

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

April 24, 2024

1:34 p.m.

**MEMBERS PRESENT**

Senator Jesse Bjorkman, Chair  
Senator Elvi Gray-Jackson  
Senator Kelly Merrick  
Senator Forrest Dunbar

**MEMBERS ABSENT**

Senator Click Bishop, Vice Chair

**COMMITTEE CALENDAR**

SENATE BILL NO. 257

"An Act relating to the Regulatory Commission of Alaska; relating to public utilities; relating to electric reliability organizations; relating to the Alaska Energy Authority; relating to the Railbelt Transmission Organization; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 235

"An Act relating to certified nurse aide training; and providing for an effective date."

- MOVED SB 235 OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 97(JUD) AM

"An Act relating to self-storage facilities for personal property, including vehicles and watercraft; distinguishing self-storage facility liens from another type of storage lien; and excluding self-storage liens from the treatment of certain unclaimed property."

- HEARD & HELD

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 29(JUD) AM

"An Act prohibiting certain insurance decisions based solely on a person's status as an elected official."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 257

SHORT TITLE: ELECTRIC UTILITY REGULATION

SPONSOR(s): RESOURCES

03/01/24	(S)	READ THE FIRST TIME - REFERRALS
03/01/24	(S)	L&C, RES, FIN
03/01/24	(S)	L&C WAIVED PUBLIC HEARING NOTICE, RULE 23
03/04/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/04/24	(S)	Heard & Held
03/04/24	(S)	MINUTE(L&C)
03/04/24	(S)	RES AT 3:30 PM BUTROVICH 205
03/04/24	(S)	<Bill Hearing Canceled>
03/27/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/27/24	(S)	Heard & Held
03/27/24	(S)	MINUTE(L&C)
04/05/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/05/24	(S)	Heard & Held
04/05/24	(S)	MINUTE(L&C)
04/10/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/10/24	(S)	Heard & Held
04/10/24	(S)	MINUTE(L&C)
04/19/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/19/24	(S)	-- MEETING CANCELED --
04/22/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/22/24	(S)	<Bill Hearing Canceled>
04/24/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 235

SHORT TITLE: CNA TRAINING

SPONSOR(s): GIESSEL BY REQUEST

02/15/24	(S)	READ THE FIRST TIME - REFERRALS
02/15/24	(S)	L&C
04/15/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/15/24	(S)	Heard & Held
04/15/24	(S)	MINUTE(L&C)
04/24/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 97

SHORT TITLE: SELF-STORAGE UNITS: LIENS; SALES

SPONSOR(s): PRAX

03/06/23 (H) READ THE FIRST TIME - REFERRALS  
 03/06/23 (H) L&C, JUD  
 03/24/23 (H) L&C AT 3:15 PM BARNES 124  
 03/24/23 (H) Heard & Held  
 03/24/23 (H) MINUTE(L&C)  
 04/14/23 (H) L&C AT 3:15 PM BARNES 124  
 04/14/23 (H) Heard & Held  
 04/14/23 (H) MINUTE(L&C)  
 05/01/23 (H) L&C AT 3:15 PM BARNES 124  
 05/01/23 (H) Heard & Held  
 05/01/23 (H) MINUTE(L&C)  
 05/03/23 (H) L&C AT 3:15 PM BARNES 124  
 05/03/23 (H) Moved CSHB 97(L&C) Out of Committee  
 05/03/23 (H) MINUTE(L&C)  
 05/08/23 (H) L&C RPT CS(L&C) 4DP 2AM  
 05/08/23 (H) DP: PRAX, WRIGHT, SADDLER, RUFFRIDGE  
 05/08/23 (H) AM: FIELDS, CARRICK  
 02/05/24 (H) JUD AT 1:30 PM GRUENBERG 120  
 02/05/24 (H) Heard & Held  
 02/05/24 (H) MINUTE(JUD)  
 02/07/24 (H) JUD AT 1:00 PM GRUENBERG 120  
 02/07/24 (H) Heard & Held  
 02/07/24 (H) MINUTE(JUD)  
 02/09/24 (H) JUD AT 1:30 PM GRUENBERG 120  
 02/09/24 (H) <Bill Hearing Canceled>  
 02/14/24 (H) JUD AT 1:00 PM GRUENBERG 120  
 02/14/24 (H) Moved CSHB 97(JUD) Out of Committee  
 02/14/24 (H) MINUTE(JUD)  
 02/15/24 (H) JUD RPT CS(JUD) 4DP 2NR  
 02/15/24 (H) DP: CARPENTER, SUMNER, ALLARD, VANCE  
 02/15/24 (H) NR: GRAY, GROH  
 03/21/24 (H) TRANSMITTED TO (S)  
 03/21/24 (H) VERSION: CSHB 97(JUD) AM  
 03/22/24 (S) READ THE FIRST TIME - REFERRALS  
 03/22/24 (S) L&C, JUD  
 04/08/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 04/08/24 (S) Heard & Held  
 04/08/24 (S) MINUTE(L&C)  
 04/24/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 29

