

ALASKA STATE LEGISLATURE
SENATE JUDICIARY COMMITTEE

May 7, 2001
10:22 a.m.

MEMBERS PRESENT

Senator Robin Taylor, Chair
Senator John Cowdery
Senator Johnny Ellis

MEMBERS ABSENT

Senator Dave Donley, Vice Chair
Senator Gene Therriault

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 184(JUD) am
"An Act relating to insurance; amending Rule 402, Alaska Rules of
Evidence; and providing for an effective date."
MOVED SCS CSHB 184(JUD) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 152(RLS)
"An Act relating to brewpub licenses; and providing for an
effective date."
SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

HB 184 - See Judiciary minutes dated 5/4/01, 5/5/01, and 5/6/01.

HB 152 - See Labor and Commerce minutes dated 5/1/01 and
Judiciary minutes dated 5/5/01 and 5/6/01.

WITNESS REGISTER

Mr. Bob Lohr, Director
Division of Insurance
Department of Community & Economic Development
3601 C S
treet, Suite 1324
Anchorage, Alaska 99503-5948

POSITION STATEMENT: Supported HB 184

ACTION NARRATIVE

TAPE 01-34, SIDE A

Number 001

CHAIRMAN ROBIN TAYLOR called the Senate Judiciary Committee meeting to order at 10:22 a.m. Chairman Taylor announced the first order of business would be HB 184.

#HB 184

HB 184-INSURANCE CODE AMENDMENTS

CHAIRMAN TAYLOR stated there have been previous hearings on the bill but it was held until the Director of the Division of Insurance made changes. He moved the changes as Taylor amendment 1.

MR. BOB LOHR, Director Division of Insurance, explained that the amendments direct the Division of Insurance to adopt commercial deregulation regulations by July 1, 2002. The division would set up a file and use system, which means that upon receipt of a filing from certain insurer categories for filings that meet certain standards, the division would not go through a review process before the filings took effect. They would be informational filings with the division.

This kind of system is used for accounts that are represented by sophisticated purchasers. These are entities who want to buy commercial insurance and have highly qualified staff and possibly risk managers. They do not need the Division of Insurance consumer protection the way residential and auto purchasers do because they are well able to watch out for their own interests. Because of their market power, they may be able to negotiate better policy prices with an insurer. Standards of neither excessive not inadequate for rates and language in the policy provision to be not misleading would continue to apply for anyone below the threshold chosen in these regulation.

In reviewing language, it appears that the division already has authority to do this by order but this would mandate it be done by regulation. The division supports this approach.

CHAIRMAN TAYLOR asked whether there was additional testimony or objection to the amendment. There was none. Amendment 1 was adopted.

SENATOR COWDERY moved SCS HB 184(JUD). There being no objection, the bill moved from committee as amended.

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The meeting was adjourned at 10:30 a.m.

