

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 25, 2013

3:48 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Lora Reinbold, Vice Chair
Representative Bob Herron
Representative Charisse Millett
Representative Dan Saddler
Representative Andy Josephson

MEMBERS ABSENT

Representative Mike Chenault

COMMITTEE CALENDAR

HOUSE BILL NO. 102

"An Act relating to property exemptions for retirement plans, individual retirement accounts, and Roth IRAs; relating to transfers of individual retirement plans; relating to amending Rule 64, Alaska Rules of Civil Procedure, and Rule 301(a), Alaska Rules of Evidence."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 102

SHORT TITLE: RETIREMENT PLANS; ROTH IRAS; PROBATE

SPONSOR(s): REPRESENTATIVE(s) KELLER

02/01/13	(H)	READ THE FIRST TIME - REFERRALS
02/01/13	(H)	L&C, JUD
02/25/13	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE WES KELLER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as prime sponsor of HB 102.

ERNEST PRAX, Staff
Representative Wes Keller
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of the sponsor, testified during the discussion of HB 102.

BETH CHAPMAN, Attorney
Faulkner Banfield, P.C.
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of HB 102.

JONATHAN BLATTMACHR, Attorney;
Director, Estate Planning
Alaska Trust Company
Anchorage, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of HB 102.

BRET KOLB, Director
Division of Insurance (DOI)
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions on HB 102.

BRENDA NATION, Regional Vice President
State Relations
American Council of Life Insurers (ACLI)
Austin Texas

POSITION STATEMENT: Testified and answered questions during the discussion of HB 102.

ACTION NARRATIVE

[3:48:51 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:48 p.m. Representatives Reinbold, Herron, Millett, Saddler, Josephson, and Olson were present at the call to order.

HB 102-RETIREMENT PLANS; ROTH IRAS; PROBATE

[3:49:14 PM](#)

CHAIR OLSON announced that the only order of business would be HOUSE BILL NO. 102, "An Act relating to property exemptions for retirement plans, individual retirement accounts, and Roth IRAs; relating to transfers of individual retirement plans; relating to the rights of judgment creditors of members of limited liability companies and partners of limited liability partnerships; relating to the Uniform Probate Code, including pleadings, orders, liability, and notices under the Uniform Probate Code and the Alaska Principal and Income Act, the appointment of trust property, the Alaska Uniform Prudent Investor Act, co-trustees, trust protectors, and trust advisors; relating to the Alaska Principal and Income Act; relating to the Alaska Uniform Transfers to Minors Act; relating to the disposition of human remains; relating to the tax on insurers for life insurance policies; relating to insurable interests for certain insurance policies; relating to restrictions on transfers of trust interests; relating to discretionary interests in irrevocable trusts; relating to the community property of married persons; and amending Rule 64, Alaska Rules of Civil Procedure, and Rule 301(a), Alaska Rules of Evidence."

[3:49:52 PM](#)

REPRESENTATIVE WES KELLER, Alaska State Legislature, sponsor of HB 102, stated Alaska first modernized the trust laws in 1977. Alaska's trust laws have brought millions into the state due to its favorable trust laws. Even though the dollars are not direct state revenue dollars, the funds in the economy and affect jobs in the legal and trust industry.

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ERNEST PRAX, Staff, Representative Wes Keller, Alaska State Legislature, stated Representative Keller gave a broad overview of the bill. He recognized testifiers available to testify and answer questions.

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REPRESENTATIVE REINBOLD made a motion to adopt Amendment 1, labeled, 28-LS0335\A.1, Bannister, 2/19/13, which read, as follows:

Page 3, line 3:

Delete "AS 34.40.113"

Insert "AS 34.40.118"

There being no objection, Amendment 1 was adopted.

MR. PRAX explained that Amendment 1 corrects a drafting error, which relates to Section 43 of the bill.

[3:54:24 PM](#)

BETH CHAPMAN, Attorney, Faulkner Banfield, P.C., stated she has practiced in the trust and estates law for the past 25 years. She indicated HB 102 is an important bill as it would continue to allow Alaska to be considered one of the premier states for trust and estates law. It is not only helpful for bringing business into the state, but it also keeps assets in the state, particularly for Alaskans. She reported that most of her clients are Alaskans and her law office uses these laws every day for the wealthy and for others.

