

FORWARD TO AMENDMENTS

The attached amendments to Senate Bill 83 (Proposed Alaska Insurance Code) are recommended by the Department of Commerce to the Legislature for its consideration.

The majority of changes noted have been made as a result of the Public Hearings held in conjunction with the Legislative Council in Anchorage, August 6 and 7, 1963, and from written material submitted both prior and subsequent to the Hearings. The amendments for the most part may be described as technical rather than substantive. This involves corrections of typographical errors, changes in punctuation, and renumbering of sections where there has been deletion of material from the original text of the bill. The information which follows points out those chapters where substantial revisions have been made, identifying the source of the suggested change, and the reasoning for same.

Chapter 9 and particularly sec. 210, which deals with taxation, was the subject of extensive comment at the Anchorage Hearings. To avoid uncertainty with respect to sub-paragraph (d) and (e) which appear on page 43 of the original text of the bill, the following changes have been made in the interest of clarity.

A general pre-emption section has been added to Chapter 3, which makes paramount the interest of the state in regulation of insurers and their representatives. The language used in new sec. 21.03.060, was proposed by the Life Insurance Association of America, the American Life Convention, the Association of Casualty and Surety Companies, and the National Board of Fire Underwriters. The other suggestions made by the same trade organizations which now appear as sub-paragraph (e) and (f) of sec. 21.09.210, further clarify the paramount interests of the state in the area of taxation of insurers. The suggestion that the application of the Alaska net income tax (AS 43.20) to insurers be deleted, has been rejected.

Another aspect of Chapter 9 discussed at the Anchorage Hearings was the Claim Practices of Insurers. As a result of these comments, the following material was added to sec. 21.09.150 (4), on page 37 of the bill. This section deals generally with causes for suspension or revocation of a company's certificate of authority.

"(4) with such frequency as to indicate its general business practice in Alaska, has without just cause refused to pay proper claims arising out of its policies, whether any such claim is in favor of insured or is in favor of a third person with respect to the liability of an insured to such third person, or without just cause delays adjustment of claims, or compels such insured or claimant to accept less than the amount due them or to employ attorneys or to bring suit against the insurer or such an insured to secure full payment or settlement of such claims;"

In Chapter 18, a series of changes suggested primarily by the Life Insurance Association of America and the American Life Convention have been adopted. An example of such technical change, is found at pages 70 and 71 of the bill. It was suggested that subsection (b) of Sec. 21.18.110 be stricken. The reason for this change was given as follows:

"Subsection (b) reproduces the Montana evaluation law in effect prior to the enactment of the Standard Evaluation Law. Subsection (b) should reproduce evaluation requirements now in effect in Alaska. Since there are no evaluation requirements now in effect, subsection (b) should be omitted."

Other changes in this Chapter involve an up-dating of current reference to Mortality Tables, not found in the Montana Code at the time of its adoption.

The greatest changes have been made in Chapter 33, which deals with unauthorized insurers and surplus lines. Sections .010 through .130 of the original bill were derived from the insurance laws of Wisconsin. Subsequent to the introduction of Senate Bill 83, a test case questioning the constitutionality of the Wisconsin statutes was instituted.

The LIAA, ALC, NBFU, ACSC, and HIAA all questioned the system of usage of the Wisconsin Law in view of the suit, and suggested in the alternative the National Association of Insurance Commissioners Model Bill covering the same subject matter. This Model Bill has been adopted by many states and its constitutionality has been upheld in various jurisdictions. The following is the reasoning of the ALC and LIAA on this point:

"The sections which would be deleted are based upon a Wisconsin law (Ch. 397 of 1961), which describes acts deemed to constitute the doing of an insurance business in Wisconsin along the lines of the approach which the National Association of Insurance Commissioners has considered and rejected. Heavy penalties for violations of the act and a 3 per cent gross premium tax are placed on unauthorized transactions of insurance to be paid by the insured if the insurer does not pay. Litigation has been instituted in the case of Ministers Life and Casualty Union v. Commissioner of Insurance Manson and Attorney General Reynolds to test the constitutionality of the law. This case is expected to come up for trial during August 1963." The case has not yet been decided.

"Aside from the questions of constitutionality involved, such an attempt to solve the problems of unauthorized insurance by broadening the statutory definition of 'doing an insurance business' to include every nonadmitted insurer of any insured person or risk located in Wisconsin has created a host of

serious practical problems for insurers generally.

For Alaska or any other state to favorably consider enactment of a statute whose constitutionality is presently being tested, and which has created so many problems as yet unsolved, would be most unwise."

For these and other reasons, the life, health, casualty, fire, and other insurance companies and their respective trade organizations urge the deletion of the above mentioned sections of the Proposed Alaska Insurance Code and recommend the substitution of the NAIC Unauthorized Insurers Service of Process Act and the NAIC Unauthorized Insurers False Advertising Service of Process Act. This recommendation is in accord with the thoughts of the National Association of Insurance Commissioners which has recommended enactment of the two model acts as the most practical step in controlling the situation.

That portion of Chapter 33, dealing with surplus lines insurance contains numerous technical corrections. These were made necessary because of an error in the original typing of the bill using the term Agent rather than Broker, throughout.

Also included as a part of Chapter 33 is the NAIC approved Model Act known as the Unauthorized Insurers False Advertising Process Act. This supplements the same organizations model bill referred to above.

Chapter 57, which deals with credit life and disability insurance, contains a number of changes. These have been suggested primarily by the ALC, LIAA, and the HAIL. The changes are for the purpose of bringing the chapter into full conformity with the 1960 NAIC Model Credit Regulatory Law which has been adopted by a majority of the states.

Chapter 69 which deals with organization and corporate procedures, has 5 additional sections which were the result of suggestions received at the Anchorage Hearings.

These new sections deal with continuity of management of domestic insurers, in the event of national emergency, such as an atomic attack. A number of states have recently adopted this same legislation.

Chapter 84 covering fraternal benefit societies has changes proposed by the National Fraternal Congress. These changes reflect the 1962 Uniform Code for organization and supervision of fraternal benefit societies, approved by the NAIC and National Fraternal Congress of America. Contained are changes and up-dating from the Montana Code, which was adopted prior to the noted changes.

The comments of Mr. Thomas B. Stewart, Administrative Director of the Alaska Courts, were solicited for the purpose of avoid-

ing any conflict with court rules or procedures. All of the suggestions made by Mr. Stewart have been adopted, and the material which he pointed out was in conflict with current rules and procedure have been stricken from the bill.

As indicated before, this has been an attempt to point out those areas of Senate Bill 83 where the majority of changes have been made. It is hoped that this material will be of assistance to the members of the Legislature.

In conclusion, the Department of Commerce would like to express its appreciation to the staff of the Legislative Council who spent so much time and effort in connection with this legislation. Appreciation is also extended to the Administrative Director of the Alaskan Courts, Mr. Thomas B. Stewart, whose comments and criticism were most helpful. Thanks are likewise extended to the Staff of the Attorney General's Office for their assistance.

The Department of Commerce respectfully recommends to the Legislature, in its deliberation of this bill, that it avail itself of the services of Mr. Robert D. Williams of the firm of Williams and Williams, Exchange Building, Seattle. Mr. Williams is by virtue of his experience in the drafting of insurance codes for numerous other states, an outstanding expert in the field of insurance legislation, and would be of great assistance to the members in considering this legislation.

Page 1, line 11: After the word, "regulated" add an "(a)"

Page 1, line 14: After the word, "Title" add,

"(b) Foreign and alien insurers doing business as authorized insurers under the provisions of this title are not subject to the Alaska Business Corporation Act (AS 10.05)."

Page 1, line 19: Strike the word, "and".

Page 1, line 21: After the word, "title" strike the period and add a semi-colon, followed by the word, "and".

Page 1, lines 21-22: Between lines 21-22 insert

"(3) health service corporations, except as stated in chapter 87 (Hospital and Medical Service Corporations) of this title."

Page 1, Lines 21-22: At the end of sub(3) add the following:

"(4) any life insurance or annuity company organized and operated without profit to any private shareholder or individual exclusively for the purpose of aiding and strengthening educational institutions by issuing insurance and annuity contracts only to or for the benefit of such institution and individuals engaged in the services of such institutions."

Page 2, line 5: After the word, "midnight" strike the remaining words of the sentence and replace with "on the anniversary of the date of issuance."

Page 2, line 6: Between the words, "brokers" and "expire" add, "shall".

Page 2, lines 7-8: After the word, "midnight" strike the remaining words of the sentence and replace with "on the anniversary of the date of issuance".

Page 3, between lines 8 and 9: Add a new subsection to be designated "Sec. 21.03.060. PRE-EMPTION. The State hereby pre-empts the field of regulating insurers and their general agents, agents and representatives; and all political subdivisions of the State, including home rule boroughs or cities, are prohibited from requiring of any insurer, general agent, agent or representative regulated under this title any authorization, permit or registration of any kind for conducting transactions lawful under the authority granted by the State under this title."

Page 5, line 2: After "fee" insert a comma.

Page 7, line 23: After the word, "office", strike the word, "such".

Page 7, line 24: Before the word, "order", insert the words, "A mailed".

Page 10, line 9: After the word "insurer" and before the closing parenthesis insert, "or Canadian insurer".

Page 10, line 25: After the word, "examined", strike the period, and add, "if the person has failed to complete or correct the accounting after the director has given him notice and a reasonable opportunity to do so".

Page 11, lines 7-8: Between lines 7-8 insert,

"(e) As far as practical the director shall conduct the examination of a foreign or alien insurer in cooperation with the insurance supervisory officials of other states in which the insurer transacts business, and for this purpose he may participate in joint examinations of insurers or he may be represented at an examination by an examiner of another state."

Page 12, line 10: After the word, "sec." strike the number "140" and insert, "130".

