



LAWS OF ALASKA

1972

Source

SCS CSHB 305

Chapter No.

13

AN ACT

Relating to cancellation and renewal of certain noncommercial insurance policies; and providing for an effective date.

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

* Section 1. AS 21.36.210 is amended by adding new subsections to read:

(e) An insurer may not cancel an insurance policy which covers

(1) loss of or damage to real property which is used predominantly for residential purposes and does not consist of more than four dwelling units;

(2) loss of or damage to personal property, including but not limited to personal effects, household furniture, fixtures and equipment located in not more than four dwelling units; or

(3) legal liability of natural persons for loss of, damage to or injury to persons or property when the insurance does not cover liability arising from or in connection with business or commercial activities.

(f) Notwithstanding (e) of this section an insurer may cancel a policy of the type described in (e) of this section if one of the following conditions or circumstances arises:

(1) nonpayment of premiums, including nonpayment of additional premiums, calculated in accordance with the current rating manual of the insurer, justified by a physical change in the insured property or a change in its occupancy or use;

(2) conviction of the insured of a crime having as one of its necessary elements an act increasing a hazard insured against;

(3) discovery of fraud or material misrepresentation made by the insured or his representative in obtaining the insurance or by the insured in pursuing a claim under the policy;

(4) discovery of a grossly negligent act or omission by the insured which substantially increases the hazards insured against;

(5) physical changes in the insured property which result in the property becoming uninsurable.

* Sec. 2. AS 21.36.270 is amended to read:

Sec. 21.36.270. EFFECT OF FAILURE TO COMPLY. Notwithstanding the failure of an insurer to comply with secs. 210 - 310 of this chapter, termination of coverage under the policy either by cancellation or nonrenewal is effective on the effective date of any other policy providing similar coverage on the same risk, or motor vehicle or a replacement of it.

* Sec. 3. AS 21.36.310(1) is amended to read:

(1) "policy" means an insurance policy covering the risks and exposures listed in sec. 210(e) of this chapter or an automobile policy which includes automobile liability coverage, uninsured motorist coverage, automobile medical payments coverage, or automobile physical damage coverage, delivered or issued for delivery in this state, insuring as the named insured, one individual or husband and wife resident of the same household, and under which the insured vehicles are of the following types only:

(A) a motor vehicle of the private passenger or station wagon type that is not used as a public or livery conveyance, nor rented to others; or

(B) any other four-wheel motor vehicle with a load capacity of 1,500 pounds or less which is not used in the occupation, profession or business of the insured, nor used as a public or livery conveyance nor rented to others;

* Sec. 4. AS 21.36.230 is amended to read:

Sec. 21.36.230. STATEMENT OF REASONS. A notice of cancellation issued under sec. 210(a)(2) or 210 (f) of this chapter shall either state the reasons for the cancellation, or contain a statement that upon the written request of the named insured, mailed or delivered to the insurer at least 10 days before the effective date of cancellation, the insurer will specify in writing the reason for the cancellation. If the reason for cancellation is not included in the notice of cancellation, the insurer shall upon written request of the named insured specify in writing the reason for cancellation. The insurer shall

mail or deliver this explanation to the named insured within 10 days after receipt of a written request. Failure to specify the reason following a request constitutes a violation of this title, but does not invalidate the cancellation.

* Sec. 5. This Act takes effect on July 1, 1972.