SHORT TITLE: INSURANCE DISCRIMINATION

SPONSOR(s): MCCABE

01/19/23 (H) PREFILE RELEASED 1/9/23  
 01/19/23 (H) READ THE FIRST TIME - REFERRALS  
 01/19/23 (H) L&C, JUD

02/10/23 (H) L&C AT 3:15 PM BARNES 124  
 02/10/23 (H) Heard & Held  
 02/10/23 (H) MINUTE(L&C)  
 02/17/23 (H) L&C AT 3:15 PM BARNES 124  
 02/17/23 (H) Heard & Held  
 02/17/23 (H) MINUTE(L&C)  
 03/03/23 (H) L&C AT 3:15 PM BARNES 124  
 03/03/23 (H) <Bill Hearing Canceled>  
 03/06/23 (H) L&C AT 3:15 PM BARNES 124  
 03/06/23 (H) Moved CSHB 29(L&C) Out of Committee  
 03/06/23 (H) MINUTE(L&C)  
 03/08/23 (H) L&C RPT CS(L&C) 1DP 1DNP 5NR  
 03/08/23 (H) DP: CARRICK  
 03/08/23 (H) DNP: FIELDS  
 03/08/23 (H) NR: PRAX, WRIGHT, SADDLER, RUFFRIDGE,  
 SUMNER  
 04/28/23 (H) JUD AT 1:00 PM GRUENBERG 120  
 04/28/23 (H) Heard & Held  
 04/28/23 (H) MINUTE(JUD)  
 05/03/23 (H) JUD AT 1:00 PM GRUENBERG 120  
 05/03/23 (H) Moved CSHB 29(JUD) Out of Committee  
 05/03/23 (H) MINUTE(JUD)  
 05/08/23 (H) JUD RPT CS(JUD) NEW TITLE 3DP 1DNP 2NR  
 1AM  
 05/08/23 (H) DP: C.JOHNSON, ALLARD, VANCE  
 05/08/23 (H) DNP: EASTMAN  
 05/08/23 (H) NR: GROH, CARPENTER  
 05/08/23 (H) AM: GRAY  
 05/13/23 (H) TRANSMITTED TO (S)  
 05/13/23 (H) VERSION: CSHB 29(JUD) AM  
 05/15/23 (S) READ THE FIRST TIME - REFERRALS  
 05/15/23 (S) L&C, JUD  
 04/24/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

JANE CONWAY, Staff  
 Senator Cathy Giessel  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** Provided an overview of SB 235.

CINDY HARRIS, Board Member  
 Alzheimer Association Alaska Chapter  
 Soldotna, Alaska

**POSITION STATEMENT:** Testified in support of SB 235.

ERICK CORDERO-GIORGAN, Staff  
Representative Mike Prax, Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented a recap of HB 97.

DANIEL BRYANT, Legal and Legislative Counsel  
National Self Storage Association  
Alexandria, Virginia

**POSITION STATEMENT:** Invited testimony for HB 97.

WILLIAM BREWER, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 97.

ELIZABETH MANN, Alaska Mini Storage  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 97.

ARTY FONOV, Eagle Eye Secure Storage  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in support of HB 97.

JAMES MACNAUGHTON, representing self  
Blue Moose Storage  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 97.

