

**SENATE BILL NO. 58**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY SENATOR EGAN

Introduced: 2/15/13

Referred: Labor and Commerce

**A BILL**

**FOR AN ACT ENTITLED**

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

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

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.