MS. CHAPMAN then highlighted important points in the bill. The bill would continue to provide and clarify the creditor protection for trusts and retirement plans, which is very essential for individuals, in particular, with their retirement accounts, she said. Sections 9-11 of the bill would provide improvements to a provision to allow modification of irrevocable trusts without going to court to do so. This provision will give attorneys the ability to respond to changing circumstances within families and keep the overall legal costs lower for families.

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MS. CHAPMAN related that Sections 12-13 would address insurance policies. Sections 33-35 would allow the extension of the Uniform Transfers of Minors Act, which many families use to hold assets for minor children; these trusts generally terminate between ages 18-21. She pointed out that there are situations when it might not be a good idea to allow a child access to trust funds, and therefore this proposed change would allow a custodian to extend the trust to age 25 in certain circumstances in order to address substance abuse problems, immaturity, or other issues young adults might face.

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MS. CHAPMAN then pointed out that Section 36 proposes a new provision that would allow individuals to now leave directions with respect to the disposition of remains. Under current law, a person can indicate preferences, but the preference is not

legally binding. At times, it can lead to family disputes. For example, she has had a client involved in lengthy litigation regarding the burial wishes of a parent. In brief, this provision will allow individuals to leave directives with respect to their remains.

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REPRESENTATIVE REINBOLD understood this bill allows Alaska to be premier in trust and estates law. She asked for examples of how this would affect businesses in the state and any assets kept in the state.

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MS. CHAPMAN answered that prior to 1997 trust companies were all out-of-state companies. She said her clients would name an out-of-state trust company and the assets would be "custodied" outside Alaska. Now, several trust companies are located in Alaska so the assets remain in the state. Further, additional business would be brought to the state since one requirement is some assets must be located in the state on deposit with an Alaska bank. Rather than going offshore, individuals who wish to take advantage of Alaska laws would set up a trust under Alaska law and deposit funds with an Alaska trust company.

[3:58:55 PM](#)

REPRESENTATIVE REINBOLD asked whether she could name any new businesses and the nature of the assets she just described.

MS. CHAPMAN deferred to Mr. Blattmachr, Alaska Trust Company, to respond and relate the impact to its business. However, with respect to her clients, Ms. Chapman related that multiples of millions of dollars, probably tens and tens of millions of dollars that have stayed in Alaska [as a result of Alaska's trust and estates law].

[3:59:35 PM](#)

REPRESENTATIVE HERRON asked who benefits besides the customers that bring their assets to Alaska.

MS. CHAPMAN answered that the clients using the laws benefit, as well as the employees of the various trust companies and banks now offering the trust services. Additionally, other

professionals, such as accountants or lawyers in the financial planning area would benefit.

REPRESENTATIVE HERRON inquired as to the advantages to the state.

MS. CHAPMAN responded that favorable estate laws allow businesses to grow in the trust area, such as trust companies who offer services. Additionally, the state also receives a premium tax on insurance. Further, banks benefit from the assets deposited. She recalled the president of Northrim Bank sent a letter detailing how it has affected his business. Finally, Alaskans would benefit since they can plan their estates and know Alaska's courts will govern if any issues arise.

[4:01:33 PM](#)

REPRESENTATIVE HERRON related his understanding that the state receives the tax and then inquired as to how much is collected.

MS. CHAPMAN answered no; and deferred to Mr. Blattmachr.

[4:02:08 PM](#)

REPRESENTATIVE HERRON understood Alaska is no longer number one in the nation [in terms of being beneficial for trust and estates law.]

MS. CHAPMAN said that is correct; the state has had significant competition from Delaware, South Dakota, and Nevada since trust and estates law is a continually growing field.

REPRESENTATIVE HERRON asked whether it is beneficial for Alaska to compete and lower its tax or is there a point of diminishing returns.

MS. CHAPMAN deferred to Mr. Blattmachr to speak to the premium tax.

[4:02:56 PM](#)

REPRESENTATIVE REINBOLD asked how other states benefit from the amended laws and asked why Alaska should amend its current law.

MS. CHAPMAN answered that other states benefit since assets are deposited in these other states, which increases their banks'

capital. Additionally, the trust companies charge fees and employ more employees in these states. By amending the trust and estates law, Alaska could say it still has the best trust and estates law in the U.S. and that the trusts should be kept in Alaska.

