

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 SENATE BILL NO. 568

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of air commerce."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 02.05.100 is amended by adding a new subsection to read:

9 (b) The commission may suspend the operating authority of an air
10 carrier without prior notice or hearing upon failure of the carrier
11 to comply with secs. 130 and 135 of this chapter.

12 * Sec. 2. AS 02.05.130 is repealed and re-enacted to read:

13 Sec. 02.05.130. ACCIDENT LIABILITY PROTECTION REQUIRED. (a) No
14 certificate may be issued to a person to operate as an air carrier
15 within the state and no certificated carrier may operate within the
16 state unless the person or carrier has procured and kept in force
17 a reasonable security required by the commission for the protection of
18 the public against damage and injury for which the carrier may be
19 liable by reason of its operation as an air carrier.

20 (b) In fixing the amount of necessary security for a certificated
21 carrier the commission shall give consideration to the character and
22 amount of traffic, the number of persons affected and the degree of
23 danger which the proposed operation involves.

24 (c) The commission may at any time refuse to accept, or revoke
25 its acceptance of, any security or form of security, if, in its
26 judgment the security does not comply with the regulations, or for any
27 reason fails to provide satisfactory or adequate protection for the
28 public. Refusal or revocation of acceptance of security does not
29 relieve the carrier from compliance with this section.

1 * Sec. 3. AS 02.05 is amended by adding new sections to read:

2 Sec. 02.05.135. EVIDENCE OF PROTECTION: DEPOSIT OF INSURANCE
3 POLICY BOND OR OTHER SECURITY. (a) The protection required under
4 sec. 130 of this chapter shall be evidenced by deposit with the
5 commission, covering each aircraft used or to be used under its
6 certificate, either

7 (1) a policy or certificate of insurance issued by an
8 insurer acceptable to the commission and licensed to write such
9 insurance in a state of the United States; or in the jurisdiction where
10 it is domiciled, the insurer maintains in a bank located in and subject
11 to the laws of the United States a trust fund for the benefit of its
12 policyholders of not less than \$200,000; or

13 (2) a bond of surety company licensed to write surety bonds
14 in the state; or

15 (3) other security approved by the commission; or

16 (4) such evidence of qualification of the carrier as a self-
17 insurer as may be approved by the commission.

18 (b) Endorsements for policies of insurance, surety bonds,
19 certificates of insurance, applications to qualify as a self-insurer,
20 or for approval of either securities or agreements, and notices of
21 cancellation must be in the form prescribed or approved by the commis-
22 sion.

23 (c) Certificates of insurance and surety bonds shall be issued
24 in the full and correct name of the individual, partnership, corporation
25 or other person to whom the certificate is, or is said to be issued.
26 In the case of a partnership, all partners shall be named.

27 Sec. 02.05.136. DURATION OF PROTECTION: CANCELLATION OF INSURANCE,
28 BOND OR OTHER SECURITY. (a) The protection against liability required
29 by sec. 130 of this chapter shall be continued in effect during the

1 active life of the certificate.

2 (b) Policies of insurance, surety bonds and other forms of
3 security may not be cancellable on less than 30 days written notice to
4 the commission and this shall be clearly stated in the policy or
5 endorsement.

6 (c) The 30-day notice shall be measured from the date upon which
7 the commission receives notice.

8 Sec. 02.05.137. FIDUCIARIES, INSURED AND PRINCIPAL. The term
9 "insured" and "principal" as used in certificates of insurance, surety
10 bonds, and notices of cancellation filed by or in behalf of air
11 carriers shall be construed to include not only the air carrier named
12 in the certificate, surety bond, or notice of cancellation, but also
13 the fiduciary of the air carrier. The coverage of fiduciaries
14 provided for in this chapter shall attach at the moment of succession
15 of the fiduciaries.

16 * Sec. 4. AS 02.05.160 is amended to read:

17 Sec. 02.05.160. FEDERAL LAWS AND REGULATIONS. [TO THE EXTENT
18 THAT THE CIVIL AERONAUTICS BOARD OR ANY OTHER AGENCY OF THE FEDERAL
19 GOVERNMENT ACTING UNDER FEDERAL STATUTE EXERCISES JURISDICTION BY
20 ORDER OR REGULATION WITH RESPECT TO TARIFFS, RATES AND SERVICES OF AN
21 AIR CARRIER AND THERE IS COMPLIANCE WITH THAT ORDER OR REGULATION BY
22 THE AIR CARRIER, THERE IS COMPLIANCE WITH THE PROVISIONS OF SECS. 140
23 AND 150 OF THIS CHAPTER AND ANY REGULATION OR ORDER OF THE COMMISSION
24 ISSUED THEREUNDER.] The commission may require the filing with it of
25 any tariffs, [AND] schedules and reports which an air carrier is
26 required to file with the Civil Aeronautics Board of the United States
27 or any other federal agency.
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