

ALASKA STATE LEGISLATURE

Senate Labor & Commerce Committee

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Senator Gary Stevens, Vice Chair
Senator Mia Costello
Senator Josh Revak
Senator Elvi Gray-Jackson

SB 195

Sponsor Statement v. A

SB 195 modernizes an antiquated statute which was adopted in 1966 (with no subsequent amendments), that restricts the ownership and governance of insurance companies in ways not consistent with current industry practices or regulations.

Current statute requires directors of an insurance company to be elected from, and by, the members or stockholders of a domestic insurer, except as provided in AS 21.69.350, at the time and place, and for the terms, (not exceeding three years), as may be provided in the insurer's bylaws.

This bill eliminates the mandate that the board consist of "members or stockholders." Forty-four jurisdictions (states, territories and the District of Columbia) have revised or eliminated their statutes that mandates that the board of directors be elected from the members or stockholders.

By removing an obsolete mandate, SB 195 provides additional flexibility to domestic insurers. Fostering economic growth and encouraging competition and a thriving insurance market is vital to the state, considering that Alaska currently only has four domiciled insurers.

I urge your support of this legislation.