[4:04:01 PM](#)

REPRESENTATIVE REINBOLD asked if the money is being circulated in Alaska's economy.

MS. CHAPMAN confirmed that the deposited money would be circulated since the banks can lend those funds.

[4:04:21 PM](#)

REPRESENTATIVE JOSEPHSON related his understanding that Delaware is known for its friendly corporate statutes, which has resulted in businesses incorporating there without doing business there. He questioned whether that could occur in Alaska such that an individual from another state could establish an estate in Alaska.

MS. CHAPMAN answered that the Alaska statutes require some assets be located in Alaska, rather than just allowing the law to be used.

REPRESENTATIVE JOSEPHSON inquired as to Ms. Chapman's opinion regarding the required nexus with Alaska.

MS. CHAPMAN opined that [the nexus requirement] it is very good as it would help strengthen any jurisdictional issues that may arise, such as with a conflict of law question. Further, the nexus requirement "makes it more real" and provides a necessary connection.

[4:06:25 PM](#)

JONATHAN BLATTMACHR, Attorney; Director, Estate Planning, Alaska Trust Company, stated he has been a major protagonist of this bill. He said he is a member of the Alaska, California, and New York bars. In 1997, when Alaska's trust and estates law passed, Alaska received tremendous positive publicity that resulted in other states following suit. Although Delaware passed its version of Alaska's law within 30 days, he opined that Delaware's trust and estates law is not as good as Alaska's law. To date, 15-16 states have tried to follow suit with the trust

and estates law. He said these trust and estates laws have been very good for all states. In fact, about three years ago a Harvard law professor, Robert H. Sitkoff, wrote an article pointing out states which have passed similar statutes have increased commerce in their trust and related industries.

4:08:06 PM

MR. BLATTMACHR summarized that Alaska gets four benefits [from amending the trust and estates law]. First, its great laws for Alaskans and many more use these laws than people in the Lower 48. Second, it has stopped the transfer of funds outside the jurisdiction of the U.S., outside the jurisdiction of the Internal Revenue Service (IRS), and the federal courts. Thus, people have greater safeguard since American courts have jurisdiction and can undo a wrong. He informed the committee that he had this idea in the mid-1990s after reading that over \$400 billion had left the U.S. to little offshore countries, some which cannot be found on a map. As mentioned earlier, Alaska now has 15-16 states as competitors. Therefore, "We're back here to put Alaska number one," he said.

MR. BLATTMACHR related, thirdly, the state receives state premium taxes from which it has received millions of dollars of taxes on life insurance premiums that no one in the U.S. would've received because these large policies were often structured in Bermuda. Therefore, by imposing a tiny tax on these very large sums of money, Alaska receives the tax and it does not cost the state anything. Alaska's only competitor [with regard to the premium taxes] is South Dakota, which has dropped its premium tax by a tiny margin. Still, Alaska has been receiving most of the business, he opined.

MR. BLATTMACHR stated the fourth benefit - which Ms. Chapman mentioned earlier - is the tens of millions of dollars that have been deposited in institutions in Alaska. This allows banks, such as Northrim Bank, to have capital to loan to Alaska's businesses and Alaska's homeowners. He characterized this bill as a tremendous win for the state and offered his belief that the changes in HB 102 will put Alaska as number one, again.

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REPRESENTATIVE REINBOLD inquired as to what new businesses are directly impacted by this proposal.

MR. BLATTMACHR answered that the Alaska Trust Company, which employs about a dozen people, did not exist until the 1997 law passed. He related the Aleut Corporation backed the formation of the Alaska Trust company. Additionally, the Allen Trust, operating in Oregon, will be opening a trust facility in Alaska. He agreed lawyers, paralegals, accountants, and life insurance agents in Alaska all also benefit. He reiterated numerous relatively high-paying managerial jobs have been created and maintained for Alaskans.

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REPRESENTATIVE REINBOLD asked whether this bill would make Alaska more attractive and provide an upswing for the state. She further asked who would collect the tax and whether it would be deposited into the general fund.

