

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 28, 2012

1:34 p.m.

MEMBERS PRESENT

Senator Dennis Egan, Chair
Senator Joe Paskvan, Vice Chair
Senator Linda Menard
Senator Bettye Davis
Senator Cathy Giessel

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 138

"An Act relating to the inclusion of the charges of a vendor of goods or services on the bills of certain telecommunications carriers; and adding an unlawful act to the Alaska Unfair Trade Practices and Consumer Protection Act."

- MOVED CSSB 138(L&C) OUT OF COMMITTEE

SENATE BILL NO. 174

"An Act requiring certain employers in the oil or gas production industries to report certain job opportunities to the Department of Labor and Workforce Development as public information and requiring that information to be posted on the Alaska Online Public Notice System; and adding to the duties of the Alaska Workforce Investment Board."

- MOVED CSSB 174(L&C) OUT OF COMMITTEE

SENATE BILL NO. 190

"An Act relating to activities, including violations and penalties, under the supervision of the Big Game Commercial Services Board; and creating a retired status master guide-outfitter license."

- HEARD & HELD

SENATE BILL NO. 157

"An Act allowing an insurer to cancel an insurance policy if property becomes unoccupied and the vacancy increases the hazard insured against."

- MOVED CSSB 157(L&C) OUT OF COMMITTEE

SENATE BILL NO. 116

"An Act offering mediation of disputed workers' compensation claims by a hearing officer or other classified employee of the division of workers' compensation and allowing collective bargaining agreements to supersede certain provisions of the Alaska Workers' Compensation Act; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 190

SHORT TITLE: BIG GAME COMMERCIAL SERVICES BOARD

SPONSOR(s): SENATOR(s) MENARD

02/08/12	(S)	READ THE FIRST TIME - REFERRALS
02/08/12	(S)	L&C, JUD
02/23/12	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/23/12	(S)	<Bill Hearing Postponed>
02/28/12	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 138

SHORT TITLE: THIRD-PARTY CHARGES ON TELEPHONE BILLS

SPONSOR(s): SENATOR(s) WIELECHOWSKI, DAVIS, EGAN

01/17/12	(S)	PREFILE RELEASED 1/6/12
01/17/12	(S)	READ THE FIRST TIME - REFERRALS
01/17/12	(S)	L&C, JUD
02/02/12	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/02/12	(S)	Heard & Held
02/02/12	(S)	MINUTE(L&C)
02/23/12	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/23/12	(S)	<Bill Hearing Postponed>
02/28/12	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 157

SHORT TITLE: CANCEL INSUR. ON CERTAIN VACANT PROPERTY

SPONSOR(s): LABOR & COMMERCE

01/17/12	(S)	READ THE FIRST TIME - REFERRALS
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01/17/12 (S) L&C, CRA
01/26/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
01/26/12 (S) Heard & Held
01/26/12 (S) MINUTE(L&C)
02/23/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/23/12 (S) <Bill Hearing Postponed>
02/28/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 174

SHORT TITLE: OIL AND GAS INDUSTRY JOB NOTIFICATIONS

SPONSOR(S): FRENCH

01/25/12 (S) READ THE FIRST TIME - REFERRALS
01/25/12 (S) L&C, FIN
02/16/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/16/12 (S) Scheduled But Not Heard
02/21/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/21/12 (S) -- MEETING CANCELED --
02/23/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/23/12 (S) Heard & Held
02/23/12 (S) MINUTE(L&C)
02/28/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR BILL WIELECHOWSKI
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 138.

THOMAS PRESLEY, Intern
Senator Bill Wielechowski
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Explained CSSB 138(), version R, on behalf of the sponsor.

SENATOR HOLLIS FRENCH
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 174.

PAULA SCAVARA, Special Assistant
Department of Labor and Workforce Development (DOLWD)
Juneau, AK

POSITION STATEMENT: Did not support SB 174.

MICHAEL ROVITO

Chief of staff to Senator Menard
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Explained the CS for SB 190.

THOR STACEY

Alaska Professional Hunters' Association
Juneau, AK

POSITION STATEMENT: Supported the CS for SB 190.

LIEUTENANT BERNARD CHASTAIN

Alaska Wildlife Troopers
Department of Public Safety
Anchorage, AK

POSITION STATEMENT: Was available to answer questions on SB 190.

