



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
and Economic Development

DIVISION OF INSURANCE

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**Bulletin B 18-17**

TO: ALL INSURERS AUTHORIZED TO TRANSACT INSURANCE IN THE STATE OF ALASKA AND OTHER INTERESTED PARTIES

RE: DOMINANT CAUSE OF LOSS

The Division of Insurance (division) has received multiple inquiries concerning coverages available to consumers without earthquake insurance, for their losses related to the November 30, 2018, 7.0 earthquake impacting Southcentral Alaska. The division refers consumers to Alaska Statute (AS) 21.36.096 Prohibited Denial of Claim for Causation, which reads as follows:

An insurer may not deny a claim if a risk, hazard, or contingency insured against is the dominant cause of a loss and the denial occurs because an excluded risk, hazard, or contingency is also in a chain of causes but operates on a secondary basis.

In the event a loss occurs through a chain of events that contains both excluded and included risks, AS 21.36.096 requires insurers to pay the claim when the dominant cause of the loss is a covered risk, even if the excluded risk may have contributed to the loss.

If a dispute arises between the consumer and the insurer regarding the dominant cause of a loss, the division lacks the authority to make a determination. The question may ultimately have to be resolved in the courts.

This explanation of AS 21.36.096 is provided as reference material for use if you are considering filing a property damage claim related to the earthquake events starting on November 30, 2018. While each loss event has different aspects and not all policies are the same, insurers must apply AS 21.36.096 when considering claims involving a chain of causes. In all cases, the division recommends you review the language in your policy(s).

If you have any questions relating to this bulletin, please contact Shauna Nickel at 907-269-7900.

Dated this 13th day of December 2018, at Anchorage, Alaska.

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

Lori Wing-Heier  
Director