Page 12, lines 28-29: Change last words of subsection (b) to read "pursuant to (a) of this section".

Page 13, line 4: After the word, "fund" insert a period and capitalize the "t" in the word "the" that follows.

Page 13, line 5: Strike the word, "paid" and insert "due" in its place.

Page 15, lines 28-29: Between lines 28-29 insert a new subsection (d) to read, "(d) This section shall not apply to matters covered by chapter 39 of this title (rates and rating organizations)."

Page 16, lines 13-14: Between lines 13-14 insert a new subsection (c) to read, "(c) This section shall not apply to matters covered by chapter 39 of this title (rates and rating organizations)."

Page 16, line 14: Between the period after the word "HEARING" and the word "Not" insert a parenthetical "(a)".

Page 16, lines 21-22: Between lines 21-22 insert a new subsection (b) to read, "(b) This section shall not apply to matters covered by Chapter 39 of this title (rates and rating organizations)."

Page 18, commencing at line 13: Strike all the material now appearing as Sec. 21.06.240 which extends through pages 18, 19, and 20 ending on line 24, page 20. In lieu thereof insert the following: "(a) A person aggrieved by an order of the Director may appeal the order to the Superior Court, using procedures provided by court rule."
"(b)" This section shall not apply to appeals as to matters covered by Chapter 39 of this title (rates and rating organizations), and for which appeal is provided for under Chapter 39."

Page 22, line 3: Change "or" to "of".

Page 22, line 6: Strike the figure "250.00" and insert "50.00".

Page 22, line 8: Strike the figure "250.00" and insert "50.00".

Page 22, line 11: Strike the comma between the words "license" and "if".

Page 22, line 22: Strike the comma between "license" and "if".

Page 22, line 25: After the word, "insurance" add "and annuities".

Page 23, line 3: Strike the word, "or" and insert "of".

Page 23, Line 7: Strike the word "agents" and substitute the word "brokers".

Page 23, line 14: Insert a comma between the words, "license" and "resident".

Page 23, line 19: Change "issed" to "issued".

Page 24, line 7: Strike the semi-colon between the words "above" and "the", and insert a comma.

Page 29, line 10: Between the words, "basic" and "surplus" insert the words, "capital or basic" and between the words "surplus" and "additional" strike the word, "or" and insert the word, "and".

Page 29, lines 19-20: Between lines 19-20 insert, "(e) A life insurer may also grant annuities without additional capital or additional surplus."

Page 29, line 28: Between the closing parenthesis and the word, "as" insert "for such authority".

Page 29, line 29: Strike the words, "for such authority".

Page 31, line 4: Strike the comma after the word, "creditors" and the words, "in Alaska" and insert "in the United States".

Page 31, line 21: Strike the words, "or alien insurers" insert, "insurers, or deposits of alien insurers under subsec. (b) (3) (A) or (B) of this section".

Page 32, line 15: Transpose ")" after "panied" to the end of the line following the figure "21.06.250".

Page 33, line 26: Strike the comma after the word, "state" and between the word, "state" and "together" insert, "if then available,".

Page 37, line 4: Between the words, "cause" and "compels" insert, "delays adjustment of claims, or."

Page 37, line 13: Strike the word, "a" and "insurer" and insert "insurance".

Page 38, line 4: Strike the word, "may" and insert "shall".

Page 38, line 13: Between the words, "insurer" and "shall" insert "shall not solicit or write any new business in this state, but".

Page 38, line 15: Between the words, "title" and "as" insert, "and may service its outstanding business in force in this state".

Page 38, lines 20-21: Strike the words, "causes of the suspension have not been removed" and insert, "practices which lead to the suspension have not been discontinued."

Page 38, line 28: Change "even" to "event".

Page 40, line 10: Strike the words, "or registered" and between the words, "mail" and "to" insert, "with return receipt requested".

Page 40, line 12 to 16: Strike all this material which appears as "(b)".

Page 40, line 17: Strike "(c)" and substitute "(b)".

Page 40, line 25: Between the words, "and" and "in" insert "as".

Page 41, line 15: Between the words, "authority" and "of" insert a comma and strike the word, "calling" and insert the word, "failing" in its place.

Page 42, line 18: Between the words, "state" and "after" insert "other than wet marine and transportation insurance".

Page 42, line 21: After the words "policy dividends" add the following, "unabsorbed premiums refunded to policy holders".

Page 42, line 24: Between the words, "surrender" and "of" insert the word "value".

Page 43, lines 7-19: Strike lines 7-19 and insert the following:

"(d) An authorized insurer shall, with respect to all wet marine and transportation contracts written within this state during the preceding calendar year, before April 1 of each year, pay to the director a tax of three-quarters of one per cent on its gross underwriting profit. The gross underwriting profit is computed by deducting from the net premiums (i.e., gross premiums less all return premiums and premiums for reinsurance), on such wet marine and transportation insurance contracts, the net losses paid (i.e., gross losses paid, less salvage and recoveries

on reinsurance ceded) during such calendar year under such contracts. In the case of profit shall not include, for computation of the tax prescribed by this section, the amounts refunded or paid as participation dividends by such insurers to the holders of such contracts."

"(e) Payment to the director by an insurer of the tax upon its premiums as in this section required, shall be in lieu of all other taxes imposed by the state upon premiums, franchise, privilege or other taxes measured by income of the insurer commencing with the taxable year January 1, 1965, except taxes imposed by the Alaska Net Income Tax Act (AS 43.20)."

"(f) The State hereby pre-empts the field of imposing excise, privilege, franchise, income, license, permit, registration, and similar taxes, licenses, and fees upon insurers and their general agents, agents and representatives as such; and on the intangible property of insurers or such agents; and all political subdivisions or agencies in the state, including home rule boroughs or cities, are prohibited from imposing or levying upon insurers, or upon their general agents, agents and representatives as such, any such tax, license, or fee. Provided, however, that this subsection shall not be construed as prohibiting the imposition by political subdivisions of taxes upon real and tangible personal property of such insurers and their general agents, agents, and representatives."

Page 43, line 20: Substitute "(g)" for "(f)".

Page 43, line 29: Between the words, "contracts" and "written" insert "and annuity contracts".

Page 44, line 20: After the word, "state" strike the period and insert a semi-colon and the words, "except that if two or more insurers issue a single policy of insurance, the policy may be countersigned on behalf of all insurers appearing on it by a licensed agent, resident of the state, or any one such insurer".

Page 45, lines 14-25: Strike subparagraphs (1) - (5) in lines 14-25 and insert new subparagraphs to read,

- "(1) Policies covering property received for shipment or delivery, or in transit while in the possession or custody of any common carrier, or the rolling stock, vessels, aircraft, or other property of any common carrier used and employed by it in interstate or foreign commerce, or insurance of aircraft owned or operated by manufacturers of aircraft;
- (2) Policies issued by insurers not using agents in the general solicitation of business;
- (3) Contracts of reinsurance or retrocessions made by and for admitted companies;
- (4) Contracts and annuity contracts of life and disability insurance;
- (5) Contracts of title insurance;
- (6) Bid bonds issued in connection with any public or Private contract; and
- (7) Wet marine and transportation insurances."

Page 48, line 2: Between the word "Canada" and the comma which follows, insert "or a province of Canada".

Page 48, lines 16-17: Between lines 16-17 insert:

"(e) In the case of an insurer formed under the laws of Canada or a province of Canada, its domicile is the province in which its head office is located."

Page 48, line 29: Between the letter, "(c)" and the word, "appointment", strike the word, "The" and insert the words, "Except as provided under AS 21.27.510, the".

Page 50, line 13: Between the words, "insurance" and "title insurance" insert the word "annuities,".

Page 51, line 1: After the word "policyholders", insert the following: ", or assets held in trust for the benefit of its American policyholders,".

Page 52, line 11: Between the words "sickness" and "and" insert "or childbirth, or against expense incurred in prevention of sickness, or dental care,".

Page 52, lines 13-14: Between lines 13-14 insert a new section to read:

"Sec. 21.12.055. ANNUITIES AND ANNUITY CONTRACT DEFINED.

(a) Annuities means all agreements to make periodical payments where the making or continuance of all or some of a series of such payments, or the amount of any such payment, is dependent upon the continuance of human life, except payments made under the authority of Sec. 40 of this chapter. The business of annuities shall be deemed to include additional benefits operating to safeguard the contract from lapse, or to provide a special surrender value, or special benefit, or annuity, in the event of total and permanent disability of the holder.

(b) Annuity contract means a contract providing for an annuity as defined in (a) of this section."

Page 56, lines 12-13: Between the words, "associations" and "against" on line 13, strike the words "against check forgery or alteration, or".

Page 56, line 20: Between the words "vehicles" and "or" strike the words "by mail".

Page 62, lines 2-5: Strike all of the words after "(11)" and insert "electronic and mechanical machines constituting a data processing and accounting system if the

cost of the system is at least \$25,000, which cost shall be amortized in full over a period of not to exceed 10 calendar years;".

Page 63, lines 2-3: Between the words, "any" and "equity" insert, "material" and between the words "any" and "proportionate" insert "material".

Page 63, lines 7-10: Between the words "fixtures" and "furnishings" remove the parenthetical phrase "(other than electronic data processing machines authorized under sec. 10(11) of this chapter)" and insert it between the words "supplies" and "except". Remove the comma after the word "supplies" and insert it after the parenthetical phrase.

Page 65, lines 24-26: Between lines 24-25 insert a new subparagraph (4) to read: "(4) with reference to disability insurance, the amount of reserves required pursuant to sec. 80 of this chapter". In line 25, renumber "(4)" to read "(5)". In line 26, between "(3)" and the word "of" insert "and (4)".

Page 66, line 1: Renumber "(5)" to read "(6)".

Page 67, line 10: Strike the word "director" and insert "supervisory official of the insurer's state of domicile".