TIM SULLIVAN, President  
Alaska Credit Union League  
Anchorage, Alaska

**POSITION STATEMENT:** Testified with concerns on HB 97.

TYLER SCOTT, Owner  
Publix Self Storage  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 97.

KONRAD JACKSON, Staff  
Senator Jesse Bjorkman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided a summary of changes for HB 97,  
version U.A to R.

REPRESENTATIVE KEVIN MCCABE, District 30  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of HB 29.

JULIE MORRIS, Staff  
Representative Kevin McCabe  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Answered a question on HB 29.

LORI WING-HEIER, Director  
Division of Insurance  
Department of Commerce, Community and Economic Development  
(DCCED)  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions on HB 29.

#### **ACTION NARRATIVE**

[1:34:35 PM](#)

**CHAIR JESSE BJORKMAN** called the Senate Labor and Commerce Standing Committee meeting to order at 1:34 p.m. Present at the call to order were Senators Dunbar, Gray-Jackson, and Chair Bjorkman. Senator Merrick arrived thereafter.

#### **SB 257-ELECTRIC UTILITY REGULATION**

[1:35:43 PM](#)

**CHAIR BJORKMAN** announced the consideration of SENATE BILL NO. 257 "An Act relating to the Regulatory Commission of Alaska; relating to public utilities; relating to electric reliability organizations; relating to the Alaska Energy Authority; relating to the Railbelt Transmission Organization; and providing for an effective date."

[1:35:56 PM](#)

**CHAIR BJORKMAN** said the committee would distribute a committee substitute (CS) for SB 257. He stated that no discussion or testimony would occur during the hearing.

[1:36:21 PM](#)

At ease

[1:36:47 PM](#)

**CHAIR BJORKMAN** reconvened the meeting and solicited a motion.

[1:36:52 PM](#)

SENATOR GRAY-JACKSON moved to adopt the committee substitute (CS) for SB 257, work order 33-LS1047\H, as the working document.

[1:37:05 PM](#)

CHAIR BJORKMAN objected for purposes of future explanation.

[1:37:07 PM](#)

CHAIR BJORKMAN held SB 257 in committee.

### **SB 235-CNA TRAINING**

[1:37:17 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 235 "An Act relating to certified nurse aide training; and providing for an effective date."

[1:37:46 PM](#)

JANE CONWAY, Staff, Senator Cathy Giessel, Alaska State Legislature, Juneau, Alaska, provided an overview of SB 235. She said the bill maps out specific skills CNAs would be trained for to better help care for the fast-growing senior population, particularly those affected by dementia and Alzheimer's. She noted Alaska has the highest-growing senior population of any state, ten years in a row. She said 34 percent of seniors in residential care facilities, 49 percent of nursing home residents and 36 percent of individuals using home health care services have some form of dementia. By including comprehensive training on the signs and symptoms of dementia as well as person-centered care in CNA training programs, SB 235 would enhance the quality of health care for seniors and others in Alaska.

[1:39:17 PM](#)

CHAIR BJORKMAN opened public testimony on SB 235.

[1:39:39 PM](#)

CINDY HARRIS, Board Member, Alzheimer Association Alaska Chapter, Soldotna, Alaska, testified in support of SB 235. She said she cared deeply about ensuring Alaska has a dementia-capable workforce. She said including [dementia training] for CNAs is crucial because caring for people living with dementia takes a different type of care.

[1:40:51 PM](#)

SENATOR BJORKMAN closed public testimony on SB 235.

[1:41:06 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[1:41:08 PM](#)

SENATOR GRAY-JACKSON moved to report SB 235, work order 33-LS1169\S, from committee with individual recommendations and attached fiscal note(s).

[1:41:27 PM](#)

CHAIR BJORKMAN found no objection and SB 235 was reported from the Senate Labor and Commerce Standing Committee.

[1:41:40 PM](#)

At ease

**HB 97-SELF-STORAGE UNITS: LIENS; SALES**

[1:43:28 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of CS FOR HOUSE BILL NO. 97(JUD) "An Act relating to self-storage facilities for personal property, including vehicles and watercraft; distinguishing self-storage facility liens from another type of storage lien; and excluding self-storage liens from the treatment of certain unclaimed property."

