

SENATE BILL NO. 241

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY SENATOR COWDERY

Introduced: 1/18/06

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to modifying the qualifications required for workers' compensation
2 self-insurance and permitting employers in the same trade or industry to form an
3 employer association for self-insured workers' compensation coverage; and providing
4 for an effective date."

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

6 * **Section 1.** AS 23.30.090 is repealed and reenacted to read:

7 **Sec. 23.30.090. Self-insurance certificates.** (a) The board may issue a self-
8 insurance certificate to an employer or an association of employers if the employer or
9 association of employers files an application for a certificate and demonstrates that

10 (1) the employer has at least 100 employees or, in the case of an
11 association of employers, the members of the association have at least 100 employees
12 in the aggregate;

13 (2) the employer has a net worth of at least \$5,000,000 or, in the case
14 of an association of employers, the members of the association have a net worth of at

1 least \$5,000,000 in the aggregate;

2 (3) the employer or the association of employers has paid the annual
3 service fee assessed under AS 23.05.067;

4 (4) the employer or each member of the association of employers has a
5 workplace safety rate reduction program in effect under AS 21.89.015;

6 (5) the employer or the association of employers has obtained excess
7 insurance coverage in amounts and with coverage required by the board;

8 (6) the association of employers has filed with the board an indemnity
9 agreement jointly and severally binding each member of the association to secure the
10 payment of all compensation due to its members' employees under this chapter.

11 (b) Before issuing a certificate of self-insurance or at other times designated
12 by the board, the board may require

13 (1) an employer or association of employers to provide copies of
14 financial statements or federal income tax returns for the preceding three years for the
15 employer, or in the case of an association of employers, for its members; and

16 (2) a self-insured association of employers that has been granted a
17 certificate of self-insurance to provide copies of its financial statements or federal
18 income tax returns for the preceding three years.

19 (c) Financial information provided under (b) of this section is confidential and
20 is not a public record.

21 (d) A certificate of self-insurance remains in force until revoked by the board.
22 The board may, on at least 10 days' notice and a hearing, revoke a self-insurance
23 certificate on satisfactory proof that an employer or association of employers is no
24 longer entitled to it. After revocation, the board may grant a new certificate to an
25 employer or association of employers on petition and satisfactory proof that the
26 employer or association of employers meets the requirements for a self-insurance
27 certificate under this section.

28 (e) An employer or association of employers authorized to self-insure under
29 this section shall provide claims facilities through its own staffed adjusting facilities
30 located within the state, or independent, licensed resident adjusters with power to
31 effect settlement in the state.

1 (f) A self-insured association of employers that has a certificate of self-
2 insurance shall notify the board in writing within 30 days after a member withdraws
3 from the association or a new member joins the association. In the case of a new
4 member, the notice must include information that the new member is qualified under
5 (i) of this section and the financial information for the new member required under (b)
6 of this section.

7 (g) The association of employers permitted under this section may act on
8 behalf of or for the benefit of its members to provide for its members' workers'
9 compensation obligations under this title. An association of employers shall have the
10 rights and obligations of an employer under this title.

11 (h) The board may adopt regulations to implement this section.

12 (i) In this section, "association of employers" means a group of five or more
13 employers who are merchants, craftsmen, or businesses in a similar trade or industry
14 and who are members of an Alaska trade association for that trade or industry
15 organized under the laws of the state to promote the common interests of the trade or
16 industry and the trade association has been in existence for at least five years.

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