



LAWS OF ALASKA

2014

Source
SB 58

Chapter No.

AN ACT

Allowing an insurer to cancel an insurance policy if property becomes entirely abandoned and the abandonment increases the hazard insured against.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Allowing an insurer to cancel an insurance policy if property becomes entirely abandoned and
2 the abandonment increases the hazard insured against.

3 _____

4 * **Section 1.** AS 21.36.210(f) is amended to read:

5 (f) An insurer may not exercise its right to cancel a policy of personal
6 insurance other than personal automobile insurance, except for the following reasons:

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

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

13 (3) discovery of fraud or material misrepresentation made by the
14 insured or a representative of the insured in obtaining the insurance or by the insured

1 in pursuing a claim under the policy;

2 (4) discovery of a grossly negligent act or omission by the insured that
3 substantially increases the hazards insured against; [OR]

4 (5) physical changes in the insured property that result in the property
5 becoming uninsurable; or

6 **(6) entire abandonment of the property that increases a hazard**
7 **insured against; if a policy is cancelled under this paragraph, in addition to the**
8 **notice required under AS 21.36.220, the insurer shall give notice of cancellation**
9 **of the policy to a lender on file with the insurer at the time of the cancellation; in**
10 **this paragraph, "entire abandonment" means the property is no longer occupied**
11 **by the insured as defined by the policy and does not have contents of substantial**
12 **utility; however, property is not entirely abandoned if the insured or an agent for**
13 **the insured demonstrates that the property is being reasonably maintained and**
14 **monitored for a condition that might cause damage to the property.**

15 * Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 APPLICABILITY. AS 21.36.210(f)(6), enacted by sec. 1 of this Act, applies to
18 property that becomes entirely abandoned on or after the effective date of this Act.