



ALASKA STATE LEGISLATURE

SENATE LABOR & COMMERCE COMMITTEE

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SB 93 Version A: Fishermen's Fund: Vessel Owner Claims Sponsor Statement

Senate Bill 93, "An Act relating to claims against protection and indemnity insurance policies of vessel owners; and providing for an effective date," would increase the vessel owner deductible reimbursement under AS 23.35.145 from \$5,000 to \$10,000. This bill was introduced at the request of the Alaska Fishermen's Fund Advisory and Appeals Council to provide incentive to vessel owners to acquire Protection & Indemnity (P&I) insurance coverage.

Established in 1951, the Fishermen's Fund provides for the treatment and care of Alaska licensed commercial fishermen who have been injured in Alaska while fishing offshore or doing fishing-related work on shore. Benefits from the Fund are financed from revenue received from each resident and nonresident commercial fishing license and permit fee.

Commercial fishers are not covered under Workers' Compensation. If a crew member is injured beyond \$10,000 worth of medical and/or legal bills and the vessel owner foregoes P&I insurance coverage, the vessel owner and vessel are at risk to potential medical and/or legal liabilities if an injured crewman is not made whole in an injury case. This bill encourages vessel owners to purchase the coverage by increasing the reimbursable deductible to \$10,000.

As policies have risen in price, operating costs have appreciated, and labor shortages have impacted bottom lines, many owners have purchased policies with a higher deductible to control costs. This bill provides support to vessel owners by establishing equity for crew across the industry, potential cost savings, and protection of loss that enables owners to provide for injury or illness without risking their entire operation.