

# STATE OF ALASKA

DEPARTMENT OF COMMERCE AND  
ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

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## BULLETIN 99-07

**TO: All Insurers Writing Auto Insurance in the State of Alaska**

**RE: Family Personal Injury Exclusions in Motor Vehicle Insurance**

It has recently come to the attention of the Alaska Division of Insurance that there may be some insurers including language in auto policies that excludes coverage for liability for personal injury to family members of the insured. Such language might typically read as follows:

"We do not provide liability coverage for you or any family member for bodily injury to you or any family member."

The division has concluded that such or similar language directly violates AS 28.20.440(b) and AS 28.22.101, and, therefore, violates AS 21.89.020. The named insured and all permissive drivers otherwise covered under the policy must be insured against loss from liability imposed by law for bodily injury. There is no provision in the statutes that permits the insurer to exclude coverage if the injured person happens to be a family member. If an insured is found to be liable to a family member, the policy must cover the injury.

The division has encountered the argument that insurers are not required to provide liability coverage to family members who are not permissive drivers. This argument misses the point that the coverage is not for the family member; it is for the *insured's liability* to the family member. This does not create coverage for someone who is not driving the car. But if an insured is the person driving the car and negligently injures someone in his or her family, the policy must cover the liability.

The division asks that all insurers voluntarily review their forms, modify and resubmit any forms that currently contain this type of exclusion. If this voluntary approach is not successful, the division will withdraw approval for any previous filings found to contain policy forms or endorsements containing such inappropriate exclusions .

This bulletin is not intended to abridge any right an insured has to request a named driver exclusion as allowed under AS 28.20.440.

If you have any questions regarding this bulletin, please contact the Division of Insurance; P.O. Box 110805; Juneau, AK 99811-0805, (907) 465-2515; fax (907) 465-3422; or via electronic mail at: .

DATED: May 18, 1999



Marianne K. Burke  
Director of Insurance