

AMENDMENT # 1

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: CSHB 439(L&C)

*Amendment to Am # 1,
Ln. 11, p. 1:*

1 Page 1, line 4:

2 Delete "a new section"

3 Insert "new sections"

4

5 Page 23, following line 14:

6 Insert a new section to read:

7 "Sec. 21.42.705. Opt-out duties, guidelines, remedies. (a) As a participant in
8 the Interstate Insurance Product Regulation Compact, it is the policy of the state to opt
9 out, and the director shall opt out, of any Uniform Standard that provides a materially
10 lower level of protection for or materially diminishes the rights of Alaska
11 policyholders or policy applicants *under Alaska Law. -*

*am. to
Am # 1
Ln. 11,
p. 1*

12 (b) If the director or a court of competent jurisdiction finds that the policy set
13 out in (a) of this section has been violated, notice of the violation shall be given to the
14 legislature, and reasonable and prompt measures shall be taken to opt out of the
15 Uniform Standard that does not comply with the policy statement set out in (a) of this
16 section to the extent that such action is permissible under the Interstate Insurance
17 Product Regulation Compact."

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 31, 2006

SUBJECT: Description of opt out provision (CSHB 439(L&C);
Work Order No. 24-LS1513\G.2)

TO: Representative Les Gara
Attn: Emily McCoy

FROM: Dennis C. Bailey 
Legislative Counsel

At your request I am providing a brief summary of the requested amendment to CSHB 439(L&C) that accompanies this memo.

The amendment establishes the policy of the state to opt out of Uniform Standards adopted by the Interstate Insurance Product Regulation Compact that materially lowers or diminishes the level of protection for Alaska policy holders or applicants. The amendment directs the director of the division of insurance to opt out of such a Uniform Standard and provides that the legislature receive information concerning a violation of this policy. By opting out of a particular Uniform Standard according to this policy, the state does not withdraw from the compact.

If I may be of further assistance, please advise.

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