



LAWS OF ALASKA

1987

Source

SB 152

Chapter No.

28

AN ACT

Relating to the state's risk management; and creating a state insurance catastrophe reserve account; 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

Approved by the Governor: May 30, 1987
Actual Effective Date: May 31, 1987

AN ACT

Relating to the state's risk management; and creating a state insurance catastrophe reserve account; and providing for an effective date.

* Section 1. AS 37.05 is amended by adding new sections to read:

ARTICLE 3B. RISK MANAGEMENT.

Sec. 37.05.287. INSURANCE FOR STATE ASSETS. (a) The Department of Administration shall obtain or provide, in an amount and in the form that the department determines to be appropriate, casualty, property, and other insurance for protection of state assets and for the operation of state government. The department may provide for insurance coverage, in whole or in part, through a self-insurance program.

(b) The Department of Administration shall annually review the state insurance program to assure that, to the extent reasonable, adequate insurance coverage or reserves are maintained to satisfy all reasonably foreseeable claims or judgments for which payment may be due under the state insurance program during the next fiscal year. The department shall annually obtain an independent actuarial assessment of the state insurance program. No later than February 1 of each calendar year, the department shall submit to the presiding officers of each house of the legislature a review of the state insurance program, an independent actuarial assessment, and a certified audit of the state insurance catastrophe reserve account.

Chapter 28

1 Sec. 37.05.289. STATE INSURANCE CATASTROPHE RESERVE ACCOUNT.

2 (a) There is established in the general fund a state insurance catas-
3 trophe reserve account consisting of assets appropriated to it by the
4 legislature and assets allocated to the account by the Department of
5 Administration as provided in (b) of this section. Assets of the
6 account may be used to obtain insurance, to establish reserves for the
7 self-insurance program, and to satisfy claims or judgments arising
8 under the program. Interest earned on money in the account shall be
9 remitted to the Department of Revenue in accordance with AS 37.10.050.

10 (b) The Department of Administration may allocate to the state
11 insurance catastrophe reserve account, from the appropriations to all
12 state agencies for insurance-related purposes, an amount that the
13 commissioner of administration determines to be necessary to provide
14 an adequate insurance program for the operations of state government.
15 Money remaining in the account at the end of a fiscal year is not a
16 one-year appropriation under AS 37.25.010 and does not lapse, except
17 for amounts determined by the commissioner of administration to be
18 unnecessary to maintain this account at an appropriate level and not
19 to exceed \$5,000,000. If the amount necessary to satisfy claims or
20 judgments for which payment may be due under the state insurance
21 program in a fiscal year exceeds the unexpended balance of the amounts
22 allocated to the account, the department may charge an additional
23 amount from the unencumbered balance of any appropriation that is
24 determined by the commissioner of administration to be available for
25 lapse at the end of the fiscal year.

26 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).