MR. BLATTMACHR said he unsure of which division would receive the taxes, but the revenue goes into state revenues. He reiterated that the bill would bring more business to Alaska. He related that he previously had a large estate planning practice with at least 300 clients, some of whom were very wealthy who used Alaska laws for their estate planning. In fact, one of the wealthiest clients in the U.S. directed his will be admitted to probate in Alaska, which has provided work for Alaskans. Mr. Blattmachr maintained that Alaska's estate planning laws have been very attractive, which has resulted in other states becoming jealous and trying to attract business. Again, this bill will help keep the state on top, he opined. In fact, Ms. Chapman, David Shaftel, and he plan to write a major article for the estate planning community if this bill passes. He said, "It's not just deposits and taxes, it's jobs as well." He then characterized the bill as a triple winner for the state.

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REPRESENTATIVE HERRON asked whether it is beneficial for Alaska to compete by lowering its [state premium] tax or is there a point of diminishing returns.

MR. BLATTMACHR opined that it would be helpful to lower the [state premium tax], but only to the level of South Dakota's rate. When South Dakota first changed its laws, most New York investment bankers did not think the tiny .02 of one percent would make a difference. Although Mr. Blattmachr thought it is the odd case, some individuals paying the premiums [went where there were savings]. While he did not propose meeting South

Dakota's rate, he said he did not think it would be a bad idea. He clarified that Alaska is not number one based on the rankings of who has the best laws for trust business. Although there is disagreement and some think Nevada and South Dakota are better, he maintained that Alaska could be the best with passage of this bill. Further, it doesn't cost the state anything, while providing new jobs, revenue for the state, and capital in Alaska's banks. In fact, when the original law was first drafted, he insisted on an Alaska trustee and the requirement to deposit money in Alaska so that Alaska would benefit. Furthermore, as Ms. Chapman indicated earlier more Alaskans have used the trust and estates law to their benefit than residents of any other state. In conclusion, this new law will provide more money to the state, in particular, with respect to individual retirement accounts (IRAs).

[4:18:16 PM](#)

REPRESENTATIVE HERRON recalled that effort to pass these types of laws has been around for some time. He asked whether former Governor Knowles vetoed a similar bill.

MR. BLATTMACHR answered yes; that when a prior bill passed the legislature, House Bill 96 - which he thought passed the legislature unanimously - the governor was told it could hurt banks in the state. Therefore, the governor vetoed the bill. The next year the banks supported the bill and the legislature passed the law again. He characterized the veto as an unfortunate misunderstanding.

[4:19:13 PM](#)

REPRESENTATIVE JOSEPHSON asked whether the same jurisdictional issue would apply if an Alaskan wanted to go through probate in South Dakota, such that he/she would need property or assets in South Dakota to open a trust and go through probate in that state.

MR. BLATTMACHR answered that he was the first lawyer to forum shop for trusts and begin using South Dakota trusts, which he did prior to Alaska passing its trust bill. He explained that during that time he called South Dakota lawyers and asked them if he needed a South Dakota trustee or whether any funds needed to be deposited in order to use South Dakota trust laws to which they responded that they didn't know. Therefore, the Alaska legislation is crafted to be very clear that an Alaska trustee is required, assets must be deposited in Alaska, and part of the

administration of the trust has to occur in Alaska. Most of the states that have passed similar legislation do not have the nexus or connection laws as well defined as Alaska's trust and estates law, he said. In fact, he tells his clients that Alaska's trust and estates law provides them greater certainty.

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REPRESENTATIVE REINBOLD asked who collects the [premium insurance] tax, whether it is deposited into the general fund, and if so, how much is collected.

BRET KOLB, Director, Division of Insurance (DOI), Department of Commerce, Community & Economic Development (DCCED), answered the [insurance premium] tax is collected by the DOI and is deposited into the general fund. With regard to the amount collected, he related the division is challenged in finding granular enough data. He reported the insurance premium tax collected is approximately \$58 million, annually; however, that figure represents all insurance premium taxes, not just trust related taxes. He explained that the taxes are not reported to the level of specificity for him to break it down at this time.

REPRESENTATIVE REINBOLD asked whether [more granular data would be available] if this bill passes because those figures would be helpful. Although she said she is thrilled that the private sector is also benefitting, she expressed the desire to see that the state is benefitting as well. She then inquired as to where the earlier mentioned tens of millions of dollars being deposited in Alaska is coming; she questioned whether the money is from Alaskans or from the outside of the state.

