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Referred: Health, Education and
and Social Services
and Finance

1 IN THE SENATE

BY FAHRENKAMP

2

SENATE BILL NO. 399

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act establishing the risk management collateral
7 fund for the University of Alaska; and providing for
8 an effective date."

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

10 * Section 1. AS 14.40 is amended by adding a new section to article 3
11 to read:

12 Sec. 14.40.455. UNIVERSITY RISK MANAGEMENT FUND. (a) There is
13 established in the general fund the University of Alaska risk manage-
14 ment fund. The fund consists of money appropriated by the legislature
15 for the purpose of providing a nonlapsing collateral fund for payment
16 of uninsured losses of the University of Alaska in excess of pre-
17 established loss assumption levels.

18 (b) The fund may be used only for the purposes of making pay-
19 ments as a result of

20 (1) civil suits;

21 (2) claims, damages, or losses to real and personal proper-
22 ty owned by or in the actual or constructive possession of the Univer-
23 sity of Alaska;

24 (3) losses of income from real and personal property; and

25 (4) expenses, attorney fees, and claims investigation costs
26 associated with claims or losses.

27 (c) The legislature may appropriate into the fund earnings
28 derived from temporary investment of collateral fund assets, recover-
29 ies of losses previously charged to the fund, and restoration of funds

1 utilized for specified claims. The amount of the fund may not exceed
2 the amount necessary and prudent based on independent actuarial deter-
3 minations. The University of Alaska may request that University of
4 Alaska funds be deposited into the risk management collateral fund
5 under AS 37.07.080(h).

6 (d) The Department of Administration and the University of
7 Alaska shall determine the loss assumption levels at the beginning of
8 each fiscal year for the purpose of assessing the risk management
9 collateral fund. The loss assumption levels shall be established at
10 the amount necessary and prudent based on independent actuarial deter-
11 minations.

12 (e) An annual report of the activity of the fund and loss as-
13 sumption levels shall be submitted by the Department of Administration
14 to the Office of Management and Budget and the Legislative Budget and
15 Audit Committee.

16 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).