

# Hammond announces rural insurance relief

"Three thousand five hundred Alaskans who live in rural parts of the state will be getting a big break on homeowners and dwelling fire insurance," Governor Jay Hammond announced April 26. "The ten largest writers of homeowners and dwelling insurance have agreed to accept a quota of rural property risks at normal, approved rates and coverage."

Until now, Hammond explained, many bush homeowners have been able to insure only through what's called the surplus lines market, a nonregulated portion of the insurance industry, at rates up to three times the level that regulated carriers are permitted to charge. "This required many Alaskans to pay much higher premiums simply because of their geographic location," Hammond said.

"Rather than mandate by law an insurance pool to cover these risks," Hammond said, "we hoped to persuade the industry to voluntarily solve the problem. I am pleased that they have responded

favorably to this new program initiated by the Division of Insurance."

Hammond explained that under the program, rural dwellings will be subject to underwriting standards for fire safety, maintenance and condition. The companies may refuse coverage based on a documented physical inspection of the property, but not based only on geographic location.

"All insurance agents and brokers in the state are being notified of the program," Hammond said. "We will consider it an unfair trade practice to place coverage for a rural dwelling in the surplus lines market unless it has been rejected by the companies participating in the program."

The companies participating in the program are: State Farm, Allstate, Great American, Alaska Insurance Company, Industrial Indemnity of Alaska, Fireman's Fund, Horace Mann, Pacific, Atlas and INA.