

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

February 23, 2006

1:32 p.m.

**MEMBERS PRESENT**

Senator Con Bunde, Chair  
Senator Ralph Seekins, Vice Chair  
Senator Ben Stevens

**MEMBERS ABSENT**

Senator Johnny Ellis  
Senator Bettye Davis

**COMMITTEE CALENDAR**

SENATE BILL NO. 289

"An Act relating to the payment of insurer examination expenses, to the regulation of managed care insurance plans, to actuarial opinions and supporting documentation for an insurer, to insurance firms, managing general agents, and third-party administrators, to eligibility of surplus lines insurers, to suitability of life and health insurance policies and annuity contracts, to unfair discrimination under a health insurance policy, to prompt payment of health care insurance claims, to required notice by an insurer, to individual deferred annuities, to direct payment to providers under a health insurance policy, to mental health benefits under a health care insurance plan, to the definitions of 'title insurance limited producer' and of other terms used in the title regulating the practice of the business of insurance, and to small employer health insurance; repealing the Small Employer Health Reinsurance Association; making conforming amendments; and providing for an effective date."

MOVED CSSB 289(L&C) OUT OF COMMITTEE

SENATE BILL NO. 298

"An Act relating to loans from trust property; relating to a trustee's power to appoint the principal of a trust to another trust; relating to challenges to, claims against, and liabilities of trustees, beneficiaries, and creditors of trusts and of trusts and estates; relating to individual retirement accounts and plans; relating to certain trusts in divorce and dissolutions of marriage situations; and providing for an effective date."

MOVED SB 298 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 289

SHORT TITLE: INSURANCE

SPONSOR(S): LABOR & COMMERCE BY REQUEST

02/13/06	(S)	READ THE FIRST TIME - REFERRALS
02/13/06	(S)	L&C, FIN
02/16/06	(S)	L&C AT 1:30 PM BELTZ 211
02/16/06	(S)	Heard & Held
02/16/06	(S)	MINUTE(L&C)
02/23/06	(S)	L&C AT 1:30 PM BELTZ 211

BILL: SB 298

SHORT TITLE: TRUSTS: CHALLENGES; CLAIMS; LIABILITIES

SPONSOR(S): SENATOR(S) SEEKINS

02/14/06	(S)	READ THE FIRST TIME - REFERRALS
02/14/06	(S)	L&C, JUD
02/23/06	(S)	L&C AT 1:30 PM BELTZ 211

**WITNESS REGISTER**

LINDA HALL, Director  
Division of Insurance  
Department of Commerce, Community & Economic Development  
PO Box 110800  
Juneau, AK 99811-0800

**POSITION STATEMENT:** Commented on SB 289.

KATIE CAMPBELL  
Life and Health Actuary  
Department of Commerce, Community & Economic Development  
PO Box 110800  
Juneau, AK 99811-0800

**POSITION STATEMENT:** Commented on SB 289.

DOUGLAS BLATTMACHR, President  
Alaska Trust Company  
Anchorage AK

**POSITION STATEMENT:** Supported SB 289.

RICHARD THWAITES, Chairman  
Alaska Trust Company  
Anchorage AK

**POSITION STATEMENT:** Supported SB 298.

BETH CHAPMAN, Atty.  
Faulkner Banfield  
Juneau AK  
**POSITION STATEMENT:** Supported SB 298.

STEVEN GREER, Atty.  
Anchorage AK  
**POSITION STATEMENT:** Supported SB 298.

JONATHAN BLATTMACHR, Atty.  
New York NY  
**POSITION STATEMENT:** Supported SB 298.

DAVID SHAFTEL, Atty.  
Juneau AK  
**POSITION STATEMENT:** Supported SB 298.

RICH HOMPESCH  
Hompesch and Evans  
Fairbanks AK  
**POSITION STATEMENT:** Supported SB 298.

**ACTION NARRATIVE**

**CHAIR CON BUNDE** called the Senate Labor and Commerce Standing Committee meeting to order at [1:32:29 PM](#). Present were Senators Ben Stevens, Ralph Seekins and Chair Con Bunde.

**SB 289-INSURANCE**

CHAIR CON BUNDE announced SB 289 to be up for consideration.

SENATOR BEN STEVENS moved to adopt Amendment 1 for discussion purposes. There were no objections and it was so ordered.

**Amendment 1**

Offered by The Division of Insurance

TO: SB 289

Pages 12 - 13

AS 21.07.080 is amended to read:

\*Sec. 15.a 21.07.080 IS AMENDED TO READ:

Sec. 21.07.080. Religious non-medical providers. This chapter may not be construed to

- (1) restrict or limit the right of a managed care entity to include [HEALTH CARE] services provided by a religious non-medical provider as medical [HEALTH] care services covered by the managed care plan;
- (2) require a managed care entity, when determining coverage for [HEALTH CARE] services provided by a religious non-medical provider, to
  - (A) apply medically based eligibility standards;
  - (B) use health care providers to determine access by a covered person;
  - (C) use health care providers in making a decision on an internal of external appeal; or
  - (D) require a covered person to be examined by a health care provider as a condition of coverage; or
- (3) require a managed care plan to exclude coverage for [HEALTH CARE] services provided by a religious non-medical provider because the religious non-medical provider is not providing medical or other data required from a health care provider if the medical or other data is inconsistent with the religious non-medical treatment or nursing care being provided.