JOE KLUTSCH

Master guide representing himself
King Salmon, AK

POSITION STATEMENT: Stated support for SB 190.

LOREN KARRO

Registered guide representing herself
Palmer, AK

POSITION STATEMENT: Stated support for the SB 190.

DAN MONTGOMERY

Master guide representing himself
Wasilla, AK

POSITION STATEMENT: Stated strong support for SB 190.

WAYNE KUBAT

Master guide representing himself
Wasilla, AK

POSITION STATEMENT: Stated support for SB 190.

DICK ROHRER

Master guide representing himself
Kodiak, AK

POSITION STATEMENT: Supported the CS for SB 190.

VIRGIL UMPHENOUR

Master guide representing himself
Fairbanks, AK

POSITION STATEMENT: Commented on SB 190.

DANA OWEN, Staff
Senator Dennis Egan and aide
Senate Labor and Commerce Standing Committee
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Explained the provisions in CSSB 157(), version E.

SHELDON WINTERS
State Farm Insurance
Juneau, AK

POSITION STATEMENT: Commented on the CS to SB 157.

LINDA HALL, Director
Division of Insurance
Department of Commerce, Community and Economic Development
(DCCED)

POSITION STATEMENT: Supported CSSB 157(), version E.

ACTION NARRATIVE

[1:34:31 PM](#)

CHAIR DENNIS EGAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:34 p.m. Present at the call to order were Senators Giessel, Paskvan, Menard, Davis and Chair Egan.

SB 138-THIRD-PARTY CHARGES ON TELEPHONE BILLS

[1:35:55 PM](#)

CHAIR EGAN announced the consideration of SB 138.

SENATOR BILL WIELECHOWSKI, sponsor of SB 138, noted that he had worked on a committee substitute (CS) with the billing service group and the Department of Law and Thomas Presley, his intern, would explain the changes.

[1:36:37 PM](#)

SENATOR PASKVAN moved to bring CSSB 138(), version 27-LS1002\R, before the committee for discussion purposes. There were no objections, and it was so ordered.

THOMAS PRESLEY, Intern for Senator Wielechowski, said version R reflects input from the last hearing on SB 138. It has an updated zero fiscal note from the Regulatory Commission of Alaska (RCA).

The changes in version R are as follows:

Section 1: the definition for telecommunications carrier was limited to a single definition. Previously this definition read "those who are eligible for universal service funds." This change was made because previous language captured wireless carriers, which is not the intent of SB 138.

Section 3: (d), which gave regulation making authority to the RCA, was removed and placed into Section 1. This was done because the RCA's jurisdiction is defined by AS 42.05 and sections 2 - 4 of the bill are written into consumer protection statutes.

Section 3: (c) the exceptions language was cleaned up on advice from the RCA attorney, Stuart Goering, because it was redundant.

Section 3: subsection (c)(4)(A) incorporates suggestions from the billing services group in order to clarify how express authorization is obtained and verified.

Section 3: (d) defines billing agent and express authorization.

Section 3: (d) (3) makes the definition of "telecommunications carrier" inclusive of land line telephone bills only. Previously the definitions unintentionally captured wireless carriers.

[1:39:45 PM](#)

SENATOR GIESSEL asked if the concept of cramming is a problem with cell phones.

MR. PRESLEY replied that evidence presented in the U.S. Senate Committee report shows that there is a growing concern that wireless telephone bills may also be subject to unauthorized charges, but the Federal Communication Commission (FCC) and draft legislation in other states is only focused on land line telephone bills. Cell phone bills have different regulations and wireless carriers are regulated by different entities; their third-party billing platforms work differently, as well.

SENATOR GIESSEL asked if the Federal Trade Commission (FTC) was addressing this issue, too.

MR. PRESLEY replied that was correct. The FCC has the open docket related to land line telephone bills. They took comments on wireless carriers in their notice of proposed rulemaking and

that's when it became an issue. The docket, itself, does not address policies to eliminate wireless cramming.

SENATOR GIESSEL asked about the Federal Trade Commission (FTC).

MR. PRESLEY replied that the FTC has only pursued cases against land line telephone billers that have been accused and found guilty of third-party telephone cramming for land line carriers.