[1:44:10 PM](#)

ERICK CORDERO-GIORGAN, Staff, Representative Mike Prax, Alaska State Legislature, Juneau, Alaska, presented a recap of HB 97. He said HB 97 establishes self-storage lien law in Alaska, the only state without self-storage lien laws. He said lien laws protect both the renter and the [lessor]. The main purpose for these laws is to recognize a voluntary agreement to store items in the property, which automatically creates a lien on the property. He said in the rare case that a renter fails to pay and goes into default, HB 97 provides for a notification process and in the case that the debt is not remedied, the lessor may foreclose or sell the items stored. He said this is a rare occurrence and when it does happen, it is because the [lessor] wants to be able to rent [the storage space] again. He asserted that even when the lessor sells [abandoned items], they do not make enough money to capture lost revenue. He said HB 97 provides protection similar to that for landlords and tenants in the landlord/tenant act.

[1:46:09 PM](#)

CHAIR BJORKMAN announced invited testimony for HB 97.

[1:46:33 PM](#)

DANIEL BRYANT, Legal and Legislative Counsel, National Self Storage Association, Alexandria, Virginia, said HB 97 would bring much needed certainty to businesses in Alaska to know the precise legal process and steps to follow to lawfully enforce their lien rights in the event of a default. He said the bill further provides significant consumer protections in that it would require every storage facility in the state to precisely follow all the mandatory requirements outlined in the bill. Additionally, the various requirements and elements contained in HB 97 are consistent with the overwhelming majority of the 49 other states' self-storage laws. He acknowledged concerns raised regarding HB 97, but respectfully disagreed with them. He asserted that HB 97 would establish a floor or a minimum set of requirements that every owner [lessor] must follow and no such minimum requirements exist presently [in Alaska]. He said HB 97 would not establish a statutory ceiling and if an owner [lessor] wishes to go above and beyond the minimum mandates established by the bill, they may. Any owner that can afford to provide their unit renters with a much longer enforcement timeline or provide significantly more notice may do so. He said HB 97 establishes a minimum framework that every owner [lessor] must comply with and creates a new baseline and rules of the road for storage owners to enforce their lien rights in the event of default. It would also set minimum guard rails to protect consumers and let them know what to expect should a default occur.

MR. Brant concluded that policy making is a balancing act blending various viewpoints to reach a reasonable and fair middle ground compromise; and HB 97 achieves that objective.

[1:48:41 PM](#)

CHAIR BJORKMAN opened public testimony on HB 97.

[1:49:26 PM](#)

WILLIAM BREWER, representing self, Fairbanks, Alaska, testified in support of HB 97. He said it was scary, as a self-storage business owner in Alaska, to operate his business with no governed framework or set of laws to follow when the customer is paying him to protect their personal items. He said he found it very strange that any storage facility owner operating in Alaska is comfortable with the current Alaska lien laws. He said, without HB 97, there are no set of laws regarding self-storage liens. Owners are instead using their own interpretation of governing laws, or, he said, in his case copying the framework

from another state. He said HB 97 lien laws are no different than the Alaska landlord-tenant act regarding non-paying tenants or individuals who stop paying their car, phone or house payments. As a business owner in Alaska, he found it ridiculous that he would have to copy the self-storage laws from another state to try to protect his family and business from lawsuits. He urged the committee to support HB 97.

[1:50:45 PM](#)

ELIZABETH MANN, Alaska Mini Storage, Fairbanks, Alaska, testified in support of HB 97. She referred to letters written by Daniel Bryant representing the Self Storage Association. Mr. Bryant's letters were in response to letters of concern from Spirit of Alaska Federal Credit Union and Global Federal Credit Union. She applauded his letters and explained that the financial institutions were requiring tenants and lessors to create lists of stored items when there is a lien owed to the institutions. She said there is wide consensus among self-storage owners that they are not willing to take on that responsibility. She noted similar situations in which owners or landlords are not responsible to care for or retain abandoned items, for example vehicles left at airports in long-term parking that are subject to impounding; motorcycles left to long for repair and abandoned items left in a rented apartment. She pointed out that these situations do not require landlords to contact former tenants who have defaulted.