MR. KOLB answered that he couldn't speak to the source of the funds and who is depositing money into the trust since the deposits are on the trust side, which doesn't fall under the DOI. The bill has only three sections pertaining to insurance, including the premium tax on insurance.

[4:23:48 PM](#)

REPRESENTATIVE REINBOLD asked if the DOI can obtain the trust data.

MR. KOLB answered that the DOI is considering how to obtain more granular data. When the DOI receives a premium tax payment, it is a large number and the specific policy-by-policy information is not currently available. However, he said he is interested

in gathering such data since it would provide helpful information.

[4:24:40 PM](#)

CHAIR OLSON related his understanding that it only impacts insurance policies in excess of \$100,000.

MR. KOLB confirmed Chair Olson's understanding. In further response to Chair Olson, Mr. Kolb reiterated that at this point the details are not available. Currently, the law is written specific to individual life insurance policies and HB 102 would broaden it to allow group life insurance policies.

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REPRESENTATIVE HERRON, referring to his earlier question, asked whether it's beneficial for Alaska to compete by passing small comprehensive changes to its laws, including lowering its premium insurance taxes, or if there is a point of diminishing returns.

MR. KOLB said he reviewed the figures to get an idea and found that \$100 million in individual life insurance premium would result in \$102,000 in premium tax. Although a change in the tax rate from .1 to .08 would result in a relatively insignificant impact in terms of the lower amount of premium tax collected, it may be helpful if it enhanced the environment.

[4:26:39 PM](#)

REPRESENTATIVE HERRON inquired as to whether changing the premium tax rate would make it less attractive for a couple of customers since some customers, as Mr. Blattmachr mentioned earlier, may want to save the \$5,000 to \$10,000 that would be available under the South Dakota law versus Alaska's trust and estates law.

MR. KOLB answered that lowering the premium tax portion would slightly lower the premium tax on insurance policies collected by the state; however, it would also result in less premium tax companies would have to pay.

[4:28:10 PM](#)

CHAIR OLSON asked whether the administration has taken a position on HB 102.

MR. KOLB answered that the state is neutral on the bill.

[4:28:39 PM](#)

BRENDA NATION, Regional Vice President, State Relations, American Council of Life Insurers (ACLI), began by informing the committee that the ACLI is a national trade association that represents the life insurance industry. The ACLI's interest in HB 102 is more reflective of insurance interest statutes are being changed in the insurance code in Alaska. She said the ACLI works closely with the National Conference of Commissioners on Uniform State Laws (NCCUSL) on changes to the uniform trust code with respect to insurable interest. She referred to documents she also provided [in members' packets] from NCCUSL.

[4:30:05 PM](#)

MS. NATION recalled hearing testimony that people want Alaska's trust laws to be the best trust laws, including greater certainty. However, with respect to Section 39, everything was followed in making the NCCUSL's amendments mirrored in the Alaska law. Thus, ACLI would support Section 39 of HB 102. However, with respect to Section 38, the longstanding insurable interest law in Alaska, a phrase was added that the ACLI believes would make the laws less certain. She referred to page 36, line 3, which adds the language, "or immediately after the contract was made" and noted it's a longstanding principle that insurable interest exists at the time of the contract and not anytime afterwards. She was unsure of how to define immediately after the contract and whether it would mean two seconds, 30 minutes, or 30 days after the contract is signed.

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MS. NATION then explained that an insurable interest is necessary in order for one person or entity to take out a life insurance policy on another person; it's important to ensure that any beneficiary of a life insurance policy wants the insured person to live a long time and not seek an early demise to collect the insurance money. In fact, the whole principle in taking out life insurance is so a person's family and loved ones, business partner, and company relies on the person to stay alive to provide economic benefit or love and affection. She concluded this is the reason why every jurisdiction has an insurable interest law that says that insurable interest has to exist at the time the contract is made and represents the

turning point as to whether a valid life insurance policy exists. Inserting the language [on page 36, line 3] calls into question whether an insurable interest exists and if it is a valid life insurance policy. She said it could cause problems in terms of whether the insurance policy is valid and whether the beneficiary can collect. Therefore, the ACLI prefers not to amend Section 38(a) because the current law is clear and the proposed language would create uncertainty in Alaska law.