CHAIR EGAN commented that he appreciated the changes made to this bill, but he thought another committee substitute would be needed in a couple of years to address cell phones because their use is expanding so rapidly.

SENATOR WIELECHOWSKI said his understanding of the law is that the state can only capture cell phones for certain parts of Alaska for all telecommunication carriers.

MR. PRESLEY said those wireless carriers are called carriers of last resort in case Bush Alaska does not have a land line telephone carrier that can reach them. In that case, the RCA would have jurisdiction over wireless telephones that would be used.

CHAIR EGAN asked if that meant they were their only means of communication.

MR. PRESLEY answered, "correct."

[1:42:40 PM](#)

SENATOR PASKVAN moved to report CSSB 138(L&C), version R, from committee with individual recommendations and newly revised fiscal note. There being no objection, the motion carried.

[1:43:08 PM](#)

At ease from 1:43 to 1:44 p.m.

SB 174-OIL AND GAS INDUSTRY JOB NOTIFICATIONS

[1:44:33 PM](#)

CHAIR EGAN announced consideration of SB 174.

[1:44:58 PM](#)

SENATOR GIESSEL said she had submitted an amendment to SB 174 [February 23, 2012 Senate Labor and Commerce Committee meeting] that included posting job opportunities for all industries in Alaska. Its purpose was to promote resident hire on a broader

scale to all industries and to include those who live off of the broadband network. Just posting on the Internet could exclude a lot of people.

She also said that while they are focused on the hiring of Alaska residents, a report for the Alaska Training Program called "Performance 2010" indicated that Kotzebue has a technical training center for these types of jobs and only 87 percent of those students are Alaska residents (using the Department of Labor and Workforce Development's definition of receiving a Permanent Fund Dividend). The Alaska Institute of Technology's students are 80 percent residents and Galena Learning Academy is 50 percent. It really highlights what they know from being lifelong Alaskans - that Alaskans are made up of both residents and nonresidents, and many of those nonresidents become residents.

SENATOR GIESSEL said the other interesting thing that happened since the last committee meeting was that she listened to a radio interview of former Representative Harry Crawford who is from the State of Louisiana. In his interview he talked about coming to Alaska in 1975 and how Alaska was a refuge, because when he came, no one asked him where he was from or who he knew. What they asked was "what can you do." He rapidly received a job and has been here ever since. That is the purpose of her amendment - to post all job opportunities regardless of how high paying they are or where they are offered or what the industry is. She repeated her motion to adopt Amendment 1.

27-LS0967\M.1
Bailey/Wayne

AMENDMENT 1

OFFERED IN THE SENATE

TO: SB 174

BY SENATOR GIESSEL

Page 1, line 1:

Delete "**in the oil and gas production industries**"

Page 1, line 3:

Delete "**that**"

Insert "**job opportunity**"

Page 1, line 8:

Delete "**by oil and gas producer**"

Page 1, line 9:

Delete "an oil or gas producer"

Insert "a for-profit business licensed to do business in the state"

Page 1, line 10:

Delete "producer"

Insert "for-profit business"

Page 2, lines 12 - 13:

Delete "and notifies job service organizations as required under AS 43.82.230(b); or"

Insert "in newspapers in the location where the work is to be performed and in other publications distributed throughout the state, including in rural areas;

(2) the employer uses Alaska job service organizations located throughout the state and not just in the location where the work is to be performed in order to notify Alaskans of work opportunities; and"

Re-number the following paragraph accordingly.

Page 2, line 17:

Delete all material.

Page 2, line 18:

Delete "(2)"

Page 2, line 20:

Delete ";"

Insert "."

Page 2, lines 21 - 24:

Delete all material.

Page 3, line 6:

Delete "with oil or gas producers"

Page 4, line 4:

Delete "and"

Page 4, line 6, following "AS 23.05.095":

Insert "; and"

(13) a statement of state and municipal job opportunities"

[1:48:20 PM](#)

SENATOR PASKVAN objected because he thought it would put an added burden on newspapers and other publications distributed throughout the state.

[1:49:13 PM](#)

SENATOR GIESSEL asked for a roll call vote.

SENATOR DAVIS said she wanted to hear the sponsor's opinion on the amendment.