[1:52:56 PM](#)

ARTY FONOV, Eagle Eye Secure Storage, Wasilla, Alaska, testified in support of HB 97. He said he was concerned about the provision to provide adequate notice for customers who are entering auction status. He noted that, as a lessor he tries very hard to reach a customer prior to a unit entering auction status. He said auction status is a last resort because lessors receive pennies on the dollar for abandoned property. He said it is best when a customer pays for their unit and moves out. He said the lack of self-storage lien laws makes it difficult to know how to protect his business and his customers' property.

[1:54:37 PM](#)

JAMES MACNAUGHTON, representing self, Blue Moose Storage, Fairbanks, Alaska, testified in support of HB 97. He said, with no laws in the State of Alaska to provide guidance, he worked with national trade associations to use other states' laws as models to develop his businesses policies. He said this created an element of risk when trying to guess what will hold up in the State of Alaska courts should there be a need to defend their

business practices. He said clear and transparent guidelines are key to mitigating that risk and protecting the business. He described Blue Moose Storage as being run by good local Alaskans running a small business to support their families and not a massive corporation looking to take advantage of neighbors. He said the last thing he would want to do is foreclose on a tenant and that foreclosure is a lot of work and not profitable. He said over his twenty years in this business nearly one hundred percent of foreclosures have resulted in loss for his business. He urged passage of HB 97 for clear and transparent guidelines for the protection of businesses and for tenants, and said the bill was a win-win.

[1:55:56 PM](#)

TIM SULLIVAN, President, Alaska Credit Union League, Anchorage, Alaska, testified with concerns on HB 97. He said the league appreciates the introduction of HB 97 and noted that the bill grants lien superiority already available in the 49 other states. He highlighted several main concerns:

- the need for timely notice to other lien holders, particularly those with publicly noticed liens
- the need for a limit on fees to prevent increasing encumbered collateral and adding to consumers' compounding debt
- the liability limitations for self-storage facilities, which could conflict with their duty of care as warehousemen under federal law
- the absence of consequences for violating the legislation's provisions

[1:57:28 PM](#)

TYLER SCOTT, Owner, Publix Self Storage, Anchorage, Alaska, testified in support of HB 97. He said the bill would give a level playing field to the storage operators and the customers. He said it would allow [both parties] to know what to expect from the terms of the rental and what would happen if it doesn't end successfully. He said the current situation is a crap shoot and creates an unfair playing field for both operators and renters. He said he would willingly return stored and abandoned items without charge to the customers, had the customers made the effort [to recover them] and when they do, he said his business does simply give the items back. He said selling things at auction is not worth the liability for the storage business or for the renter when there is no legislation in place to protect either party. He noted the irony that the credit unions were objecting to fees.

[1:59:38 PM](#)

CHAIR BJORKMAN closed public testimony HB 97.

[1:59:56 PM](#)

CHAIR BJORKMAN solicited a motion.

[2:00:00 PM](#)

SENATOR GRAY-JACKSON moved to adopt the Senate committee substitute (SCS) for CSHB 97, work order 33-LS0392\R, as the working document.

[2:00:13 PM](#)

SENATOR BJORKMAN objected for purposes of explanation.

[2:00:31 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, provided a summary of changes for HB 97, version U.A to R. He stated that on April 23, 2024 committee members received four proposed amendments that were put into HB 97 to create the committee substitute HB 97, version R. He reviewed the four amendments:

[Original punctuation included.]

33-LS0392\U.A.1  
Dunmire  
4/11/24

AMENDMENT 1

OFFERED IN THE SENATE  
TO: CSHB 97(JUD) a

- 1 Page 3, lines 7 - 8:
- 2 Delete "certified mail"
- 3 Insert "by the United States Postal Service with a certificate of mailing"

[2:01:39 PM](#)

MR. JACKSON continued to present the summary of changes for HB 97, version U.A to R.

[Original punctuation included.]

