



# LAWS OF ALASKA

1991

**Source**

SCS CSHB 221(FIN)

**Chapter No.**

42

**AN ACT**

Creating the investment loss trust fund; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

**Approved by the Governor:** June 13, 1991

**Actual Effective Date:** June 14, 1991



**Chapter 42**

1 investments in guaranteed investment and annuity contracts issued by Executive Life Insurance  
2 Company of California;

3 (2) pursue a right to recover amounts from persons who may have unlawfully  
4 caused or contributed to the loss on investments; and

5 (3) protect the interest of participants in the plan and annuity holders during  
6 proceedings to conserve or liquidate the assets of Executive Life Insurance Company of  
7 California.

8 (c) If the plan or an annuity holder does not incur a loss on investments, or, if after  
9 compensating the plan and annuity holders for the loss on investments, a balance remains in the  
10 trust fund, the trust fund created in (a) of this section is terminated and the balance of the trust  
11 fund lapses pro rata into the funds from which the appropriations to the trust fund were made.  
12 The state is subrogated to a right of claim held by participants in the plan and annuity holders  
13 to the extent of amounts spent from the trust fund.

14 (d) In this section,

15 (1) "annuity holder" means

16 (A) a plan participant who elects to receive an annuity contract acquired  
17 by the Department of Administration and issued by Executive Life Insurance Company  
18 of California; and

19 (B) members of the Unlicensed Vessel Personnel Annuity Retirement Plan  
20 who receive an annuity contract acquired by the Department of Administration and issued  
21 by Executive Life Insurance Company of California;

22 (2) "loss on investments" means

23 (A) the difference between the principal amount plus accrued interest  
24 earned through May 3, 1991, on the guaranteed investment contracts issued by Executive  
25 Life Insurance Company of California, according to the terms of the contracts, and a  
26 lesser amount received by the plan upon maturity, sale, or other termination of the  
27 contracts; plus

28 (B) accrued earnings on the amount described in (A) of this subsection,  
29 beginning May 4, 1991, and continuing until the earlier of a participant's benefit  
30 commencement date or the maturity, sale, or other termination of the contracts, at a rate

1 equal to the rate, less one percent to be used for the purposes of (b)(2) - (3) of this  
2 section, earned each month on the investment loss trust fund; or

3 (C) any unpaid annuity amounts due to annuity holders under an annuity  
4 contract issued by Executive Life Insurance Company of California;

5 (3) "plan" means the supplemental annuity plan established under AS 39.30.150 -  
6 39.30.180;

7 (4) "trust fund" means the investment loss trust fund established under this  
8 section.

9 \* Sec. 3. The Department of Revenue shall notify the lieutenant governor, the revisor of statutes,  
10 the commissioner of administration, and the legislative budget and audit committee when the investment  
11 loss trust fund is terminated under AS 37.14.300(c), enacted by sec. 2 of this Act.

12 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).