[1:49:35 PM](#)

SENATOR HOLLIS FRENCH, sponsor of SB 174, said Senator Paskvan stated his objection, which was the expanding cost.

A roll call vote was taken. Senator Giessel voted in favor of Amendment 1 and Senators Menard, Davis, Paskvan and Egan voted against it. Therefore, Amendment 1 failed by a 1:4 vote.

[1:50:25 PM](#)

SENATOR PASKVAN moved to bring CS for SB 174, labeled 27-LS0967\I, back before the committee for purposes of discussion.

CHAIR EGAN objected for discussion purposes.

[1:50:36 PM](#)

SENATOR FRENCH said language on page 2, lines 4-5 of version I, deleted reference to the Alaska online public notice system and replaced it with "Internet-based labor exchange system operated by the department." It's called ALEXsys and they were concerned that it could change in the future. They wanted a generic name so there wouldn't be a conflict. Also on page 2, lines 16-19, the provisions of Alaska Stranded Gas Development Act (in (d)(2)) were expanded to include AS 43.90.130 (15), the AGIA provision. The AGIA provision was missed in the first version of the bill. Both are local hire and local publication provisions within the two acts. No changes were made to sections 2 and 3 and the online public notice system in version M was deleted. The title was amended to conform to the changes made in section 1.

CHAIR EGAN noted that Paula Scavara and Paul Dick from the Department of Labor and Workforce Development were available to answer questions.

SENATOR MENARD asked if the department liked the bill.

[1:53:15 PM](#)

PAULA SCAVARA, Special Assistant, Department of Labor and Workforce Development (DOLWD), said the department believes the bill is redundant, because any business can post jobs on its system now for free and it can do it without contacting the department.

SENATOR MENARD commented that redundancy isn't ever a good idea in government.

MS. SCAVARA said this bill mandates that the information go through the commissioner's office, which then ensures it's posted - plus other entities have to be notified. It makes more work out of something that is already being done.

SENATOR MENARD asked why the sponsor is zeroing in on just one industry and duplicating what is already available to all industries.

MS. SCAVARA added that not only does the department take job postings, they hold many job fairs for other industries, like prior to the commercial crab season in Unalaska and the tourism industry.

[1:57:09 PM](#)

SENATOR PASKVAN asked if this would change the zero fiscal note.

MS. SCAVARA said that fiscal note was for the online public notice system, which is run by the Lieutenant Governor's Office, and the DOLWD would have to review the CS if it passes, because it would put them in charge of the notifications.

SENATOR PASKVAN said his understanding is that employers with more than 100 employees have the discretion to use the system or not.

MS. SCAVARA replied that is correct.

SENATOR PASKVAN said the bill would just say uniformly that if there is a job, they have to at least follow this minimal process at no cost to them.

MS. SCAVARA responded that oil and gas producers with 100 or more employees would have to notify the Department of Labor and Workforce Development, and then the department would have to make the other notifications along with the online posting.

SENATOR PASKVAN said that posting now is at no additional charge to the employer.

MS. SCAVARA replied she couldn't answer that.

SENATOR PASKVAN said assuming they use the system now, posting is a voluntary burden.

MS. SCAVARA answered under the bill, they'll have to take another step to notify the commissioner's office.

2:00:27 PM

SENATOR GIESSEL asked if she had today's number of job postings.

MS. SCAVARA replied no, but she would get the number; she added that it varies each day.

SENATOR GIESSEL asked if she was looking only at readily identifiable oil and gas companies or at support industries as well.

MS. SCAVARA replied that they looked at certain classification codes of jobs that include more than just the major oil companies, but subcontractors as well.

CHAIR EGAN said because the notification requirement just changes departments, he thought the fiscal note should still be zero under the CS.

MS. SCAVARA responded that she doesn't work with the data bases on a day-to-day basis. She questioned if the jobs come in every day if they would have to do the notifications every day or once a week. It might require extra staff.

SENATOR GIESSEL opined that Ms. Scavara was referring to page 2 of the bill that says the "commissioner shall cause the notification," not that the companies would themselves post these things on the automated system.

CHAIR EGAN agreed with her and said the commissioner is causing that through ALEXsys now.

