

**ALASKA STATE LEGISLATURE  
HOUSE SPECIAL COMMITTEE ON FISHERIES**

March 7, 2023  
10:00 a.m.

**MEMBERS PRESENT**

Representative Sarah Vance, Chair  
Representative Kevin McCabe  
Representative CJ McCormick  
Representative Ben Carpenter  
Representative Craig Johnson  
Representative Louise Stutes  
Representative Rebecca Himschoot

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 92

"An Act relating to claims against protection and indemnity insurance policies of vessel owners."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 92

SHORT TITLE: FISHERMEN'S FUND: VESSEL OWNER CLAIMS

SPONSOR(s): FISHERIES

03/01/23	(H)	READ THE FIRST TIME - REFERRALS
03/01/23	(H)	FSH, L&C
03/07/23	(H)	FSH AT 10:00 AM GRUENBERG 120

**WITNESS REGISTER**

JAKE ALMEIDA, Staff  
Representative Sarah Vance  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 92 on behalf of the bill sponsor, the House Special Committee on Fisheries, on which Representative Vance serves as chair.

CHARLES COLLINS, Director  
Central Office  
Division of Workers' Compensation  
Department of Labor & Workforce Development  
Juneau, Alaska

**POSITION STATEMENT:** Provided comment during the hearing on HB 92.

VELMA THOMAS, Administrator  
Fishermen's Fund Advisory and Appeals Council  
Division of Workers' Compensation  
Department of Labor & Workforce Development  
Juneau, Alaska

**POSITION STATEMENT:** Provided comment during the hearing on HB 92.

#### **ACTION NARRATIVE**

[10:00:51 AM](#)

**CHAIR SARAH VANCE** called the House Special Committee on Fisheries meeting to order at 10:00 a.m. Representatives Himschoot, McCormick, Stutes, Carpenter, and Vance were present at the call to order. Representatives McCabe and C. Johnson joined as the meeting was in progress.

#### **HB 92-FISHERMEN'S FUND: VESSEL OWNER CLAIMS**

[10:01:23 AM](#)

CHAIR VANCE announced that the only order of business would be HOUSE BILL NO. 92, "An Act relating to claims against protection and indemnity insurance policies of vessel owners."

[10:02:07 AM](#)

JAKE ALMEIDA, Staff, Representative Sarah Vance, Alaska State Legislature, presented HB 92 on behalf of the bill sponsor, the House Special Committee on Fisheries, on which Representative Vance serves as chair. He stated that HB 92 would change the vessel insurance deductible from \$5,000 to \$10,000 under AS 23.35.145. He began a PowerPoint presentation [hard copy included in the committee packet], to explain vessel owner claims with the Alaska Fishermen's Fund. He brought attention to slide 2, titled "Increases Vessel Owner Deductible Reimbursement to \$10k," which read as follows, [original punctuation provided]:

#### Establishes Equity

Vessel owners & Crew members will receive the same reimbursement.

#### Potential Cost Savings

May pay less in Protection & Indemnity insurance premiums.

#### Protection of Loss

May help protect against loss due to medical and legal claims.

MR. ALMEIDA directed attention to slide 4, titled "Fishermen's Fund Established in 1951," which read as follows, [original punctuation provided]:

The Fishermen's Fund provides for the treatment and care of Alaska-licensed commercial fishermen who have been injured while fishing on or offshore in Alaska.

Benefits from the Fund are financed from revenue received from each resident and nonresident commercial fisherman's license and permit fees.

The Commissioner of Labor and Workforce Development oversees the administration of the program with the assistance of the Fishermen's Fund Advisory and Appeals Council.

[10:04:28 AM](#)

MR. ALMEIDA moved on to slide 4, titled "Worst Case Scenario to Fishermen's Fund," which shows a histogram of the potential decline in payments from 2024 to 2033. Slide 5, titled "Changes to Fishermen's Fund," shows a similar histogram with the nine-year average of what the fund would payout with an increase from \$5,000 to \$10,000, as proposed under HB 92.

[10:05:36 AM](#)

The committee took an at-ease from 10:05 a.m. to 10:07 a.m.

[10:07:31 AM](#)

CHARLES COLLINS, Director, Central Office, Division of Workers' Compensation, Department of Labor & Workforce Development, reminded the committee that workers' compensation has nothing to do with commercial fishers, thus the Alaska Fishermen's Fund was established before statehood to protect its workforce.

[10:08:28 AM](#)

VELMA THOMAS, Administrator, Fishermen's Fund Advisory and Appeals Council, Division of Workers' Compensation, Department of Labor & Workforce Development, noted that fishers can seek remedies under the U.S. Jones Act. She said the fund always reimburses for medical expenses. She said HB 92 is a win-win for fishers and vessel owners. She described a graph that tracked vessel owner claims from 2014 to 2018, and she said there is no significant increase and there are savings. She spoke about average costs and said the fund is "really healthy." She concluded, "So, we do not see a negative for this proposal."

[10:12:07 AM](#)

REPRESENTATIVE HIMSCHOOT expressed concern there was no stop-gap measure to prevent [further] cost increases, and she suggested that would be something to address "down the road."

MS. THOMAS referred back to the graph that shows the 9-year average of the fund, and she indicated that the fund could survive a "worst-case scenario."

[10:13:34 AM](#)

CHAIR VANCE set an amendment deadline and announced that HB 92 was held over.

[10:13:58 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 10:14 a.m.