Page 70, lines 20-29 - Page 71, lines 1-21: Strike subsection (b).

Page 71, line 22: Change "(c)" to read "(b)".

Page 71, line 24: Change "AS 21.45.310" to read "AS 21.45.300".

Page 71, line 27: Change "(c)(2)" to read "(b)(2)".

Page 72, lines 3-8: Strike lines 3-8 and insert the words "the commissioners 1958 Standard Ordinary Mortality Table, except that for any category of such".

Page 72, line 10: Change "(c)(2)" to read "(b)(2)".

Page 72, lines 11-12: Between the words "calculated" and "according", strike the words "at the option of the insurer with the approval of the director," and between the words "age" and "younger" insert "not more than three years".

Page 72, line 17: Strike the semi-colon after the word "Table" and add after that word, "for such policies issued prior to the effective date of AS 21.45.300(j) of the Standard Nonforfeiture Law, and the Commissioners 1961 Standard Industrial Mortality Table for such policies issued on or after such operative date;".

Page 73, lines 5-6: Strike the words "for policies or contracts issued on or after January 1, 1966".

Page 73, lines 9-14: Strike the words starting in line 9 with "for policies or contracts" and ending in line 14 with "(3) disability table (1926);".

Page 73, lines 18-19: Strike the words "for policies issued on or after January 1, 1966".

Page 73, lines 20-25: Strike the words starting in line 20 with "; for policies issued on or after January 1, 1961" and ending in line 25 with "mortality table; either table shall be".

Page 74, line 1: Change the semi-colon to a period.

Page 74, line 28: Strike the semi-colon after the word "year" and replace with a period, and delete the word "reserves".

Page 74, line 29: Strike the language and replace with "(C) Reserves according to the Commissioner's Reserve Valuation Method".

Page 75, line 8: Change "(c)(2)" to read "(b)(2)".

Page 75, lines 11 and 18: Change the semi-colon to a period.

Page 75, line 16: Change "(c)(2)" to read "(b)(2)".

Page 76, line 8: Change the semi-colon to a period.

Page 76, lines 21-29 - Page 78, lines 1-9: Strike Sec. 21.18.120 (Deposit of Reserves, Domestic Life Insurers).

Page 78, line 10: Strike ".130". and substitute ".120."

Page 78, line 27: Change "at above" to "at or above".

Page 79, line 5: Strike ".140" and substitute ".130."

Page 79, line 17: Strike ".150" and substitute ".140."

Page 79, line 24: Change first "any" to "and".

Page 80, line 12: Strike ".160." and substitute ".150."

Page 80, line 14: Change "Sec. 150(a)" to "140(a)".

Page 80, line 20: Between the words "chapter" and "applies" insert the words "this chapter". Strike the comma after the number "330."

Page 81, line 14: Strike the word "it" and replace with the word "is".

Page 83, line 14: Strike the words "Sec. 110 of"

Page 93, line 26: Change "(a)" to "(c)(1)".

Page 99, lines 8-9: On line 9, renumber sec. 21.21.320 as

sec. 21.21.321 and between lines 8-9 insert a new sec.

21.21.320 to read:

"Sec. 21.21.320. SEPARATE ACCOUNTS. (a) This section applies only to the establishment or operation of separate investment accounts by domestic life insurers for the funding of qualified pension, retirement or profit-sharing plans. For purposes of this section, the term "qualified pension, retirement or profit-sharing plan" means a plan or agreement which meets the requirements for qualification under secs. 401 or 403 of the United States Internal Revenue Code, as now or hereafter amended, or any corresponding provisions of prior or subsequent United States Revenue Laws.

(b) Any domestic life insurer may allocate to one or more separate investment accounts, in accordance with the terms of a written agreement, any amounts which are paid to the insurer in connection with a qualified pension, retirement or profit-sharing plan and which are to be invested by the insurer in accordance with the agreement and applied to the purchase of guaranteed income benefits under the insurer's policies or annuity contracts, whether on the individual or group basis, or to provide other guaranteed incidental benefits; provided that at least 25 individuals are covered under the agreement at the time it is entered into.

(c) The income, if any, and gains and losses, realized or unrealized, on each account shall be credited to or charged against the amounts allocated to the account in

accordance with the agreement, without regard to the other income, gains or losses of the insurer.

(d) Amounts allocated to separate accounts and accumulations thereon may be invested and reinvested in any class of investments authorized by this chapter as life insurance reserve investments. Common stock investments of amounts allocated to separate accounts shall not be included in applying the 10% limitations provided in Section 50(6) of this chapter. No insurer may invest more than \$10,000 or 5% of any one separate account, whichever is greater, in the stock or shares of any one corporation, mutual fund or investment company.

(e) No insurer shall guarantee the value of amounts allocated to a separate account nor the value of investments of such amounts nor the income thereon without limiting its liability under any such guarantee to the interest of the contract-holder in such investments.

(f) Amounts allocated to a separate account in the exercise of the power granted by this section shall be owned by the insurer, and the insurer shall not be, or hold itself out to be, a trustee with respect to such amounts.

(g) This section shall not apply to amounts contributed by an employee or other participant in a pension, retirement or profit-sharing plan who is entitled to retirement or other incidental benefits under the plan, nor to amounts which have been applied to purchase or provide retirement or other incidental benefits under the policies or contracts of the insurer.

(h) The investments and liabilities of each separate account shall at all times be clearly identifiable and distinguishable on the books of the insurer from the other investments and liabilities of the insurer. No investment in any separate account or in the insurer's general investment account shall be transferred by sale, exchange, substitution or otherwise from one account to another, except with the director's approval.

(i) No insurer shall, in connection with the allocation of investments or expenses, or in any other respect, discriminate unfairly between separate accounts or between a separate account and the insurer's general investment account, but this provision shall not require the insurer to follow uniform investment policies for its accounts.

(j) Investments made with respect to separate accounts shall be valued for the purpose of any valuation required by this chapter at their market value on the date of valuation, or if there is no readily available market, then in accordance with the terms of the agreement referred to in subsection (b) of this section."

Page 100, lines 21-22: Strike subparagraph (3).

Page 100, line 23: Change "(4)" to "(3)".

Page 101, lines 7-10: Strike subparagraph (3).

Page 101, line 11: Change "(4)" to "(3)".

Page 102, lines 1-3: Strike subsection (c).

Page 102, line 4: Change "(d)" to "(c)".

Page 102, lines 13-14: Strike the words "city of Juneau".

Page 106, line 19: Strike the parenthetical "(1)".

Page 106, line 23: Insert a period after the word "conveyance".

Page 106, line 24 - Page 107, line 8: Strike the words starting on line 24 with the word "and" and ending with the word "reinsured" on page 107, line 8.

Page 107, lines 9-13: Strike lines 9-13 and insert a new subsection (c) to read:

"(c) The director shall return to a foreign insurer any deposit made in this state by such insurer, when: (1) Such insurer has ceased transacting insurance in this state, or in the United States, and the insurer is not subject to any liability in this state on account of which the deposit was held; (2) Such deposit is no longer required by any provision of law; (3) Such insurer, during its solvency, has made a similar deposit in another state and has filed with the director the certificate or evidence thereof, under the conditions provided for in Section 21.09.090(b)(2) or Section 21.09.090(b)(3). Upon the effectuation of a merger or consolidation of an insurer that has made a deposit in this state, the director shall return such deposit to the resulting or surviving corporation, or to any person it may designate for that purpose, provided that the resulting or surviving corporation is or becomes authorized to transact an insurance business in this state."

Page 111, line 9: Between the words "who" and "within" insert "at any time".

Page 111, line 16: Between the words "state" and "of" insert "or province".

Page 113, line 2: Strike "21" and insert "19".

Page 114, line 10: Between the words "the" and "with" strike the word "company" and insert "insurer".

Page 114, line 15: Strike the semi-colon after the word "year" and the words "this appointment must be" and insert "unless".

Page 114, line 16: Strike the word "company" and insert "insurer".

Page 114, line 22: Between the words "APPOINTMENT" and "Revocation" insert "(a)".

Page 115, line 4: Strike "(3)" and replace by "(b)".

Page 115, line 11: Strike the word "effected" and insert "affected".

Page 115, line 28: Strike "(a)".

Page 116, lines 8-10: Strike lines 8-10.

Page 116, line 12: Strike the word "for" and insert "as".

Page 116, line 18: Strike the word "other".

Page 116, line 20: Insert a period after the word "agent".

Page 116, line 21: Strike line 21.

Page 118, line 12: Strike the sum "\$2,500.00" and insert "\$5,000.00".

Page 118, line 14: Strike the sum "\$2,500.00" and insert "\$5,000.00".

Page 121, line 24: Strike the words "person competent to serve a summons" and replace with the words "peace officer".

Page 121, line 25: Strike the word "registered" and replace with the word "certified".

Page 121, line 25: After the word "mail" strike the period and insert "with return receipt requested".

Page 121, line 28: Strike the word "registered" and replace with the word "certified".

Page 122, lines 2 thru 7: Strike this entire subsection.

Page 122, line 13: Strike "21" and replace with "19".

Page 123, lines 2-6: Strike all the material in Sec. 21.27.310 and insert a new section to read,
"Sec. 21.27.310. TRAINEE ADJUSTERS. (a) An individual who does not have the experience or special education with reference to the handling of loss claims required under sec. 290(3) of this chapter may be employed as a

trainee adjuster, subject to the provisions of this section.

(b) A licensed adjuster employing a trainee adjuster shall immediately inform the division of insurance by certified mail, with return receipt requested, of the employment by him of a trainee adjuster, giving the exact date of employment and enclosing with his correspondence the adjuster's license application form of the trainee adjuster, properly completed.

(c) A trainee adjuster may take the adjuster's license examination after six months from the date of receipt of his application by the division of insurance.