MS. SCAVARA responded that no one in the commissioner's office deals with ALEXsys, but that the Employment Security Division works with that. Right now a company enters its own data, but the way this bill is written a company would give its

information to the commissioner's office and they would get that data entered somehow.

[2:04:14 PM](#)

SENATOR FRENCH said he disagreed with her use of the word redundant, because it's clear that all the jobs on the North Slope aren't getting posted on ALEXsys now. The listing as of February 23 showed 25 jobs offered through BP, but ConocoPhillips had only 3. These two companies are roughly the same size and employ roughly the same number of people, and it stands to reason that there are some job openings that ConocoPhillips is not posting. Just getting the word out is a minimal burden on industry and on the administration; this bill is not meant to create a huge new burden.

SENATOR PASKVAN commented that assuming they are currently posting, this bill would pose zero extra burden.

SENATOR FRENCH agreed if it's already being done, then there is no additional burden.

[2:06:07 PM](#)

SENATOR PASKVAN moved to report CSSB 174(L&C), version I, from committee with individual recommendations and attached zero fiscal note. There being no objection, the motion carried.

[2:06:37 PM](#)

At ease from 2:06 to 2:08 p.m..

SB 190-BIG GAME COMMERCIAL SERVICES BOARD

[2:08:01 PM](#)

CHAIR EGAN announced the consideration of SB 190.

[2:08:24 PM](#)

SENATOR PASKVAN moved to bring CS for SB 190, version \M, before the committee for discussion purposes.

CHAIR EGAN objected, for discussion purposes.

SENATOR LINDA MENARD, sponsor of SB 190, thanked the chair and committee for allowing the bill to be heard and then turned the presentation over to her staff.

MICHAEL ROVITO, Chief of Staff to Senator Menard, said SB 190 is about licensing and disciplinary issues for the Big Game Commercial Services Board. The board spent about one year

working on these changes that they think are beneficial to their industry.

First, he said, the bill will create a retired status master guide outfitter license; an individual holding this license may not guide or outfit in the state, but the license will serve as a symbolic recognition of their achievement in the profession. The medical field has five such retired status licenses.

He said the bill also simplifies and clarifies the relationship between a registered guide working for another registered guide. It also eliminates the requirement that a registered guide be present in the field during a hunt if a Class A assistant guide or another registered guide working for the contracting guide is handling the hunt. Currently, the contracting guide would have to fly out to the site of the hunt, even if it's just to shake the person's hand that is going on the hunt. Not having to do that would save money and resources, because another guide is actually conducting the hunt.

MR. ROVITO explained that the CS gives the board additional authority to suspend or permanently revoke a transporter license or any class of guide license if it finds, after a hearing, that the licensee engaged in conduct involving unprofessionalism, moral turpitude or gross immorality. Further, the bill will slightly change the penalties for certain violations to allow a court to order the board to suspend a license instead of requiring the court to order the board to suspend it. The concern here was that a minor violation might fall into the category where the court has to order the board to suspend the license; this would give the court a little more leeway to determine the severity of the offense before ordering revocation of a license. The last section simply directs the department to set a fee for that retired status license.

MR. ROVITO said Version M gives the board authority to adopt other regulations that it considers appropriate. Another change in section 4 gives the board the ability to make regulations to change the requirement that the contracting guide be present in the field, and that can be done through the course of the normal board deliberations (as opposed to through statute). The third change makes the section 4 effective date July 1, 2013, the reason being that the board meets in March and December, and it's unlikely that this legislation will be through the legislature by the time their March meeting occurs. This would give them time to address the contracting guide in the field

issue at their next board meeting so it could go into effect the next year.

The final change was that the original bill didn't have an effective date; that was cleared up by adding that the rest of the bill goes into effect immediately.

2:13:38 PM

SENATOR GIESSEL asked what five medical licenses have a retired category.

MR. ROVITO answered chiropractic, medical doctor, physician's assistant, podiatrist and optometrist.

CHAIR EGAN opened public testimony.

2:14:35 PM

THOR STACEY, Alaska Professional Hunters' Association, stated support for the CS for SB 190. It is an extensive collaborative effort through the board process to make the statutes more user friendly, and it has been well vetted by all parties.

