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Governor Mike Dunleavy
STATE OF ALASKA

February 14, 2023

The Honorable Gary Stevens
Senate President
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill to allow for the inclusion of additional insureds under owner and contractor controlled insurance programs (OCIPs).

Currently, the Department of Commerce, Community, and Economic Development, Division of Insurance is required to enforce certain limitations on OCIPs on major construction projects, including a moratorium on policies naming one or more persons as additional insureds. This limitation prevents individuals and businesses from efficiently managing large scale infrastructure projects because it forces the owner or contractor to name all potential contractors and subcontractors at the initiation of a project. Projects such as the Trans-Alaska Pipeline System are not economically viable unless owners and contractors can enter into OCIPs that allow for additional insureds. This bill removes the limitation on additional insureds and creates economic incentives for owners and contractors to engage in large scale contracts that will assist Alaska's economy.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dunleavy".

Mike Dunleavy
Governor

Enclosure