(d) A trainee adjuster shall at all times be under the supervision of a licensed adjuster, and all adjusting transactions shall be in the name of the licensed adjuster, who shall be responsible for the actions of the trainee adjuster.

(e) A trainee adjuster shall be restricted to participation in factual investigation and tentative closing of losses subject to review and final determination by the licensed adjuster.

(f) Compensation of a trainee adjuster shall be on a salary basis only.

Page 123, line 18: Between the words "insurances" and "only" insert, "or annuities".

Page 124, line 2: Between the words "insurances" and "only" insert "or annuities".

Page 126, line 12: Strike the phrase "12.01 a.m. o'clock" and insert "midnight".

Page 126, line 15: Strike the phrase "12.01 a.m. o'clock" and insert "midnight".

Page 126, line 18: Strike the phrase "12.01 a.m. o'clock" and insert "midnight".

Page 128, lines 4-5: Strike the period after the word "thereunder" and insert a semi-colon. Between lines 4-5 insert a new subparagraph (a)(4) to read "(4) to the designee of a licensed agent entering upon active service in the armed forces of the United States of America."

Page 131, lines 17-24: Strike Sec. 21.27.450.

Page 131, line 25: Strike "460" and substitute "450".

Page 132, line 5: Strike "470", and substitute "460".

Page 132, line 19: Strike "480", and substitute "470".

Page 132, line 20: After the word "insurance" add the words "or annuities".

Page 132, line 23: Between the word "insurance" and the comma insert "or annuities".

Page 132, line 25: Strike "490", and substitute "480".

Page 133, line 3: Strike "500", and substitute "490".

Page 133, line 12: Strike "510" and substitute "500".

Page 133, line 16: Strike "520" and substitute "510".

Page 133, lines 19-20: Strike the words "or reports to his principal relative to" and insert "and adjusts".

Page 133, line 21: Strike the words "solely" and "either" and "or the insured". Add a period after the word "insurer".

Page 133, line 29: Strike "530" and substitute "520".

Page 134, line 1: Strike "480" and substitute "470". Strike "520" and substitute "510".

Page 134, line 15 - Page 150, line 20: Strike all material (which consists of secs. 21.33.010 - 21.33.130) and replace with new sections to read:

"Sec. 21.33.010. PURPOSE. The purpose of secs. 10-70 of this chapter is to subject certain insurers to the jurisdiction of courts of this state in suits by or on behalf of insureds or beneficiaries under insurance contracts. The legislature declares that it is a subject of concern that many residents of this state hold policies

of insurance issued or delivered in this state by insurers while not authorized to do business in this state, thus presenting to such residents the often unsurmountable obstacle of resorting to distant forums for the purpose of asserting legal rights under such policies. In furtherance of such state interest, the legislature herein provides a method of substituted service of process upon such insurers and declares that in so doing it exercises its power to protect its residents and to define, for the purpose of this statute, what constitutes doing business in this state, and also exercises powers and privileges available to the state by virtue of Public Law 15, 79th Congress of the United States, Chapter 20, 1st Session, S.340, which declares 'that the business of insurance and every person engaged therein shall be subject to the laws of the several states'.

Sec. 21.33.020. INSURANCE BUSINESS DEFINED. Any of the following acts in this state, effected by mail or otherwise, by an unauthorized foreign or alien insurer; (1) the issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein, (2) the solicitation of applications for such contracts, (3) the collection of premiums, membership fees, assessments or other considerations for such contracts, or (4) any other transaction of insurance business, is equivalent to and shall constitute an appointment by such insurer of the director and his successor or successors in office, to be its true and lawful attorney, upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of an in-

sured or beneficiary arising out of any such contract of insurance, and any such act shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

Sec. 21.33.030. UNAUTHORIZED INSURANCE PROHIBITED. No person or insurer shall directly or indirectly do any of the acts of insurance business set forth in sec. 20 of this chapter except as provided by and in accordance with specific authorization of statute. In respect to the insurance of subjects resident located or to be performed within this state this section shall not prohibit the collection of premiums or other acts performed outside of this state by persons or insurers authorized to do business in this state provided such transactions and insurance contracts otherwise comply with the provisions of this title.

Sec. 21.33.040. SERVICE OF PROCESS ON DIRECTOR. Service of process shall be made by delivering to and leaving with the director or some person in apparent charge of his office two copies thereof and the payment to him of two dollars for each person or insurer. The director shall immediately mail by certified mail with return receipt requested one of the copies of such process to the defendant at its last known principal place of business, and shall keep a record of all process so served upon him. The service of process is sufficient, if notice of the service and a copy of the process are sent within ten days after service by certified mail

with return receipt requested by plaintiff or plaintiff's attorney to the defendant at its last known principal place of business, and the defendant's receipt, or receipt issued by the post office with which the letter is certified, showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing compliance with this section are filed with the clerk of the court in which the action is pending on or before the date the defendant is required to appear, or within such further time as the court may allow.

(b) Service of process in any such action, suit or proceeding shall in addition to the manner provided in subsection (a) of this section be valid if served upon any person within this state who, in this state on behalf of such insurer, is (1) soliciting insurance, or (2) making, issuing or delivering any contract of insurance, or (3) collecting or receiving any premium, membership fee, assessment or other consideration for insurance; and a copy of such process is sent within ten days thereafter by certified mail with return receipt requested by the plaintiff or plaintiff's attorney to the defendant, at the last known principal place of business of the defendant, and the defendant's receipt, or the receipt issued by the post office with which the letter is certified, showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are

filed with the clerk of the court in which such action is pending on or before the date the defendant is required to appear, or within such further time as the court may allow.

(c) Nothing in this section contained shall limit or abridge the right to serve any process, notice or demand upon any insurer in any other manner now or hereafter permitted by law.

Sec. 21.33.050. EXEMPTIONS FROM SECS. 20-70 OF THIS CHAPTER. Secs. 20-70 of this chapter shall not apply to surplus lines insurance lawfully effectuated under this chapter, or to reinsurance, nor to any action or proceeding against an unauthorized insurer arising out of

(1) Wet marine and transportation insurance;

(2) Insurance on or with respect to subjects located, resident, or to be performed wholly outside this state, or on or with respect to vehicles or aircraft owned and principally garaged outside this state;

(3) Insurance on property or operations of railroads engaged in interstate commerce; or

(4) Insurance on aircraft or cargo of such aircraft, or against liability, other than employer's liability, arising out of the ownership, maintenance, or use of such aircraft, where the policy or contract contains a provision designating the director as its attorney for the acceptance of service of lawful process in any action or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such policy, or where the insurer enters a general appearance in any such action.

Sec. 21.33.060. DEFENSE OF ACTION BY AN UNAUTHORIZED INSURER. (a) Before any unauthorized foreign or alien

insurer shall file or cause to be filed any pleading in any action, suit or proceeding instituted against it, such unauthorized insurer shall (1) deposit with the clerk of the court in which such action, suit or proceeding is pending cash or securities or file with such clerk a bond with good and sufficient sureties, to be approved by the court, in an amount to be fixed by the court sufficient to secure the payment of any final judgment which may be rendered in such action; or (2) procure a certificate of authority to transact the business of insurance in this state.

(b) The court in any action, suit or proceeding in which service is made in the manner provided in sec. 40 of this chapter may, in its discretion, order such postponement as may be necessary to afford the defendant reasonable opportunity to comply with the provisions of (a) of this section and to defend such action.

(c) Nothing in (a) of this section is to be construed to prevent an unauthorized foreign or alien insurer from filing a motion to quash a writ or to set aside service made in the manner provided in sec. 40 of this chapter on the ground either (1) that such unauthorized insurer has not done any of the acts enumerated in sec. 20 of this chapter or (2) that the person on whom service was made pursuant to sec. 40 of this chapter was not doing any of the acts enumerated in that section."

"Sec. 21.33.061. SHORT TITLE. Secs. 10-60 of this chapter may be cited as the "Unauthorized Insurers Process Act."

Page 150, line 21: Strike ".140." and substitute ".070."

Page 150, line 27: Substitute in place of the word "agent" the word "broker".

Page 151, line 11: Strike ".150." and substitute ".080." Strike the word "agents" and replace with "brokers".

Page 151, line 12: Change "affecting" to "effecting".

Page 151, line 13: Strike the word "agent" and substitute the word "broker".

Page 151, line 15: strike ".140." and substitute ".070."

Page 151, line 19: strike ".160." and substitute ".090."

Page 151, line 23: Strike the word "agents" and substitute the word "brokers".

Page 151, line 24: Strike the word "agent" and substitute the word "broker".

Page 151, line 27: Strike the word "agent" and substitute the word "broker".

Page 152, line 4: Strike ".170." and substitute ".100."

Page 152, line 10: Strike ".180." and substitute ".110." Strike the word "agent" and substitute the word "broker".

Page 152, line 12: Strike the word "agent" and replace with the word "broker".

Page 152, line 16: Strike the word "agent" and substitute the word "broker".

Page 152, line 26: Between the words "with" and "authorized" insert the word "an". Strike the word "sureties" and insert "surety".

Page 152, line 27: Strike the word "agent" and substitute the word "broker".

Page 153, line 1: Between the words "law" and "the" insert "the aggregate liability of the surety for any and all claims on any bond shall in no event exceed the penal sum thereof;".

Page 153, line 5: Strike ".190.", and substitute ".120." Strike the word "agents" and substitute the word "brokers".

Page 153, line 6: Strike the word "agents" and substitute the word "brokers".

Page 153, line 7: Strike the word "agents" and substitute the word "brokers".

Page 153, lines 11-12: Insert a period after the word "state" and strike the words in lines 11-12 after the word "state".

Page 153, line 13: Strike the word "agent" and substitute the word "broker".

Page 153, line 14: Strike the word "agent" and substitute the word "broker".

Page 153, line 16: Strike ".200." and substitute ".130."

