

February 26, 2020

Sen. Click Bishop, Chair, Senate Labor & Commerce Committee
State Capitol Room 121
Juneau, AK 99801

Dear Chair Bishop and Committee Members,

Moda Assurance Company, a domestic Alaska insurance company, is pleased to provide this letter in support of Alaska **Senate Bill 195**. The recommended change to the language of AS 21.69.340(b) ensures Alaskans have the broadest range of insurance companies available from which to select insurance products that suit their needs.

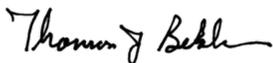
The currently statutory language requires an insurance company's board of directors to be comprised of owners of the company, in the form of members or stockholders. Since a director must be a natural person, the insurance company must either be privately held by individual people or a large publicly traded company. These are the only scenarios in which the director can satisfy the current requirement of being a member or stockholder. This creates a significant barrier to entry for prospective insurance companies interested in forming in Alaska to serve the needs of Alaskans.

Many insurance companies, large and small, are owned by other businesses in the form of corporations or limited liability companies. Insurance companies whose stockholders are comprised of companies, instead of individual people, do not meet the requirement to form in Alaska as a domestic insurance company under the current language of AS 21.69.340(b).

The proposed language amending AS 21.69.340(b) alters the requirement that the insurance company's board of directors be comprised of members or stockholders. This allows more flexibility for corporate ownership of insurance companies. The updated language removes a significant barrier to entry into the Alaska insurance market and will increase the options available to Alaskans.

Thank you.

Sincerely,



Tom Bikales
General Counsel and Senior Vice President of Legal Affairs

cc: Lori Wing-Heier, Director, Division of Insurance
Dave Evans, Moda Senior Vice President and CFO
Jim Francesconi, Moda Vice President of Government and Public Affairs
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