



LAWS OF ALASKA

1986

Source

CSSB 442(Fin)

Chapter No.

48

AN ACT

Relating to reciprocal insurers that provide marine insurance;
and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1, LINE 10

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: May 28, 1986
Actual Effective Date: May 29, 1986

AN ACT

Relating to reciprocal insurers that provide marine insurance; and providing for an effective date.

* Section 1. FINDINGS. A crisis exists in the marine insurance market that is seriously affecting persons who fish commercially in the state. The development of insurance reciprocals to provide marine insurance would help alleviate this crisis. Persons who fish commercially in the state are generally unable to bear the cost of developing reciprocal insurers to provide marine insurance, particularly in light of the depressed condition of certain segments of the fishing industry. The Department of Commerce and Economic Development should provide technical assistance to persons who wish to form reciprocal insurers to provide marine insurance.

* Sec. 2. AS 21.39.155(a) is amended to read:

(a) The director may require carriers, except a reciprocal insurer formed by and insuring only a group of municipalities or nonprofit public utilities under AS 21.75 or a reciprocal insurer formed under AS 21.75 to provide marine insurance, as a condition of writing a line of insurance dealing with workers' compensation, to participate in an assigned risk pool if the director finds that mandatory carrier participation is in the public interest.

* Sec. 3. AS 21.75.020(a) is amended to read:

(a) Except as provided in (c) of this section, a [A] reciprocal insurer may, upon qualifying as provided for by this title, transact

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1 any kind or kinds of insurance defined by this title, other than life
2 or title insurances.

3 * Sec. 4. AS 21.75.020 is amended by adding a new subsection to read:

4 (c) The director shall establish by regulation the type of
5 marine insurance that a reciprocal insurer may provide.

6 * Sec. 5. AS 21.75.050 is amended by adding a new subsection to read:

7 (e) Notwithstanding (a) - (c) of this section, the director
8 shall establish by regulation the level of surplus to be maintained by
9 a reciprocal insurer providing marine insurance.

10 * Sec. 6. AS 21.75.060 is amended by adding new subsections to read:

11 (d) The director may provide financial and technical assistance
12 to persons who wish to establish a reciprocal insurer to provide
13 marine insurance under this chapter.

14 (e) The areas the director may assist the person with under (d)
15 of this section include

16 (1) preparing the documentation necessary to form the
17 reciprocal insurer;

18 (2) obtaining reinsurers for the reciprocal insurer;

19 (3) preparing subscriber rules and management procedures
20 for the reciprocal insurer;

21 (4) financing the formation expenses of the reciprocal
22 insurer;

23 (5) managing the reciprocal insurer.

24 * Sec. 7. AS 21.75.230 is amended by adding a new subsection to read:

25 (d) Notwithstanding (a) - (c) of this section, a reciprocal
26 insurer that provides marine insurance may issue policies that are
27 nonassessable.

28 * Sec. 8. AS 21.80.180(5) is amended to read:

29 (5) "insolvent insurer" means an insurer

(A) authorized to transact insurance in this state, except an assessable reciprocal insurer formed by and insuring only municipalities or nonprofit public utilities, a reciprocal insurer formed under AS 21.75 to provide marine insurance, the Medical Indemnity Corporation of Alaska, and the Health Care Providers Joint Underwriting Association established under AS 21.88, either at the time the policy was issued or when the insured event occurred, and

(B) determined to be insolvent by a court of competent jurisdiction;

* Sec. 9. AS 21.80.180(6) is amended to read:

(6) "member insurer" means a person, except an assessable reciprocal insurer formed by and insuring only municipalities or nonprofit public utilities, a reciprocal insurer formed under AS 21.75 to provide marine insurance, the Medical Indemnity Corporation of Alaska, and the Health Care Providers Joint Underwriting Association established under AS 21.88, who

(A) writes [ANY KIND OF] insurance to which this chapter applies under AS 21.80.020 including the exchange of reciprocal or interinsurance contracts, and

(B) is licensed to transact insurance in the [THIS] state;

* Sec. 10. This Act takes effect immediately in accordance with AS 01.-10.070(c).