Page 153, Line 17: Strike the word "agent" and substitute the word "broker".

Page 153, line 18: Strike the word "agent" and substitute the word "broker".

Page 153, line 20: Strike the word "agent" and substitute the word "broker".

Page 154, line 4: Strike ".210." and substitute ".140."

Page 154, line 6: Strike the word "agent" and substitute the word "broker".

Page 154, line 10: Strike the word "agent" and substitute the word "broker".

Page 154, line 22: Strike the word "agent" and substitute the word "broker".

Page 154, line 27: Strike the word "agent" and substitute the word "broker".

Page 154, line 29: Strike the word "agent" and substitute the word "broker".

Page 155, line 4: Strike the word "agent" and substitute the word "broker".

Page 155, line 12: Strike ".220." and substitute ".150."

Page 155, line 16: Strike the word "agent" and insert the word "broker".

Page 155, line 28: Strike the word "agent" and substitute the word "broker".

Page 155, line 26: Strike the word "agent" and substitute the word "broker".

Page 156, line 2: Strike ".230." and substitute ".160."

Page 156, line 3: Strike the word "agent" and substitute the word "broker".

Page 156, line 10: Strike the word "agent" and substitute the word "broker".

Page 156, line 26: Strike ".240." and substitute ".170."

Page 157, line 2: Insert after "taxes," the words, "Examination fees,".

Page 157, line 6: Strike the word "agent" and substitute the word "broker".

Page 157, line 13: Strike ".250." and insert ".180."

Page 157, line 13: Strike "230", and substitute ".160".

Page 157, line 14: Strike ".240.", and substitute ".170.". Strike the word "agent" and substitute the word "broker".

Page 157, line 24: Strike the word "agents" and substitute the word "brokers".

Page 157, line 25: Strike ".260." and substitute ".190."

Page 157, line 26: Strike ".260." and substitute "190."

Page 157, line 27: Strike the word "agents" and substitute the word "brokers".

Page 158, line 1: Strike the word "agent" and substitute the word "broker".

Page 158, line 3: Strike the word "agent" and substitute the word "broker".

Page 158, line 6: Strike the word "agent" and substitute the word "broker".

Page 158, line 11: Strike the word "agents" and substitute the word "brokers".

Page 158, line 12: Strike the word "agents" and substitute the word "brokers".

Page 158, line 13: Strike the word "agent" and substitute the word "broker".

Page 158, lines 17-24: Strike all material in lines 17-24 (sec. 21.33.270).

Page 158, line 25: Strike "280" and substitute "200".

Page 159, line 14: Strike "290" and substitute "210".

Page 159, line 24: Strike the word "agents" and substitute the word "brokers".

Page 159, line 25: Strike the word "agents" and substitute the word "brokers".

Page 159, line 29: Strike ".300." and substitute ".220."

Page 160, line 3: Between the words "to" and "reinsurance" insert "life insurance, disability insurance, annuities or".

Page 160, line 4: Strike the word "agents" and substitute the word "brokers".

Page 160, line 9: Between "operations" and "railroads", strike the word "or", and substitute "of".

Page 160, line 17: Strike ".310." and substitute ".230."

Page 160, line 27: Strike ".320." and substitute ".240."

Page 160, line 28: Strike "140." and substitute ".070".

Page 160, line 28: Strike ".320." and substitute "240".

Page 160, line 29 - Page 161, line 1: Between page 160, line 29 and Page 161, line 1, insert new secs. 21.33.250 - 21.33.310 to read:

Sec. 21.33.250. INDEPENDENTLY PROCURED INSURANCE. (a)

Every insured who procures or causes to be procured or continues or renews insurance with any unauthorized insurer, or any insured or self-insurer who so procures or continues excess loss, catastrophe or other insurance, upon a subject of insurance resident, located or to be performed within this state, other than insurance procured through a surplus lines agent pursuant to the surplus lines law of this state and other than insurance of the kind exempted under sec. 220 of this chapter, shall, within 60 days after the date such insurance was so procured, continued, or renewed, file a report of the same with the director in writing and upon forms designated by the director and furnished to such an insurer upon request. The report shall show the name and address of the insured or insureds, name and address of the insurer, the subject of the insurance, a general description of the coverage, the amount of premium currently charged therefor, and such additional pertinent information as is reasonably requested by the director.

(b) Any insurance in an unauthorized insurer of a subject of insurance resident, located or to be performed within this state procured through negotiations or an application, in whole or in part occurring or made within or from within or outside of this state, or for which premiums in whole or in part are remitted directly or indirectly from within or outside of this state, shall be deemed to be insurance procured, or continued or renewed in this state within the intent of (a) of this section.

(c) There is hereby levied upon the obligation, chose in action, or right represented by the premium charged for such insurance, a premium receipts tax of three per cent of gross premiums charged for such insurance. The term "premium" shall include all premiums, membership fees, assessments, dues and any other consideration for insurance. Such tax shall be in lieu of all other taxes. The insured shall, before March 2 next succeeding the calendar year in which the insurance was so procured, continued or renewed, pay the amount of the tax to the director. In event of cancellation and rewriting of any such insurance contract the additional premium for premium receipts tax purposes shall be the premium in excess of the unearned premium of the canceled insurance contract.

(d) If a policy covers risks or exposures only partially in this state, the tax payable shall be computed on the portions of the premium which are properly allocable to the risks or exposures located in this state. In determining the amount of premiums taxable in this state, all premiums written, procured or received in this state and

all premiums on policies negotiated in this state shall be deemed written on property or risks located or resident in this state, except such premiums as are properly allocated or apportioned and reported as taxable premiums of any other state or states.

(e) If the insured fails to withhold from the premium the amount of tax herein levied, the insured shall be liable for the amount thereof and shall pay the same to the director within the time stated in (c) of this section. If the tax prescribed by this section is not paid within the time stated in (c) of this section, the tax shall be increased by a penalty of 25 per cent and by the amount of an additional penalty computed at the rate of one per cent per month or any part thereof from the date such payment was due to the date paid.

(f) The attorney general, upon request of the director, shall proceed in the courts of this or any other state or in any federal court or agency to recover such tax not paid within the time prescribed in this section.

Sec. 21.33.260. PURPOSE. (a) The purpose of secs. 260 - 300 of this chapter is to subject to the jurisdiction of the courts of this state insurers not authorized to transact business in this state which place in or send into this state any false advertising designed to induce residents to purchase insurance from insurers not authorized to transact business in this state. The Legislature declares it is in the interest of the citizens of this state who purchase insurance from insurers which solicit insurance business in this state in the manner set forth in the preceding sentence that such insurers be subject to the provisions of secs. 260 - 300 of this chapter. In

furtherance of this interest, the legislature in secs. 260 - 300 of this chapter provides a method of substituted service of process upon these insurers and declares that in so doing, it exercises its power to protect its residents and also exercises powers and privileges available to the state by virtue of Public Law 15, 79th Congress of the United States, Chapter 20, 1st Session, S. 340, which declares that the business of insurance and every person engaged therein shall be subject to the laws of the several states; the authority provided herein to be in addition to any existing powers of this state.

(b) The provisions of secs. 260 - 300 of this chapter shall be liberally construed.

Sec. 21.33.270. NOTICE TO DOMICILIARY SUPERVISORY OFFICIAL.

No unauthorized foreign or alien insurer of the kind described in sec. 260 of this chapter shall make, issue, circulate or cause to be made, issued or circulated, to residents of this state any estimate, illustration, circular, pamphlet, or letter, or cause to be made in any newspaper, magazine or other publication or over any radio or television station, any announcement or statement to such residents misrepresenting its financial condition or the terms of any contracts issued or to be issued or the benefits or advantages promised thereby, or the dividends or share of the surplus to be received thereon in violation of AS 21.36 and whenever the director shall have reason to believe that any such insurer is engaging in such unlawful advertising, it shall be his duty to give notice of such fact by certified mail with return

receipt requested to the insurer and to the insurance supervisory official of the domiciliary state of the insurer. For the purpose of this section, the domiciliary state of an alien insurer is the state of entry or the state of the principal office in the United States.

Sec. 21.33.280. ACTION BY DIRECTOR, If after thirty days following the giving of the notice under sec. 270 of this chapter the insurer has failed to cease making, issuing, or circulating such false misrepresentations or causing the same to be made, issued or circulated in this state, and if the director has reason to believe that a proceeding by him in respect to such matters would be to the interest of the public, and that the insurer is issuing or delivering contracts of insurance to residents of this state or collecting premiums on the contracts or doing any of the acts enumerated in sec. 290 of this chapter, he shall take action against such insurer under AS 21.36.

Sec. 21.33.290. SERVICE UPON UNAUTHORIZED INSURER. (a) Any of the following acts in this state, effected by mail or otherwise, by any such unauthorized foreign or alien insurer; (1) the issuance or delivery of contracts or insurance to residents of this state, (2) the solicitation of applications for such contracts, (3) the collection of premiums, membership fees, assessments or other considerations for such contracts, or (4) any other transaction of insurance business, is equivalent to and shall constitute an appointment by such insurer of the director to be its true and lawful attorney, upon whom may be served all statements of charges, notices and lawful process in any proceeding instituted in respect to the

misrepresentations set forth in AS 21.36 or in any action suit or proceeding for the recovery of any penalty therein provided, and any such act shall be signification of its agreement that such service of statement of charges, notices or process is of the same legal force and validity as personal service of such statement of charges, notices or process in this state, upon such insurer.