He said section 4 addresses supervision requirements; this is a big issue for both the guide industry and members conducting hunts and running businesses. It's what the public wants from licensed professionals hunting big game animals in Alaska. The intent of these changes is to maintain a supervision requirement in statute that is permissive enough to allow the board to adopt meaningful regulations that fulfill the supervision intent. An example is the question of whether a registered guide could take meat out of the field. The requirement to be physically present in the field with the client at least once during the contracted hunt was not meaningful; the hinge point was the definition of "field." Operators that were not supervising their hunts correctly were able to circumvent the requirement by shaking hands with a client and signing a contract on state land outside of an area with permanent dwellings. Removing that provision and giving the board the regulatory authority to approach supervision in a meaningful way will make it work better. He clarified that this bill does not address licensing standards.

2:19:50 PM

SENATOR PASKVAN thanked him for a thorough explanation.

2:20:28 PM

LIEUTENANT BERNARD CHASTAIN, Alaska Wildlife Troopers, Department of Public Safety, Anchorage, said he was available to answer questions.

SENATOR PASKVAN asked if they support SB 190.

LIEUTENANT CHASTAIN answered that they are fine with the changes in SB 190. Currently, the court is bound to a mandatory one-year suspension for a conviction, but the language change allows the court to decide if a suspension is warranted or not.

SENATOR PASKVAN asked if the CS is an improvement that the troopers added to.

LIEUTENANT CHASTAIN said he'd been involved throughout and that yes it was.

[2:22:39 PM](#)

JOE KLUTSCH, master guide representing himself, King Salmon, stated support for SB 190 and that the CS refines the points in the current legislation. Statutes are sometimes restrictive and this gives the board the authority to respond to federal and state agencies, industry concerns, public safety and wildlife enforcement agencies.

[2:25:11 PM](#)

LOREN KARRO, registered guide representing herself, Palmer, stated support for the SB 190, although she said both items in section 4 were already addressed by 12 AAC 75.240 and AS 8.54.620 when they discuss the duties of a Class A assistant guide. She stressed that section 4 in no way allows a guide to sit in a Florida or California condo and conduct their hunt through somebody else.

[2:27:22 PM](#)

DAN MONTGOMERY, master guide representing himself, Wasilla, stated strong support for SB 190. It will be very good for the industry.

[2:28:28 PM](#)

WAYNE KUBAT, master guide representing himself, Wasilla, stated support for SB 190, but said he agreed with the previous two presenters that the in-field issue was already addressed. "In the field" means the same or neighboring guide use area. If you have a hunting lodge there, it's easy to comply with, but that is not the case for him where the nearest place is 70 miles

away, and he can't buy gas for his airplane there. That has been the problem with the in the field participation.

He also didn't understand the changes why the effective date for section 4 was delayed for a year (so the board can adopt regulations formalizing a Class A guide to work for a contracting registered guide), because it's already in AS 08.54.620 and regulation 75 AAC 240(a). Why wait a year to adopt regulations that are already covered?

[2:30:58 PM](#)

DICK ROHRER, master guide representing himself, Kodiak, said Mr. Stacey covered the issues very well. He heard Mr. Rovito mention not requiring the contracting guide to be physically present in the field and that statement could be a bit misleading, not that that was his intent. He explained that he is a contracting guide who is always in the field; he doesn't fly an airplane, but he has other guides guiding clients, as well. His ongoing problem is that he is in a place where he has to have a certain height and stage of tide access for a boat; then the boat goes dry for as much as a week and he can't physically get back to his base camp in case a client finished a hunt early and wants to leave. So, this language helps contracting guides who are actively involved in the business to not get caught in a problem area; it's not designed for him to not be there and still oversee the hunt. He said it was not necessary to delay implementation.

[2:33:30 PM](#)

VIRGIL UMPHENOUR, master guide representing himself, Fairbanks, said Big Game Guides is the only occupation he knows of where the 14th Amendment of the Constitution of the United States has been violated by statute if you fill out a form wrong. He fits in the same category as Mr. Rohrer except that he hunts inland and some of his camps may be 120 to 150 miles apart and accessed by boat. Boat gas at Huslia, where he bases his operations, costs \$7/gallon; and if the wind starts blowing, it's impossible to leave. If a client wants to leave early he will definitely leave, and then you can't comply with the communications requirement. These changes make the law better.