[4:33:56 PM](#)

MS. NATION then directed attention to proposed Section 13, pages 16-18, regarding trustee duties related to insurance. Upon discussions with the sponsor, she was informed that a similar statute passed in Florida. Since it appears that Alaska is following the Florida law enacted in 2010, she requested that her [written] comments regarding Section 13 be withdrawn since it appears to address her concerns. In response to Representative Josephson, Ms. Nation said that ACLI has no real interest in the balance of HB 102, except for the proposed change to Section 38.

REPRESENTATIVE JOSEPHSON asked whether she has previously seen the proposed language on page 36, line 3, "or immediately after the contract was made".

MS. NATION answered no; not in the context of true insurable interest. She said she has seen proposals by people in the secondary market, the life settlements industry, to attempt to change state insurable interest laws to provide for "sell to settle policies." For example, a situation in which a senior citizens is enticed to take out a large life insurance policy with the promise of a cruise to the Bahamas or some other incentive to use the senior's insurability to take out a life insurance policy and sell it to a secondary market investor.

[4:37:07 PM](#)

REPRESENTATIVE HERRON asked if someone could provide the rationale to make the proposed changes.

MR. BLATTMACHR said he drafted the bill and offered his belief that the language in Section 38 clarifies the law. Although he said he did not think Ms. Nation's notion that the language "immediately after" could be five months was a sustainable position, he suggested the language could be changed to read "immediately upon the contract being made" or similar language.

In doing so, Ms. Nation would not need to be concerned that it could be a millisecond after the policy is issued. Mr. Blattmachr agreed with Ms. Nation that it is important to ensure the law does not encourage murder as evidenced by one of the leading decisions by Justice Holmes, who said it is important to balance people's rights to make contracts and the right to keep people from being murdered. Therefore, as long as the person has an interest in making sure that the person lives rather than benefiting if the person dies, then the policy has to be issued. He did not think Ms. Nation would disagree with that. He explained that sometimes insurance policies have an annuity feature and if a person owns an annuity, the person doesn't want them to die. These annuities are often imbedded in policies, but the person may not have a full insurable interest until that annuity part of the policy is issued. Therefore, he wanted to ensure that if the insurable interest is there at the moment the policy is issued, then the person should be deemed to have an insurable interest. He assured Ms. Nation that this proposal has nothing to do with the secondary life insurance market. The industry has been against the stranger own life insurance (STOLI) and [this proposed language change to Section 38] in no way promotes STOLI.

[4:40:41 PM](#)

CHAIR OLSON inquired as to the difference in the meaning of the proposed language in Section 38, "or immediately after the contract was made", and Mr. Blattmachr's suggested change to that language, "immediately upon the contract being made". He further asked why the language change is necessary.

MR. BLATTMACHR answered that the reason is to ensure that if an interest arises at the time a policy is issued that the person would be deemed to have an insurable interest and make sure the person continues to live.

CHAIR OLSON asked why the change couldn't be made before the contract was issued. He asked Mr. Kolb to respond.

MR. KOLB said it seemed redundant, although he cautioned that he is not a lawyer. He thought "or immediately after the contract was made" appears to say the same thing as "or immediately before the contract was made."

[4:42:13 PM](#)

MR. BLATTMACHR informed the committee that this issue arose after he spoke to agents in New York who develop what are known as private placement life insurance policies, which are the very large policies now coming to Alaska and for which Alaska receives the premium tax. The parties, he explained, wanted clarification and suggested that "immediately after" language would suffice since it meant immediately after the contract was made. He said, "But I can't prove that there isn't a time between when the policy is issued and immediately thereafter. So, in order to satisfy the people who want to send these policies through the State of Alaska, we're now suggesting it say 'immediately when the contract is made' and I think that addresses the concerns that Ms. Nation mentioned."

[4:43:02 PM](#)

CHAIR OLSON acknowledged that several members are concerned, and therefore HB 102 will be held over. Further, a legal opinion on the language will be sought. Chair Olson, noting his insurance background, said he does not see the purpose of the language.

[4:43:38 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:43 p.m.