on licensure regarding the offering and sale of these insurance products in connection with the vehicle rental. The Division of Insurance and the industry would both be positively impacted by enactment of this legislation.

SB 87 establishes the jurisdiction of the Division of Insurance over the rental car industry in regard to the sale of their insurance products. Clarification of Division oversight and authority allows the agency to better regulate the sale of these products and protect consumer interests. The industry will gain a clear understanding of the requirements and its responsibilities regarding the promotion and sale of their insurance products.

Many of these products have been offered for 10 to 20 years. While many of the coverages are optional, customers who are not covered by existing insurance because they don't own their own vehicles need access to this type of insurance to avoid potential liability. SB 87 will allow uninterrupted access to coverage.



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SB 87, RENTAL CAR INSURANCE

SECTIONAL

Section 1 exempts the new limited license for selling car rental insurance, that is established in following section 2, from the general examination and testing requirements of the Division of Insurance for applicants and licensees.

Section 2 adds a new subsection AS 21.27.150 (a)(7) that establishes the "rental motor vehicle limited producer license", the conditions for the license, and its limitations.