

Introduced: 2/14/78
Referred: Commerce

1 IN THE HOUSE

BY CARPENTER

2 HOUSE BILL NO. 849 *AM*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to group disability insurance; and
7 providing for an effective date."

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

9 * Section 1. AS 21.54.060(1) is amended to read:

10 (1) under a policy issued to an employer or trustees of a
11 fund established by an employer, who shall be considered the policy-
12 holder, insuring employees of the employer for the benefit of persons
13 other than the employer; in this paragraph the term "employees" includes
14 the officers, managers, and employees of the employer, the individual
15 proprietor or partner if the employer is an individual proprietor or
16 partnership, the officers, managers, and employees of subsidiary or
17 affiliated corporations, the individual proprietors, partners and
18 employees of individuals and firms, if the business of the employer and
19 the individual or firm is under common control through stock ownership,
20 contract, or otherwise; in this paragraph "employees" may include re-
21 tired employees; a policy issued to insure employees of a public body
22 may provide that the term "employees" includes elected or appointed
23 officials; the policy may provide that the term "employees" includes the
24 trustees or their employees, or both, if their duties are principally
25 connected with the trusteeship; a policy issued to insure employees of
26 a corporation may provide that the term "employees" includes directors
27 of the corporation, whether or not the directors receive compensation;

28 * Sec. 2. AS 21.48.020(1) is amended to read:

29 (1) the employees eligible for insurance under the policy

1 shall be all of the employees of the employer, or all of any class or
2 classes of them determined by conditions pertaining to their employment;
3 the policy may provide that the term "employees" shall include the em-
4 ployees of one or more subsidiary corporations, and the employees, in-
5 dividual proprietors, and partners of one or more affiliated corpora-
6 tions, proprietors, or partnerships if the business of the employer and
7 of the affiliated corporations, proprietors or partnerships is under
8 common control; the policy may provide that the term "employees" shall
9 include the individual proprietor or partners if the employer is an in-
10 dividual proprietor or a partnership; the policy may provide that the
11 term "employees" shall include retired employees; a policy issued to
12 insure employees of a corporation may provide that the term "employees"
13 includes directors of the corporation, whether or not the directors
14 receive compensation [NO DIRECTOR OF A CORPORATE EMPLOYER IS ELIGIBLE
15 FOR INSURANCE UNDER THE POLICY UNLESS THE PERSON IS OTHERWISE ELIGIBLE
16 AS A BONA FIDE EMPLOYEE OF THE CORPORATION, BY PERFORMING SERVICES OTHER
17 THAN THE USUAL DUTIES OF A DIRECTOR]; no individual proprietor or
18 partner is eligible for insurance under the policy unless he is actively
19 engaged in and devotes a substantial part of his time to the conduct of
20 the business of the proprietor or partnership;

21 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
22 070(c).