33-LS0392\U.A.2  
Dunmire

4/17/24

AMENDMENT 2

OFFERED IN THE SENATE

TO: CSHB 97(JUD) am

1 Page 2, line 8:  
2 Delete "Notwithstanding AS 28.10.371, if"  
3 Insert "If"  
4  
5 Page 2, line 9:  
6 Delete "superior"  
7 Insert "junior"  
8  
9 Page 2, line 11:  
10 Delete "A storage lien is superior to a  
security interest perfected under AS 45.29."  
11  
12 Page 2, line 12, following "tax lien":  
13 Insert "or security interest that was perfected  
before the date the rental agreement was  
14 entered into"

2:02:12 PM

MR. JACKSON continued to present the summary of changes for HB 97, version U.A to R.

[Original punctuation included.]

33-LS0392\U.A.3  
Dunmire  
4/17/24

AMENDMENT 3

OFFERED IN THE SENATE

TO: CSHB 97(JUD) am

1 Page 3, following line 28:  
2 Insert a new subsection to read:  
3 "(c) In addition to the notice required  
under (a) of this section, a facility owner  
4 shall, after a unit renter has been in default  
for 20 days, notify a lienholder identified  
5 in the rental agreement that the unit renter is  
in default."

[2:02:27 PM](#)

MR. JACKSON continued to present the summary of changes for HB 97, version U.A to R.

[Original punctuation included.]

33-LS0392\U.A.4  
Dunmire  
4/22/24

AMENDMENT 4

OFFERED IN THE SENATE  
TO: CSHB 97(JUD) am

1 Page 2, line 2, following "law":  
2 Insert "not to exceed an amount equal to 60  
days of accrued charges permitted under  
3 the rental agreement, including rent, labor, and  
other fees"  
4  
5 Page 3, line 10, following "days":  
6 Insert ", but not more than 20 days,"

[2:03:22 PM](#)

SENATOR BJORKMAN removed his objection. He found no further objection and SCS for CSHB 97 was adopted as the working document.

[2:03:43 PM](#)

CHAIR BJORKMAN held HB 97 in committee.

[2:03:47 PM](#)

At ease

**HB 29-INSURANCE DISCRIMINATION**

[2:06:22 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of CS FOR HOUSE BILL NO. 29(JUD) "An Act prohibiting certain insurance decisions based solely on a person's status as an elected official."

[2:06:46 PM](#)

REPRESENTATIVE KEVIN MCCABE, District 30, Alaska State Legislature, Juneau, Alaska, sponsor of HB 29, provided a statement promoting the bill. He said insurance companies are in the business of discrimination. They segregate the insured into

separate risk pools based on their differences in risk profiles for two main reasons: so that they can charge different premiums to the different groups based on their risks and actuarial tables, and to incentivize risk reduction by the insured.

REPRESENTATIVE MCCABE said there are, however, limits to the type of discrimination that insurers can engage in. These discrimination restriction decisions are decided at the national and local levels of government, and laws on discrimination and intensity of regulation vary a great deal in each jurisdiction. He said insurance companies have been denying coverage to Alaskans based solely on their political affiliation, expression, and/or elected status. He said HB 29 aims to put an end to such discriminatory practices by explicitly prohibiting insurance discrimination based on expressly forbidding insurance solely on factors such as political affiliation, expression or elected status, especially elected status. Through a floor amendment in the other body, the bill has been approved to its current form, expanding the scope of protection to encompass all aspects mentioned and now summarized as the person's status as an elected official. Specifically, he said House Bill 29 amends the insurance code in Alaska from using a person's status as an elected official as the sole reason to refuse to insure or refuse to renew insurance coverage, limit the scope of insurance coverage, cancel an existing insurance policy, deny a claim covered by an existing insurance policy or increase the premium policy fees or rates charged on an insurance policy above what their actuarial tables say it should be. He emphasized that HB 29 would not prohibit refusals, limitations or fees that are based on sound underwriting or actuarial principles. Given that insurance products are necessary to protecting health and property, and in some instances are required by law, he said it is in the public interest to ensure that consumers are protected from discriminatory practices. He said HB 29 would help in that effort.

[2:10:08 PM](#)

SENATOR DUNBAR commented that HB 29 would create a protected class and asked what the other protected classes are. He specifically asked what other factors insurance companies can use to discriminate against people.