(b) Service of a statement of charges and notices under AS 21.36 shall be made by delivering to and leaving with the director or some person in apparent charge of his office, two copies thereof. Service of process shall be made by delivering and leaving with the director, or some person in apparent charge of his office, two copies thereof. The director shall immediately mail by certified mail with return receipt requested one of the copies of such statement of charges, notices or process to the defendant at its last known principal place of business, and shall keep a record of all statements, charges, notices and process so served. Such service of statement of charges, notices or process shall be sufficient provided they shall have been so mailed and the defendant's receipt or receipt issued by the post office with which the letter is certified, showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the person mailing such letter showing a compliance herewith are filed with the director in the case of any statement of charges or notices, or with the clerk of the court in which such action is pending in the case of any process, on or before the date the defendant is required to appear or within such further time as may be allowed.

(c) Service of statement of charges, notices and process in any such proceeding, action or suit shall in addition to the manner provided in (b) of this section be valid if served upon any person within this state who on behalf of such insurer is (1) soliciting insurance, or (2) making, issuing or delivering any contract of insurance, or (3) collecting or receiving in this state any premium for insurance; and a copy of such statement of charges, notices or process is sent within ten days thereafter by certified mail with return receipt requested by the director to the defendant at the last known principal place of business of the defendant, and the defendant's receipt, or the receipt issued by the post office with which the letter is certified, showing the name of the sender of the letter, the name and address of the person to whom the letter is addressed, and the affidavit of the person mailing the same showing a compliance herewith, are filed with the director in the case of any statement of charges or notices, or with the clerk of the court in which such action is pending in the case of any process, on or before the date the defendant is required to appear or within such further time as the court may allow.

(d) No cease and desist order or judgment by default under this section shall be entered until the expiration of 45 days from the date of the filing of the affidavit of compliance.

(e) Service of process and notice under the provisions of this chapter shall be in addition to all other methods of service provided by law, and nothing in secs. 260-300

of this chapter shall limit or prohibit the right to serve any statement of charges, notices or process upon any insurer in any other manner now or hereafter permitted by law.

Sec. 21.33.300. DEFINITIONS. When used in this chapter (1) "Resident" includes a person, partnership or corporation whether domestic, alien or foreign.

Sec. 21.33.310. SHORT TITLE. Secs. 260-300 of this chapter may be cited as the "Unauthorized Insurers False Advertising Process Act."

Page 165, line 26 - Page 166, line 5: Strike subsections "(4)" and "(5)" and replace with a new subsection (4) to read:

"(4)" issuance of life or disability insurance policies or annuity contracts at rates less than the usual rates of premiums for such policies or contracts, or modification of premium or rate based on amount of insurance; but the issuance or modification shall not result in reduction in premium or rate in excess of savings in administration and issuance expenses reasonably attributable to such policies or contracts."

Page 169, line 13: Strike the words "in this title".

Page 169, lines 15-27: Strike all material in Sec. 21.36.160 and insert new material to read:

"Sec. 21.36.160. RIGHT OF DEBTOR OR BORROWER TO SELECT AGENT, BROKER AND INSURER. If property insurance is required in connection with a debt or loan, the debtor or borrower has the reasonable right to select the agent, broker, and insurer through whom the insurance is to be

placed if (1) the insurance is provided for the protection of the creditor's or lender's interest in the property at the commencement of the risk; or (2) in the case of renewal of insurance, the renewal policy is delivered to the creditor or lender not later than 30 days prior to the renewal date."

Page 173, lines 5-9: Strike all the words after the word "claim", and insert "is punishable by imprisonment for not less than three months or more than six months, or by a fine of not less than \$250 nor more than \$500, or by both."

Page 174, line 24: Between the words "for" and "profit" insert "underwriting".

Page 193, line 2: After the word "court" add a comma and the words "first judicial district".

Page 193, line 18: Strike the words "ocean marine and foreign trade insurances" and insert "wet marine and transportation insurance".

Page 198, line 6: Strike the words "APPLICATION AS EVIDENCE --"

Page 198, lines 7-13: Strike all the words after the word "APPLICATION".

Page 198, line 14: Change "(b)" to "(a)".

Page 198, lines 21-25: Strike the sentence which reads: "If such copy is not so delivered or mailed after having been so requested, the insurer shall be precluded from introducing the application in evidence in any action or proceeding based upon or involving the policy or its reinstatement or renewal".

Page 199, line 2-9: Strike this entire subsection.

Page 199, line 10: Change "(d)" to "(c)".

Page 200, line 14: Change "an" to "and".

Page 200, line 20: Strike the parenthetical phrase "(other than ocean marine and foreign trade coverages)" and insert "(other than wet marine and transportation coverages)".

Page 203, line 16: Strike the word "plainly".

Page 208, line 29 - Page 209, line 1: Strike the comma after the word "thereof" and replace with a period. Capitalize the word "the" which follows the word "thereof" and strike the words "in the policy or contract by such assignment" and insert "designated pursuant to the policy".

Page 213, line 13: Strike the figure "\$250.00" and insert "\$450.00".

Page 213, line 15: Strike the figure "\$250.00" and insert "\$450.00".

Page 213, line 20: Strike the figure "\$250.00" and insert "\$450.00".

Page 214, lines 6-13: Strike lines 6-13 (Subsection "(c)").

Page 214, line 29: Insert a comma after the word "insurance" and strike the comma after the word "group".

Page 216, line 11: Between the words "premium" and "has" insert "or benefit".

Page 218, line 25: After "showing" insert "in".

Page 218, line 27: Change "of this section" to "of this chapter".

Page 226, line 13: Between the words "and" and "specified" insert the word "either" and between the word "policy" and the closing parenthesis insert "or filed with the director".

Page 231, line 23: After "additions" insert a comma.

Page 234, line 9: After "life" insert "of".

Page 234, line 28 - Page 236, line 23: Strike all words in subsections "(i)", "(j)" and "(k)" and replace with new words to read;

"(i) All adjusted premiums and present values referred to in this section shall for all policies of ordinary insurance be calculated on the basis of the Commissioners 1958 Standard Ordinary Mortality Table, provided that for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than three years younger than the actual age of the insured. Except as otherwise provided in (j) of this section, such calculations for all policies of industrial insurance shall be made on the basis of the 1941 Standard Industrial Mortality Table. All calculations shall be made on the basis of the rate of interest, not exceeding 3-1/2 per cent per annum, specified in the policy for calculating cash surrender values and paid-up non-forfeiture benefits, provided, however, that in calculating

the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed in the case of policies of ordinary insurance, may be not more than those shown in the Commissioners 1958 Extended Term Insurance Table, and in the case of policies of industrial insurance, may be not more than 130 per cent of the rates of mortality according to the 1941 Standard Industrial Mortality Table, provided further than for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the insurer and approved by the director.

(j) In the case of industrial policies issued on or after the operative date of this subsection as defined in (k) of this section, all adjusted premiums and present values referred to in this section shall be calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table and the rate of interest, not exceeding 3-1/2 per cent per annum, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1961 Industrial Extended Term Insurance Table. Provided, further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the insurer and approved by the director.

(k) On or after the operative date of this section, any insurer may file with the director a written notice of its election to comply with the provisions of subsection (j) after a specified date before January 1, 1968. After the filing of such notice, then upon such specified date (which shall be the operative date in (j) of this section for such insurer), (j) of this section shall become operative with respect to the industrial policies thereafter issued by such insurer. If an insurer makes no such election, the operative date of (j) of this section for such insurer shall be January 1, 1968."

Page 237, line 8: Between the word "follows" and the comma, insert "and premiums for all such additional benefits".

Page 237, line 27: After the word "benefits" place a period.

Page 237, lines 27-28: Strike the words "and premiums for all such additional benefits".

Page 238, line 20: Strike the word "have".

Page 238, line 26 - Page 239, line 14: Strike sec. 21.45.310.

Page 239, line 15: Strike "320" and substitute "310".

Page 240, line 5: Strike "330" and substitute "320".

Page 241, line 23: Change "service" to "services".

Page 243, line 27: Between the words "employers" and "or" insert "in the same industry, or in related industries".

Page 245, line 22: Strike the figure "600" and insert "200".

Page 247, line 21: After the word "them" add a new sentence which reads "A policy issued to insure the employees of a public body may provide that the term 'employees' shall include elected or appointed officials."

Page 248, line 14: Change "indentifiable" to "identifiable".

Page 249, line 5: Change "in" to "on".

Page 249, line 7: Change "there" to "where".

Page 255, line 19: Insert "policy" after "insurance".

Page 257, line 5: After the word "under" add the words "the same or".

Page 258, line 2: Change "person'f" to "person's".

Page 259, line 25: Strike the citation "AS 21.09.030" and insert "AS 21.90.020".

Page 278, line 1: After the word "policies" at the end of the line, add a comma.

Page 280, line 5: Strike the words "subject to any right of cancellation".

Page 280, lines 14-29 - Page 281, lines 1-3: Strike sec. 21.51.330.

Page 281, line 4: Strike "340" and substitute "330".

Page 281, lines 27-28: Strike the words "or partners if the employer is an individual proprietor".

Page 281, line 29: Strike "350" and substitute "340".

Page 282, line 19: Strike the word "statement" and insert "certificate".

Page 283, lines 15-21: Strike all the material in subparagraph (1) and add a new subparagraph (1) to read:

"(1) A provision that the policy, including endorsements and a copy of the application, if any, of the policyholder and the persons insured shall constitute the entire contract between the parties, and that any statement made by the policyholder or by a person insured shall in absence of fraud, be deemed a representation and not a warranty, and that no such statements shall be used in defense to a claim under the policy, unless contained in a written application. Such person, his beneficiary, or assignee, shall have the right to make written request to the insurer for a copy of such application and the insurer shall, within 15 days after the receipt of such request at its home office or any branch office of the insurer, deliver or mail to the person making such request a copy of such application. If such copy shall not be so delivered or mailed, the in-

surer shall be precluded from introducing such application as evidence in any action based upon or involving any statements contained therein."

Page 284, line 11: Strike the figure "30" and insert "90".

Page 285, line 10: Between the words "no" and "action" insert the word "civil" and strike the words "aw law or in equity".

