



**ALASKA ATTORNEYS FEES
NOTICE TO INSURED
COVERAGE NOTICE B**

**ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE**

**THIS POLICY LIMITS COVERAGE FOR ATTORNEY FEES
UNDER ALASKA RULE OF CIVIL PROCEDURE 82**

In any suit in Alaska in which we have a right or duty to defend an insured within the limits of liability, our obligation under the applicable coverage to pay attorneys fees taxable as costs against the insured is limited as follows:

Alaska Rule of Civil Procedure 82 provides that if you are held liable, some or all of the attorney fees of the person making a claim against you must be paid by you. The amount that must be paid by you is determined by Alaska Rule of Civil Procedure 82. We provide coverage for attorney fees for which you are liable under Alaska Rule of Civil Procedure 82 subject to the following limitation:

If the limit of liability of the applicable coverage is \$1,000,000 or more, we will not pay any combination of judgment or claim settlement and attorney fees under Alaska Rule of Civil Procedure 82 that exceeds the limit of liability of the applicable coverage.

If the limit of liability of the applicable coverage is less than \$1,000,000 we will not pay more than the greater of:

- (1) that portion of any attorney’s fees that is calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the limit of liability of the applicable coverage; or**
- (2) \$10,000.**

This limitation means the potential costs that may be awarded against you as attorney fees may not be covered in full. You will have to pay any attorney fees not covered directly.

Example 1:

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against you in the amount of \$1,250,000, in addition to that amount you would be liable for attorney fees of \$127,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of \$25,000	\$ 5,000
10% of \$1,225,000	\$122,500

Total Award \$1,250,000	Total Attorney Fees \$127,500
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If the limit of liability of the applicable coverage is \$1,000,000, we would pay \$1,000,000 of the \$1,250,000 award, less the costs incurred defending you, and none of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1).

You would be liable to pay directly and without our assistance, the remaining judgment in excess of the remaining policy limit plus the \$127,500 attorney fees under Alaska Rule of Civil Procedure 82.



Example 2:

The attorney fees provided by the schedule for contested cases under Alaska Rule of Civil Procedure 82(b)(1) are:

- 20% of \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against you in the amount of \$650,000, in addition to that amount you would be liable under Alaska Rule of Civil Procedure 82 (b)(1) for attorney fees of \$67,500, calculated as follows:

20% of \$25,000	\$ 5,000
10% of \$625,000	\$62,500
Total Award \$650,000	Total Attorney Fees \$67,500

If the limit of liability of the applicable coverage is \$500,000, we would pay \$500,000 of the \$650,000 award, less the costs incurred defending you, and \$52,500 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of \$25,000	\$ 5,000
10% of \$475,000	\$47,500
Total Limit of Liability \$500,000	Total Attorney Fees Covered \$52,500

You would be liable to pay, directly and without our assistance, the judgment in excess of the remaining policy limit plus the remaining \$15,000 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this policy.

Example 3:

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court enters a judgment against you in the amount of \$500,000, in addition to that amount you would be liable for attorney fees of \$52,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of \$25,000	\$ 5,000
10% of \$475,000	\$47,500
Total Award \$500,000	Total Attorney Fees \$52,500

If the limit of liability of the applicable coverage is \$50,000, we would pay \$50,000 of the \$500,000 award less the costs incurred defending you, and \$10,000 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of \$25,000	\$5,000
10% of \$25,000	\$2,500
	Minimum limit: \$10,000
Total Limit of Liability \$50,000	Total Attorney Fees Covered \$10,000

You would be liable to pay, directly and without our assistance, the judgment in excess of the remaining policy limit plus the remaining \$42,500 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this policy.



All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.