

Introduced: 5/31/80
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE RESOLUTION NO. 25

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Relating to insurance for boats with
6 loans from the division of business
7 loans, Department of Commerce and
8 Economic Development.

9 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

10 WHEREAS the division of business loans in the Department of Commerce and
11 Economic Development has loaned a substantial amount of state money to more
12 than 550 purchasers of fishing boats; and

13 WHEREAS regulations of the Department of Commerce and Economic Develop-
14 ment require that each purchaser of a boat who is indebted to the department
15 purchase insurance to cover the debt due to the Department; and

16 WHEREAS the purchaser of the insurance is free to obtain the insurance
17 from an agent or broker of his choice; and

18 WHEREAS the division of business loans has received reports from indi-
19 viduals who purchased boats with loans from the division, as well as from
20 prospective borrowers, that boat insurance is difficult to obtain and very
21 expensive, and that the delays in obtaining insurance sometimes delay loans
22 for a fishing season or longer; and

23 WHEREAS the division of business loans proposed a solution which facili-
24 tates the writing of marine insurance and the renewal of policies; and

25 WHEREAS there are now over 100 fishermen from all over Alaska partici-
26 pating in the program proposed by the division of business loans; and

27 WHEREAS a substantial majority of the participants were previously
28 insured through out-of-state insurance brokers and agents; and

29 WHEREAS the average hull and machinery insurance premium rate paid by

1 participants in the program of the division of business loans has been
2 measurably lowered; and

3 WHEREAS the participation of local Alaska insurance agents has been
4 increased by a factor of four since the program was initiated;

5 BE IT RESOLVED by the Alaska House of Representatives that the division
6 of business loans of the Department of Commerce and Economic Development is
7 encouraged to continue reasonable efforts to facilitate the availability of
8 marine insurance at reasonable prices from Alaska insurance agents and
9 brokers to purchasers of fishing vessels which are financed by the division.

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