



DIVISION OF INSURANCE

Frank H. Murkowski, Governor

BULLETIN B 04-17

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

**RE: TRANSACTION OF GUARANTEED AUTOMOBILE PROTECTION (GAP)
INSURANCE IN COMPLIANCE WITH ALASKA STATUTES**

The division previously advised all licensees, insurers, and interested parties of the changes enacted by the passage of SCS CSHB 184 (Judiciary) in Bulletin 02-01. SCS CSHB 184 (Judiciary) amended Chapter 27 of the insurance code (AS 21.27), incorporating into Alaska law requirements necessary to ensure reciprocity under federal legislation passed in the Gramm Leach Bliley Act (GLBA), simplified producer licensing, and implemented consumer protections for purchases of insurance through banks. Included in this law was a change in the license required to transact GAP insurance.

Limited Lines Credit License Required to Transact GAP Insurance

Prior to January 1, 2002, authority to transact GAP insurance required a person to hold a property and casualty producer license. Beginning January 1, 2002, a person desiring to transact GAP insurance is required to hold a limited lines credit authority license. AS 21.27.900(18) defines Limited Lines Credit insurance as follows, "limited lines credit insurance includes credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation that the director of insurance determines must be designated a form of limited lines credit insurance." While the type of license required to be held to transact GAP insurance changed from a property and casualty producer license to limited lines credit authority, licensure has always been required. GAP products are insurance, subject not only to rate and form filing requirements, but licensing requirements.

Compliance

It has been brought to the attention of the division that members of the automobile dealer industry may not be complying with Alaska's licensing laws with respect to the sale, solicitation, and negotiation of GAP insurance products.

Individuals and business entities transacting GAP insurance are reminded that a Limited Lines Credit license is required to transact GAP insurance in compliance with Alaska laws. In order to facilitate compliance, the requirements to obtain a license are outlined in the following paragraphs of this bulletin.

Expedited License Issuance

Licenses for individuals and business entities seeking to comply with licensing requirements in response to this bulletin will not be delayed due to the disclosure of any unlicensed activity. In order to receive this expedited license processing, all required applications, forms, and other documentation must be received by the division no later than January 31, 2005.

Consistent with the division's regulatory responsibility, adequate information to assure compliance with our laws is required to be provided in the Automobile Dealer Business Transaction Form (included as a part of this bulletin). The division will review the information to determine whether any regulatory action is necessitated by the information provided. However, issues related to transaction of insurance **prior** to licensure will be considered **subsequent** to licensure in order to encourage and achieve maximum compliance.

Application Forms & Instructions

Application forms and instructions are available from our website at www.commerce.state.ak.us/insurance/license.htm. Application Form 08-240 is used to license individuals/individuals in a firm, Application Form 08-241 is used to license business entities, and Application Form 08-242 is used to register branch locations of business entities. You may also obtain application forms and instructions by writing to the division and including a self-addressed, stamped envelope with your request to:

Anchorage Office:
550 West 7th Avenue, Suite 1560
Anchorage, AK 99501-3567
(907) 269-7900

Juneau Office:
P.O. Box 110805
Juneau, AK 99811-0805
(907) 465-2515

The Frequently Asked Questions (FAQ) document on our website will provide further information on producer licensing: www.commerce.state.ak.us/insurance/home.htm.

Examination

In order to qualify for limited lines credit insurance licensure, the applicant must submit examination results for the limited lines credit examination, valid within one year from the date of examination. Registration for the required examination can be completed by contacting Promissor (the testing vendor) at www.promissor.com.

Automobile Dealer Business Transaction Form

The Automobile Dealer Business Transaction Form must accompany any application submitted. To facilitate compliance and licensure, the Automobile Dealer Business Transaction Form requires some information regarding business, if any, that has been transacted prior to licensure.

Willful and Intentional Violations

If violations of Alaska statutes occur after being advised of our laws, these violations may be found to evidence willful and intentional actions. Substantial penalties are provided for the willful and intentional violation of our laws.

If you have questions regarding this bulletin, please contact the licensing staff at (907) 465-2515.

Dated this 18th day of November 2004, at Anchorage, Alaska.



Linda S. Hall
Director

**STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
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P.O. Box 110805
Juneau, Alaska 99811-0805
(907) 465-2515 Phone
(907) 465-2816 Fax**

Automobile Dealer Business Transaction Form

- I certify, under penalty of perjury, that I have not transacted the business of insurance (including GAP products) in Alaska. I understand that I cannot transact insurance in Alaska until I am properly licensed.
- I certify, under penalty of perjury, that to the best of my knowledge the following is a complete and accurate list of Alaska insurance transactions that took place from January 1, 2002 to date and prior to the issuance of an Alaska insurance license. If necessary, attach a separate page. Any attachment must be notarized. I understand that I cannot transact any further insurance in Alaska until I am properly licensed.

Number of Transactions	Calendar Year Transacted	Insurer Name	Total Premium Amount (in dollars)	Total Commission, Compensation, or any form of Remuneration
Totals				

Dated at _____, this _____ day of _____.

Signature of Licensee/Compliance Officer

Typed or Printed Name

SUBSCRIBED AND SWORN to before me this _____ day of _____,

at _____
City/Town State

Notary Signature: _____

(NOTARY SEAL)

My Commission Expires: _____