CHAIR EGAN thanked everyone for testifying and said that completed public testimony. He announced the he would hold SB 190 in committee and bring it up again soon.

SB 157-CANCEL INSUR. ON CERTAIN VACANT PROPERTY

[2:36:39 PM](#)

CHAIR EGAN announced the consideration of SB 157.

SENATOR PASKVAN moved to bring CSSB 157(), 27-LS0928\E, before the committee.

CHAIR EGAN objected for discussion purposes.

2:37:12 PM

DANA OWEN, staff to Senator Egan and aide to the Senate Labor and Commerce Standing Committee, said the last time they talked about this bill the committee found a problem because of the concept that insurance companies could cancel policies on property that appeared to be unoccupied. Committee members expressed a great deal of reluctance to grant insurance companies the ability to do that, because Alaskans typically have homes which they leave for long periods of time, even though they certainly intend to come back and reoccupy them. So, language common to case law was suggested by industry on page 2, lines 6-7 removing "Un-occupancy or vacancy of the insured property that increases a hazard." and replacing it with:

vacancy of the insured property that increases a hazard insured against in this paragraph. In this paragraph vacancy means entire abandonment of the property by the insured and the property does not contain contents with substantial utility.

MR. OWEN said this goes back to the idea of vacancy, which from testimony seemed was something people understood and could be defined in the statute. The idea of unoccupied homes being available for insurance cancelation was removed.

2:41:38 PM

SENATOR MENARD asked him to flesh out what was meant by "vacancy."

MR. OWEN said Sheldon Winters could explain it from the insurance company's point of view, but this terminology is commonly used in the industry, so people recognize vacant property as being property that doesn't have any substantially valuable material left behind.

CHAIR EGAN said there were concerns that the definition of "vacancy" wasn't in statute. Now it is.

SENATOR GIESSEL asked where it says "primary residence."

MR. OWEN said he understood that it didn't apply to a primary residence.

SENATOR MENARD said she wrote it in her notes.

MR. OWEN said it's his understanding that it would apply to any residence.

[2:44:49 PM](#)

SHELDON WINTERS, State Farm Insurance, Juneau, said the industry took the committee's concerns to heart; thus the CS. They took out the un-occupancy piece and looked for a definition of "vacancy" which was problematic, because no other state defines it. However they found case law that talked about it and tied it into abandonment, which was one of Senator Paskvan's ideas. Now, if enacted, the property must be entirely abandoned by the insured, devoid of contents of substantial utility; and those two things must increase the hazard that was insured against.

He reminded the committee that insurance companies want to insure property, and in all cases they either issue a brand new policy or renew a policy within 12 months. Remember, if the property is determined to be "vacant" the owner must send a cancelation notice to the insured, but if the insured is going to get their mail and did not abandon the property and does intend to insure it, he would bring the letter to his insurance agent and work out the solution. Finally, he said, this is all subject to the oversight of the Division of Insurance.

MR. SHELDON said the statute does not distinguish between primary residences and it all goes back to the amount of risk insured against. A cabin would have a different kind of insurance, but it would still have to be abandoned and devoid of property. His reading of case law is that "devoid of substantial utility" is designed to address a situation in which someone leaves something like a chair or a microwave. You don't want to be really specific.

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SENATOR PASKVAN said these are significant improvements. His concern was if a homeowner takes a job in Texas, for example, and they put their home on the market and take all of their furniture out, but they are still paying the mortgage and the electric and fuel bills. Now he understands that the vacancy endorsement for \$30 would fix that.

MR. WINTERS agreed that the definition is so limited now that it would be difficult to ever cancel a policy.

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LINDA HALL, Director, Division of Insurance, said she was fine with the changes to SB 157. She contended that there was another step; if you have a consumer who feels that his insurance has been wrongly canceled, they are welcome to come to her division and the Consumer Protection Division would investigate the circumstances. Seeing how these statutes are applied in the real world is part of their general oversight authority. The division determines whether there is a violation.

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SENATOR PASKVAN moved to report CSSB 157(), version E, from committee with individual recommendations and attached fiscal note. There being no objection, the motion carried.

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At ease from 2:52 to 2:54 p.m.

[2:54:21 PM](#)

There being no further business to come before the committee, Chair Egan adjourned the meeting at 2:54 p.m.