Page 285, line 26: Strike the words "mental incompetent" and insert "otherwise not competent to give a valid release".

Page 286, line 5: Between the words "option" and "be" insert "and unless the insured requests otherwise in writing not later than the time for filing proofs of such loss".

Page 288, lines 25-29 - Page 290, line 2: Strike subparagraphs (1), (2), (3), (4), (5), (6) and (7) and replace with new subparagraphs to read:

"(1) under a policy or contract issued to any common carrier or to any operator, owner or lessee of a means of transportation, who or which shall be deemed the policyholder, covering a group of persons who may become passengers defined by reference to their travel status on such common carrier or such means of transportation;

(2) under a policy or contract issued to an employer, who shall be deemed the policyholder, covering any group of employees, dependents or guests, defined by reference to specified hazards incident to an activity or activities or operations of the policyholder;

(3) under a policy or contract issued to a college, school or other institution of learning, a school district or districts, or school jurisdictional unit, or to the head, principal or governing board of any such educational unit, who or which shall be deemed the policyholder covering students, teachers or employees; ,

(4) under a policy or contract issued to any religious, charitable, recreational, educational, or civic organization, or branch thereof, which shall be deemed the policyholder, covering any group of members or participants defined by reference to specified hazards incident to an activity or activities or operations sponsored or supervised by such policyholder;

(5) under a policy or contract issued to a sports team, camp or sponsor thereof, which shall be deemed the policyholder, covering members, campers, employees, officials or supervisors;

(6) under a policy or contract issued to any volunteer fire department, first aid, civil defense, or other such volunteer organization, which shall be deemed the policyholder, covering any group of members or participants defined by reference to specified hazards incident to an activity or activities or operations sponsored or supervised by such policyholder;

(7) under a policy or contract issued to a newspaper or other publisher, which shall be deemed the policyholder, covering its carriers;

(8) under a policy or contract issued to an association, including a labor union, which shall have a constitution and by-laws and which has been organized and is maintained in good faith for purposes other than that of obtaining insurance, which shall be deemed the policyholder, covering any group of members or participants defined by reference to specified hazards incident to an activity or activities or operations sponsored or supervised by such policyholder;

(9) under a policy or contract issued to cover any other risk or class of risks which, in the discretion of the director, may be properly eligible for blanket accident and sickness insurance. The discretion of the director may be exercised on an individual risk basis or class of risks, or both."

Page 290, line 11: Strike the word "sold".

Page 290, line 13: Strike the word "sold".

Page 290, line 14: Strike the words "more than" and after the word "years" add the words "or more".

Page 290, line 15: Strike the period after the word "duration" and insert a semi-colon and add the words, "nor shall insurance be subject to the provisions of this chapter where the issuance of such insurance is an isolated transaction on the part of the insurer not related to an agreement or a plan for insuring debtors of the creditor."

Page 291, lines 3-19: Strike all the material in subsections (a) and (b) and replace with new subsections (a) and (b) to read:

"(a) Credit life insurance. The initial amount of credit life insurance shall not exceed the total amount repayable under the contract of indebtedness and, where an indebtedness is repayable in substantially equal installments, the amount of insurance shall at no time exceed the scheduled or actual amount of unpaid indebtedness, whichever is greater; except that agricultural loans not exceeding one year may be written up to the amount of the load commitment on a nondecreasing or level term plan.

(b) Credit disability insurance. The total amount of periodic indemnity payable by credit accident and health insurance in the event of disability, as defined in the policy, shall not exceed the aggregate of the periodic scheduled unpaid installments of the indebtedness;

and the amount of each periodic indemnity payment shall not exceed the original indebtedness divided by the number of periodic installments."

Page 291, line 28: Between the word "policy" and "The" insert a new sentence to read:

"Where evidence of insurability is required and such evidence is furnished more than thirty (30) days after the date when the debtor becomes obligated to the creditor, the term of the insurance may commence on the date on which the insurance company determines the evidence to be satisfactory, and in such event there shall be an appropriate refund or adjustment of any charge to the debtor for insurance."

Page 292, line 11: Strike the word "sold".

Page 292, line 23: Between the word "the" and "coverages" insert "amount, term and".

Page 293, lines 20-21; Strike the words "approval of the application, if any, or" and between the words "insurance" and "and" insert "by the insurer".

Page 293, lines 26-27: Strike the words "of the date the indebtedness is incurred" and insert "provided in sec. 50 of this chapter".

Page 293, lines 27-28: Between lines 27-28 insert a new subsection (c) to Sec. 21.57.070 to read:

"(c) If the insurer named in either the application or notice of proposed insurance does not accept the risk, then and in such event the debtor shall receive a policy or certificate of insurance setting forth the name and home office address of the substituted insurer and the amount of the premium to be charged, and if the amount of premium is less than that set forth in the application or notice of proposed insurance an appropriate refund shall be made."

Page 294, line 1: Strike the word "binders".

Page 294, line 2: Between the words "riders" and "shall" insert "delivered or issued for delivery in this State and the schedules of premium rates pertaining thereto".

Page 294, lines 2-3: Insert a period after the word "director" and strike the words "of the state in which the policy is issued".

Page 294, line 4: Strike the word "may" and insert "shall".

Page 294, line 5: Strike the word "all" and insert "any such".

Page 294, line 6: Strike the word "binders".

Page 294, line 15: Strike the words "does not comply with this section" and insert "is disapproved".

Page 294, lines 26-27: Strike the words "of such grounds" and insert "grounds under (b) of this section. The written notice of the hearing shall state the reason for the proposed withdrawal."

Page 295, lines 1-2: Between lines 1-2 insert a new subsection (f) to read:

"(f) If a group policy of credit life insurance or credit disability insurance (1) has been delivered in this state before the effective date of this Title, or (2) has been or is delivered in another state before or after the effective date of this Title, the insurer shall be required to file only the group certificate and notice of proposed insurance delivered or issued for delivery in this state as specified in (b) of sec. 60 of this chapter and (b) of sec. 70 of this chapter and such forms shall be approved by the director if they conform with the requirements specified in said subsections and if the schedules of premium rates applicable to the insurance evidenced by such certificate or notice are not in excess of the insurer's schedules of premium rates filed with the director; provided, however, the premium rate in effect on existing group policies may be continued until the first

policy anniversary date following the date this Title becomes effective."

Page 295, line 2: Strike the parenthetical "(f)" and insert "(g)".

Page 295, lines 5-8: Strike the first sentence of subsection (a) starting with the word "Each" and ending with the word "insurance".

Page 295, line 9: Strike the words "revise such schedules from time to time, and shall file such" and insert "revise its schedules of premium rates from time to time, and file such".

Page 295, lines 14-17: Strike the last sentence of subsection (a) starting with the word, "The" and ending with the word "chapter".

Page 295, line 18: Strike the comma and insert "or".

Page 295, lines 18-20: Strike the words "or notice of proposed insurance of credit life insurance and credit disability insurance".

Page 295, line 22: Strike the words "premium due" and insert "an amount paid by the debtor for insurance".

Page 295, line 27: Between the words "With" and "the" insert "and approved by".

Page 295, line 29: Strike the words "in connection with" and replace with the word "for".

Page 296, lines 4-5: Between lines 4-5 insert a new subsection (d) to read:

"(d) The amount charged to a debtor for any credit life or credit disability insurance shall not exceed the premium charged by the insurer, as computed at the time the charge to the debtor is determined."

Page 298, line 23: Between the word "lessor" and the semi-colon insert "and an affiliate, associate or subsidiary of any of them or any director, officer or employee of any of them or any other person in any way associated with any of them".

Page 305, line 3: Between the words "a" and "judgment" insert "civil".

Page 348, line 12: Strike the word "while" and substitute the word "when".

Page 358, line 24: Between the words "thereon" and "at" add the words "in person or by proxy".

Page 362, lines 27-28: Between lines 27-28 insert five new sections to read:

"Sec. 21.69.650. NATIONAL EMERGENCY PROVISIONS. The legislature declares that it is desirable for the general welfare and in particular for the welfare of insurance beneficiaries, policyholders, injured claimants and others that the business of domestic insurers be continued notwithstanding the event of a national emergency. The specific purpose of secs. 650-690 of this chapter is to facilitate the continued operation of domestic insurers in the event that a national emergency is caused by an attack on the United States or by a nuclear, atomic or other disaster which makes it impossible or impracticable for an insurer to conduct its business in strict accord with applicable provisions of law, its by-laws, or its charter.

Sec. 21.69.660. ADOPTION OF EMERGENCY BY-LAWS. The board of directors of any domestic insurer may at any time adopt emergency by-laws, subject to repeal or change by action of those having power to adopt regular by-laws for the insurer, which shall be operative during such a national emergency and which may, notwithstanding any different provisions of the regular by-laws, or of the applicable statutes, or of the insurer's charter, make any provision that may be reasonably necessary for the operation of the insurer during the period of such emergency.

Sec. 21.69.670. PROVISIONS IN LIEU OF ADOPTED EMERGENCY BY-LAWS. In the event that the board of directors of a domestic insurer has not adopted emergency by-laws, the following provisions shall become effective upon the occurrence of such a national emergency;

- (1) Three directors shall constitute a quorum for the transaction of business at all meetings of the board.
- (2) Any vacancy in the board may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director.
- (3) If there are no surviving directors, but at least three vice presidents of the insurer survive, the three vice presidents with the longest term of service shall be the directors and shall possess all of the powers of the previous board of directors and such powers as are granted herein or by subsequently enacted legislation. By majority vote such emergency board of directors may elect other directors. If there are not at least three surviving vice presidents, the director of insurance or duly designated person exercising the powers of director of insurance shall appoint three persons as directors who shall possess all of the powers of the previous board of directors and such powers as are granted herein or by subsequently enacted legislation, and these persons by majority vote may elect other directors.

