



BULLETIN B20-19

TO: ALL LICENSEES AND INSURERS IN THE STATE OF ALASKA AND OTHER INTERESTED PARTIES

RE: NOTICE OF CANCELLATION TO PRODUCERS

The Alaska Division of Insurance (division) reminds all insurers writing business or commercial insurance, as defined in Alaska Statute (AS) 21.36.310(1), that notice of cancellation **must** be provided in accordance with AS 21.36.260 to the policy's agent or broker of record, in addition to the named insured. AS 21.36.220(b) states, in relevant part:

(b) An insurer may not exercise its right to cancel a policy of business or commercial insurance unless a written notice of cancellation is mailed to the named insured as required by AS 21.36.260 and to the agent or broker of record... (emphasis added)

Furthermore, insurers writing policies subject to either AS 21.36.220(a) or (b) are encouraged to provide the cancellation notice to producers in any case where the insurer has documentation that the policy has been procured via a producer, unless the insurer has reason to believe the policyholder has restricted the producer's authority to receive cancellation notices. This applies regardless of whether the policy's premium is billed directly to the policyholder or the producer. Ensuring producers receive timely notice of cancellation will greatly assist producers in performing their duties to their clients and avoid unnecessary cancellations, reinstatements, and lapses.

Producers are reminded that, in order to ensure receipt of cancellation notices associated with their clients' policies, they should provide documentation to insurers of their appointment and authority.

If you have questions regarding this bulletin, please contact Katie Hegland at (907) 269-8114; or via email at katie.hegland@alaska.gov.

Dated November 13, 2020.

A handwritten signature in blue ink that reads "Lori Wing-Heier".

Lori Wing-Heier
Director