



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

DIVISION OF INSURANCE

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March 17, 2015

The Honorable Lesil McGuire, Chair
Senate Committee on Judiciary
Alaska State Capitol
Juneau, AK 99801

Dear Senator McGuire:

During the Senate Judiciary Committee on March 11, 2015, I was asked to follow-up on two issues. The additional information is provided below:

Will SB47, as amended, provide an exemption for civil and criminal action?

The Department of Law has confirmed that AS 09.38.065(a)(3) addresses the availability of life insurance and annuities to pay for damages for criminal acts by allowing a creditor to levy an exempt property to enforce the claim of a victim if the debtor is convicted. AS 09/38/065(a)(3) also addresses some limitations on the amount of the life insurance or annuity. SB4 will not provide an exemption for criminal acts but will for civil acts.

In the current statute, AS 09.38.025(a), has the current cap of \$500,000 presented an issue and if so, how often? Why are we not just raising the cap to \$1,000,000 or \$2,000,000?

The Department of Law has advised that they do not have a database showing how judgements have been satisfied so they are unable to provide any statistics on the number of criminal or civil action where the \$500,000 limitation. The Division of Insurance is making an inquiry of the life insurers to see if we can obtain the data through the insurers. However, that will take a matter of weeks for the insurers to research their data bases to determine the reasons why a life insurance policy may have been cashed-in and what amounts were cashed-in to settle civil and criminal judgements.

I hope this answers the questions of your committee. Please let me know if I can be of any further assistance. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Wing-Heier".

Lori Wing-Heier
Director
Division of Insurance