AS 21.07.250 is amended by adding a new paragraph to read:

(18) "medical care" has the meaning given in AS 21.90.900(30)

AS 21.07.250(15) is amended to read:

(15) "religious non-medical provider" means a person who [DOES NOT PROVIDE MEDICAL CARE, BUT WHO] provides only religious non-medical treatment or nursing care for an illness or injury;

LINDA HALL, Director, Division of Insurance, Department of Commerce, Community & Economic Development (DCCED), said that Ms. Campbell, DCCED Life and Health Actuary, would explain the amendment.

KATIE CAMPBELL, Life and Health Actuary, Division of Insurance, Department of Commerce, Community & Economic Development (DCCED), explained that an issue was raised about changing the term "health care services" to "medical care services" and using the term "medical care" with a religious non-medical provider. It was really a terminology issue. She came up with an easy solution that removed the offending term "medical" in AS

21.07.080 and added the definition of medical care to the definitions in AS 21.07 (because that's the term that is used throughout that chapter). She also clarified the definition of religious non-medical provider and removed the term "medical care" as well.

CHAIR BUNDE asked if it basically prevented the use of a double negative - "non-medical medical care".

MS. CAMPBELL replied, "Exactly."

[1:36:44 PM](#) recessed [2:00:01 PM](#)

CHAIR BUNDE announced there were no objections to Amendment 1 and it was adopted.

SENATOR SEEKINS moved to pass CSSB 289(L&C) from committee with individual recommendations and attached fiscal notes. Senator Seekins, Ben Stevens and Chair Bunde voted yea; and it was so ordered.

[2:01:43 PM](#) recess [2:02:42 PM](#)

#### **SB 298-TRUSTS: CHALLENGES; CLAIMS; LIABILITIES**

[2:03:21 PM](#)

CHAIR CON BUNDE announced SB 298 to be up for consideration.

SENATOR RALPH SEEKINS, sponsor of SB 298, said that it revises Titles 13 and 34 pertaining to the administration of trust assets. The updates include the clarifying language relating to the various powers conferred upon the trustee, trustee reporting requirements and claims made against trust assets. Updates to language in Title 34 pertain to the exemption from transfer provisions for certain IRA trust assets, technical corrections made to AS 32.40.110(b) and the handling of trust assets in cases of divorce or dissolution.

He explained that since 1997, the Alaska State Legislature has consistently worked to update and improve the laws regarding the use and administration of trusts. As a result, Alaska is considered one of the premier trust jurisdictions in the country. At least seven other states have enacted legislation similar to Alaska's. The proposed updates are intended to preserve Alaska's leading position within the universes of trust products and services offered nationwide. Alaska's trust laws encourage citizens to keep their assets in the state and attract capital from all over the country. SB 298 clarifies previous

trust legislation, makes the administration of trusts in Alaska more efficient and cost effective. It will keep Alaska as the jurisdiction of choice for trust administration.

DOUGLAS BLATTMACHR, President, Alaska Trust Company, supported Senator Seekins comments and SB 298.

[2:07:24 PM](#)

MR. RICHARD THWAITES, Chairman, Alaska Trust Company, said that most of his clients don't use the services of the Alaska Trust Company, but the estate planning services he does provide are now more easily attainable and beneficial to them because of Alaska's trust law.

BETH CHAPMAN, Atty., Faulkner and Banfield, said she also works with individual Alaskans in planning their estates and this bill continues to improve the state's law, which assists them in meeting their estate planning goals, particularly in responding to changed circumstances in their family. SB 298 continues to improve Alaska trust laws. She was not aware of any opposition to SB 298.

STEVEN GREER, private practitioner in Anchorage, said he was not connected with the Alaska Trust Company, but that SB 298 improved Alaska's trust laws and he supported its passage.

[2:09:58 PM](#)

JONATHAN BLATTMACHR, Atty., said he practices primarily in New York City, but has a license in Alaska. He said that seven other states have tried to do "copycat" legislation of the Alaska trust provisions. He supported SB 298 saying it would continue to draw business to Alaska before people turn to other states.

DAVID SHAFTEL, Atty., said he is a member of the informal group of estate and trust attorneys who practice in Alaska. His clients have benefited from Alaska's superior estate and trust laws. He participated in drafting some of the provisions and urged passage of SB 298.

[2:12:34 PM](#)

RICH HOMPESCH, Hompesch and Evans, Fairbanks, supported previous testimony and SB 298. He said his clients have benefited greatly from Alaska's superior trust estate laws. He had heard of no opposition to this bill.

CHAIR BUNDE asked Senator Seekins if he had heard of any opposition to the bill.

2:13:42 PM

SENATOR SEEKINS replied that he hadn't heard of any opposition to this bill. He moved to pass SB 298 from committee with individual recommendations and attached zero fiscal note. Senators Seekins, Ben Stevens and Chair Bunde voted yea; and SB 298 moved from committee.

CHAIR BUNDE adjourned the meeting at 2:15:30 PM.