[2:10:28 PM](#)

REPRESENTATIVE MCCABE said he did not think HB 29 would create a protected class. He said it would protect a class from discrimination just because they are an elected official. He reported that he selected an umbrella policy prior to his

election and after his election was informed that he could no longer purchase that policy, because he had been elected. He learned that other lawmakers had similar experiences. He subsequently learned that the same limitation applied to assembly members and school board members.

[2:12:09 PM](#)

SENATOR DUNBAR said there may be a semantic disagreement about what a protected class is. He said HB 29 would be an example of the law inserting itself in a private business contract to say that an individual cannot be discriminated against based purely on a given status, for example, veteran status, race, gender, etc. He noted that is done frequently in law, because some groups need that protection and pointed to the sponsor's experience in which he was discriminated against based purely on a status unrelated to the transaction in question. He restated his question, asking what other groups are protected in that insurance coverage can not be denied to them based on their status.

[2:13:28 PM](#)

REPRESENTATIVE MCCABE deferred the question to his staff.

[2:13:36 PM](#)

JULIE MORRIS, Staff, Representative Kevin McCabe, Alaska State Legislature, Juneau, Alaska, said the director of the Division of Insurance was available to answer questions.

[2:14:00 PM](#)

CHAIR BJORKMAN asked whether the actuarial tables are public information. He further asked whether someone seeking insurance could research the tables to determine whether they were getting [information that aligns with the actuarial tables] from an insurance company.

[2:14:20 PM](#)

REPRESENTATIVE MCCABE said he had seen actuarial tables. He said he wasn't sure they were publicly available. He deferred to the representative from the Division of Insurance.

[2:14:56 PM](#)

SENATOR GRAY-JACKSON asked for the definition of an umbrella policy.

[2:15:05 PM](#)

REPRESENTATIVE MCCABE replied that an umbrella policy offers higher value because it covers multiple items under one policy

and gave examples. He said an umbrella policy may also raise limits for unusual or atypical damages or injury.

[2:16:37 PM](#)

SENATOR GRAY-JACKSON asked whether the limitation he described was only for umbrella policies or if there were other limitations that the insurance company imposed. She asked if there were other limitations on an insurance policy due to his status as an elected official.

[2:16:57 PM](#)

REPRESENTATIVE MCCABE replied he did not explore the issue beyond discovering ineligibility for an umbrella policy because he was an elected official.

[2:17:50 PM](#)

SENATOR MERRICK joined the meeting.

[2:17:59 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), Anchorage, Alaska, said statutes are written so insurance companies can discriminate but cannot unfairly discriminate, meaning that anything to do with race, gender, religious affiliation, the state would not allow refusal of a policy on that basis. She said she contacted several independent brokers and they confirmed that they would not be able to underwrite umbrella and certain other policies for members of the legislature, as well as elected officials of municipalities. She also noted that several other states are dealing with the same thing and are working to pass similar legislation. She said she was previously unaware of the issue. She said HB 29 has merit for people occupying all levels of elected positions.

[2:19:37 PM](#)

SENATOR DUNBAR asked whether the limitation to insure was issued at a local level or at the direction of a national insurance company with an established policy [to deny coverage].

[2:19:54 PM](#)

MS. WING-HEIER affirmed the policy not to underwrite would be at the national level as a rule of underwriting.

[2:20:27 PM](#)

CHAIR BJORKMAN asked how [someone seeking insurance] would know the rate they are offered by an insurer coincides with an actuarial table.

MS. WING-HEIER said insurance rates are available to the public once the Division of Insurance approves them. She said they can be accessed through the National Association of Insurance Commissioners (NAIC).

[2:21:19 PM](#)

CHAIR BJORKMAN asked for confirmation that there is a database provided by the NAIC that the public can access to verify all types of insurance rates.

MS. WING-HEIER affirmed that, though the tables may be difficult for the general public to understand, the information is available and if there is a concern, the Division of Insurance is available to assist [the public].

[2:21:53 PM](#)

CHAIR BJORKMAN [held HB 29 in committee].

[2:22:11 PM](#)

REPRESENTATIVE MCCABE expressed appreciation to the committee for hearing HB 29.

[2:23:06 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:23 p.m.