Sec. 21.69.680. SUCCESSION OF CORPORATE OFFICERS DURING NATIONAL EMERGENCY. At any time the board of directors of a domestic insurer may, by resolution, provide that in the event of such a national emergency and in the event of the death or incapacity of the President, the Secretary or the Treasurer of the insurer such officers, or any of them, shall be succeeded in the office by the person named or described in a succession list adopted by the board of

directors. Such list may be on the basis of named persons or position titles, shall establish the order of priority and may prescribe the conditions under which the powers of the office shall be exercised.

Sec. 21.69.690. RELOCATION OF HOME OFFICE DURING NATIONAL EMERGENCY. At any time the board of directors of a domestic insurer may, by resolution, provide that in the event of such a national emergency the home office or principal place of business of the insurer shall be at such location as is named or described in the resolution. Such resolution may provide for alternate locations and establish an order of preference."

Page 362, line 28: Strike the section number "21.69.650" and insert "21.69.700".

Page 363, line 2: Strike the section number "21.69.660" and insert "21.69.710".

Page 363, line 18: Strike the period after the word "state" and insert a comma and add the words "after the effective date of this title".

Page 363, line 21: Strike the period after the word "state" and insert a comma and add the words "after the effective date of this title".

Page 372, line 18: After "ing", insert a comma and the words "or association".

Page 378, lines 10-11: Strike the words "and filed by its attorney" and insert "by its attorney, and filed with the director, as provided in AS 21.09.200".

Page 414, line 7: Between the word "title" and the period insert "except that in the case of Canadian life insurers, the deposit shall consist of cash and/or securities of a quality substantially as high as that required for the investment of funds of domestic insurers under chapter 21 of this title."

Page 419, line 10: Between the words "business" and "and" insert "insuring only their own members and their families".

Page 424, line 4: Between the word "than" and the figure "\$25,000.00" insert "\$5,000.00 nor more than".

Page 431, line 13: Strike the period after the word "society" and insert a semi-colon and add the words "unless such additional benefits are issued pursuant to an existing contract under the

terms of which such member is entitled to purchase such additional benefits without furnishing evidence of insurability".

Page 433, lines 21-22: Strike the words "1941 Standard Industrial Table" and insert "the Commissioner's 1941 Standard Industrial Table or the Commissioner's 1958 Standard Ordinary Mortality Table".

Page 434, line 1: Strike the word "surrendered" and insert "surrender".

Page 434, line 16: Strike the words "the 1941 Standard Industrial Table" and insert "the Commissioner's 1941 Standard Industrial Table or the Commissioner's 1958 Standard Ordinary Mortality Table".

Page 437, line 29: After the word "premium" add the word "and".

Page 439, line 29: Between the words "age" and "has" insert "or sex".

Page 440, line 3: Strike the line and insert "purchased at the correct age and sex; but if the correct age or sex was not".

Page 440, line 4: Between the words "age" and "under" insert "or sex".

Page 440, line 8: After the word "age" add the words "or sex".

Page 447, line 23: Strike the words "commissioner's 1941 Standard Industrial Table of Mortality" and insert "Commissioner's 1941 Standard Industrial Mortality Table or the Commissioner's 1958 Standard Ordinary Mortality Table, using actual age of the insured for male risks and an age not more than three years younger than the actual age of the insured for female risks".

Page 447, lines 24-27: Strike all the material in subparagraph (2) and replace with a new subparagraph (2) to read:

"(2) for annuity and pure endowment certificates, excluding any disability and accidental death benefits in such certificates - the 1937 Standard Annuity Mortality Table or the Annuity Mortality Table for 1949, ultimate, or any modification of either of these tables approved by the director;"

Page 447, lines 28-29 - Page 448, lines 1-13: Strike all the material in subparagraphs (3) and (4) and replace with new subparagraphs (3) and (4) to read:

"(3) for total and permanent disability benefits in or supplementary to life insurance certificates - Hunter's Disability Table, or the Class III Disability Table (1926) modified to conform to the contractual waiting period,

or the tables of Period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 Disability Study of the Society of Actuaries with due regard to the type of benefit; any such table shall, for active lives be combined with a mortality table permitted for calculating the reserves for life insurance certificates;

(4) for accidental death benefits in or supplementary to life insurance certificates - the Inter-Company Double Indemnity Mortality Table or the 1959 Accidental Death Benefits Table; either table shall be combined with a mortality table permitted for calculating the reserves for life insurance certificates; and".

Page 449, line 12: Strike the word "section" and replace with the word "chapter".

Page 458, lines 20-23: Strike out of this section the following sentence: "No such service shall require a society to file its answer, pleading or defense in less than 30 days from the date of mailing the copy of the service to a society."

Page 463, line 28: Strike the section number "20(b)" and replace with "20(a)(2)".

Page 466, line 21: Change "of" to "or".

Page 491, lines 19-20: Between lines 19-20 add a new section as follows:

"Sec. 21.87.350. EXISTING CERTIFICATES OF AUTHORITY.

A health care service contractor registered to do business in this state on July 1, 1964, is entitled to be registered under this chapter, whether or not it meets the requirements of this chapter."

Page 491, line 25: Change "of" to "or".

Page 491, lines 27-29 - Page 492, lines 1-2: Strike this material (Sec. 21.90.020).

Page 492, line 3: Strike "030" and substitute "020".

Page 492, line 11: Strike "040" and substitute "030".

Page 492, line 15: Strike "050" and substitute "040"

Page 492, line 17: Strike the period after the word "insurance" and after the word "insurance" add the words "or of annuity".

Page 492, line 18: Strike "060" and substitute "050".

Page 492, line 20: Change "Lloyd's society" to "Lloyds, society".

Page 492, line 23: Strike "070" and substitute "060".

Page 492, line 23: Strike "Department" and replace with the words "Director, Division".

Page 493, line 2: Strike "080" and substitute "070".

Page 493, line 15: Strike "090" and substitute "080".

Page 493, line 20: Strike "100" and substitute "090".

Page 493, line 28: Strike "110" and substitute "100".

Page 494, lines 1-2 Strike lines 1 and 2 and substitute the following:

"Sec. 21.90.110. SHORT TITLE. This Act may be cited as the Alaska Insurance Code."

Page 494, lines 3 & 4: Strike the language appearing and substitute the following:

*Sec. 2. AS 21.05 -- 21.30 are repealed.

*Sec. 3. AS 44.62.330(a) is amended to read:

(a) The procedure of the state boards, commissions, and officers listed in this subsection or of their successors by reorganization under the constitution shall be conducted under the provisions of secs. 330-630 of this chapter. This procedure, including, but not limited to, accusations and statements of issues, service, notice and time and place of hearing, subpoenas, depositions, matters concerning evidence and decisions, conduct of hearing, judicial review and scope of judicial review, continuances, reconsideration, reinstatement or reduction of penalty, contempt, mail vote, oaths, impartiality, and similar

matters shall be governed by this chapter, notwithstanding similar provisions in the statutes dealing with the state boards, commissions, and officers listed. Where indicated, the procedure that shall be conducted under secs. 330-630 of this chapter is limited to named functions of the agency.

- (1) Board of Barber Examiners
- (2) Board of Chiropractic Examiners
- (3) Board of Dental Examiners
- (4) Board of Engineers and Architects Examiners
- (5) Board of Examiners in Basic Sciences
- (6) Board of Examiners in Optometry
- (7) Board of Hairdressing and Beauty Culture Examiners
- (8) State Medical Board
- (9) Division of Lands under Alaska Land Act where applicable
- (10) Board of Nursing
- (11) Board of Pharmacy
- (12) Board of Public Accountancy
- (13) Department of Labor as to functions relating to employment security only as provided in (c) of this section
- (14) Alaska Real Estate Examining Board
- (15) Alaska Workmen's Compensation Board, where procedures are not otherwise expressly provided by the Alaska Workmen's Compensation Act
- (16) Department of Public Works, as to functions relating to aeronautics and communications
- (17) Alcoholic Beverage Control Board
- (18) Department of Natural Resources, as to functions relating to the conservation of oil and gas
- (19) Department of Commerce, under Alaska Small Loans Act
- (20) Department of Revenue, under Cigarette Tax Act
- (21) Department of Commerce, as to functions under Alaska Banking Code
- (22) Board of Governors of the Alaska Bar
- (23) Department of Public Safety, as to suspension, etc., of driver's licenses
- (24) Department of Health and Welfare, under AS 47.35.010 - 47.35.080, relating to boarding and foster homes for children.
- (25) Department of Education, as to nonretention of teachers, AS 14.20.130-14.20.210
- (26) Department of Health and Welfare, under Radiation Protection Act (AS 18.60.470-18.60.570)
- (27) Department of Health and Welfare under Alaska Food, Drug, and Cosmetic Act (AS 17.20), and in connection with the licensing of embalmers under AS 08.44.010
- (28) Department of Health and Welfare and the Hospital Advisory Council, under AS 18.20.010-18.20.130
- (29) Department of Health and Welfare, under Alaska Water Pollution Control Act (AS 46.05)

(30) Department of Health and Welfare, under AS 18.35.010-18.35.090, concerning the regulation of tourist and trailer camps, motor courts, and motels

(31) DEPARTMENT OF COMMERCE, IN RELATION TO INSURANCE COMPANIES UNDER AS 21.05.010 - 21.05.040, EXCEPT AS TO PROCEDURE IN RESPECT TO THE FILING OF RATES, AND THE APPROVAL OR DISAPPROVAL AND ADMINISTRATIVE AND JUDICIAL REVIEW OF THE RATES, AS PROVIDED IN AS 21.10.745 - 21.10.780, 21.10.785(a) - (c), 21.10.790, 21.10.800, AND 21.10.850.

*Sec. 4. This Act takes effect on July 1, 1964."