



LAWS OF ALASKA

1984

Source

CSSB 134 (L&C)

Chapter No.

9

AN ACT

Relating to surety bond and financial requirements for insurers of surplus lines.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: February 22, 1984
Actual Effective Date: May 22, 1984

AN ACT

Relating to surety bond and financial requirements for
insurers of surplus lines.

* Section 1. AS 21.33.160 is amended to read:

Sec. 21.33.160. FILING SURETY BOND AS A CONDITION TO LICENSE.
Before receiving a license the applicant shall file with the department a surety bond in favor of the state and insureds in the penal sum of \$50,000 [\$25,000]. The bond shall be issued by an authorized corporate surety approved by the department. The bond shall be conditioned on the conduct of business under the license in conformity with the provisions of this title, including the payment of all taxes required to be paid by this title. The applicant shall keep the bond in effect during the period of the license. The surety may terminate the bond by giving at least 30 days written notice to the department.

* Sec. 2. AS 21.33.180(a) is amended to read:

(a) A surplus line broker shall ascertain the financial condition of an insurer before placing insurance with the insurer [HIM]. A broker may not place or renew surplus line insurance with an insurer which the broker [HE] knows or should with due diligence, determine to be financially unsound, nor may the broker place surplus line insurance with an insurer which has capital and surplus of less than \$1,500,000 [\$600,000] unless there is on file with the department a copy of a trust agreement, certified by the trustee, evidencing an existing trust of at least \$1,500,000 [\$450,000] which is deposited by

Chapter 9

1 the insurer in a United States bank or a United States trust company
2 and held for the protection of the insurer's United States
3 policyholders. The department may waive the financial requirements in
4 this subsection in circumstances in which insurance on risks located
5 in this state cannot be procured under the requirements.
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