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Referred: Labor and Commerce,
Judiciary and Finance

1 IN THE SENATE

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2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 445
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

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

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

9 * Section 1. AS 21.06.030(c) is amended to read:

10 (c) The director shall [MAY] employ a competent insurance actu-
11 ary to perform actuarial duties, if any, of the division, to take
12 charge of or assist in the examination of insurers, and to perform
13 other assigned duties. The actuary shall serve as the head of the
14 consumer advocate section established under AS 21.06.035.

15 * Sec. 2. AS 21.06 is amended by adding a new section to read:

16 Sec. 21.06.035. CONSUMER ADVOCATE SECTION. (a) There is estab-
17 lished in the division a consumer advocate section.

18 (b) In addition to the actuary employed under AS 21.06.030(c),
19 the section must include at least one financial analyst who is compe-
20 tent to analyze data provided by insurers and other sources to deter-
21 mine the adequacy of insurance coverage offered by insurers in the
22 state and the fairness of insurance rates in the state for the cover-
23 age offered.

24 (c) In addition to other assigned duties, the consumer advocate
25 section may

26 (1) investigate, upon complaint or upon its own motion, the
27 rates, classifications, rules, regulations, practices, services, and
28 facilities of an insurer and hold hearings on them;

29 (2) recommend to the director fair and reasonable rates,

1 classifications, regulations, practices, services, and facilities
2 related to insurers;

3 (3) appear personally or by counsel and represent the
4 interests and welfare of insurance consumers in all matters and pro-
5 ceedings involving an insurer pending before an officer, department,
6 board, commission, or court of the state or of another state or the
7 United States and intervene in, protest, resist, or advocate the
8 granting or denial or modification of any petition, application,
9 complaint or other proceeding;

10 (4) examine witnesses and offer evidence in any proceeding
11 affecting insurance consumers and initiate or participate in judicial
12 proceedings to the extent necessary to protect and promote the inter-
13 ests of the state and its insurance consumers; and

14 (5) otherwise represent the rights and interests of in-
15 sureds within the division during the performance of the division's
16 duties.

17 * Sec. 3. AS 21.06 is amended by adding new sections to read:

18 Sec. 21.06.043. IMPROPER REPRESENTATION. (a) An employee of
19 the division may not represent, advise, or assist a person in a matter
20 pending before the division or the department if the representation,
21 advice, or assistance is

22 (1) for compensation, unless the representation, advice,
23 assistance, and compensation are required by statute, regulation, or
24 court rule, or is otherwise customary; or

25 (2) without compensation, but rendered to benefit the per-
26 sonal or financial interests of the employee.

27 (b) This section does not prohibit activities related to collec-
28 tive bargaining.

29 Sec. 21.06.045. OUTSIDE EMPLOYMENT RESTRICTED. (a) An employee

1 of the division may not render services to benefit a personal or
2 financial interest or engage in or accept employment outside the
3 department if the outside employment or service is incompatible or in
4 conflict with the proper discharge of official duties.

5 (b) An employee rendering services for compensation or engaging
6 in employment outside the department shall quarterly report the out-
7 side employment activities to the employee's supervisor.

8 Sec. 21.06.047. RESTRICTIONS ON EMPLOYMENT AFTER LEAVING STATE
9 SERVICE. (a) An employee of the division who leaves state service
10 may not, for two years after leaving state service, represent a person
11 for compensation regarding a matter that was under consideration by
12 the division or the department if the employee participated personally
13 and substantially in the matter through the exercise of official
14 action. In this subsection, "matter" includes a case, proceeding,
15 application, or determination, but does not include the proposal or
16 consideration of legislative bills, resolutions, and constitutional
17 amendments, or other legislative measures; or the proposal, consid-
18 eration, or adoption of administrative regulations.

19 (b) This section does not prohibit the division or department
20 from contracting with a former employee to act on a matter on behalf
21 of the state.

22 * Sec. 4. AS 21.06 is amended by adding a new section to read:

23 Sec. 21.06.105. REPORTS CONCERNING COURT AWARDS. The director
24 shall obtain a report on each judgment for a plaintiff in an action
25 based on fault that sought damages for personal injury or property
26 damage. The report must include

27 (1) the amount of the judgment, categorized in relation to
28 punitive damages, noneconomic damages, economic damages, compensation
29 for loss of earnings and earning capacity, and compensation for

1 necessary medical expenses; these amounts shall be further categorized
2 as to whether they are for incurred losses or future damages;

3 (2) a factual summary of the case sufficient to compare the
4 award in each case with other similar cases, including cases from
5 other states.

6 * Sec. 5. AS 21.06.110 is amended to read:

7 Sec. 21.06.110. DIRECTOR'S ANNUAL REPORT. As early in each
8 calendar year as is reasonably possible the director shall prepare and
9 deliver an annual report to the legislature and the commissioner,
10 showing, with respect to the preceding calendar year,

11 (1) a list of the authorized insurers transacting insurance
12 in Alaska, with such summary of their financial statement as the
13 director considers appropriate;

14 (2) the name of each insurer whose business was closed
15 during the year, the cause of the closing, and the amount of ascer-
16 tainable assets and liabilities of each closed business;

17 (3) the name of each insurer against which delinquency or
18 similar proceedings were instituted, and a concise statement of the
19 facts with respect to each proceeding and its present status;

20 (4) a statement in regard to examination of rating orga-
21 nizations, advisory organizations, joint underwriters, and joint
22 reinsurers as required by AS 21.39.120;

23 (5) the receipts and expenses of the division for the year;

24 (6) recommendations of the director as to amendments or
25 supplementation of laws affecting insurance, or the office of direc-
26 tor;

27 (7) a description of market assistance plans developed by
28 the division and their effectiveness in terms of promoting the avail-
29 ability of insurance in the state at affordable rates;

1 (8) a statistical summary of data about court awards for
2 damages and losses prepared under AS 21.06.105 and a comparison of
3 that data with similar data from other states;

4 (9) other pertinent information and matters the director
5 considers proper.

6 * Sec. 6. AS 21.09 is amended by adding a new section to read:

7 Sec. 21.09.205. REQUIREMENT OF RECORDING AND REPORTING. (a)
8 The director shall adopt regulations requiring insurers that are au-
9 thorized to write property and casualty insurance in the state to
10 annually record and report their Alaska loss and expense experiences
11 and other data, as required by (b) of this section.

12 (b) The annual report required by (a) of this section must
13 include information pertaining to both commercial and personal pol-
14 icies of property and casualty insurance written by the insurers. The
15 report must include the following data by insurer and the type of
16 insurance for the previous calendar year:

- 17 (1) direct premiums written;
18 (2) direct premiums earned;
19 (3) net investment income, including net realized capital
20 gains and losses, using appropriate estimates where necessary;
21 (4) dollar amount of claims closed with payments;
22 (5) reserves for reported claims at the end of the current
23 year;
24 (6) reserves for reported claims at the end of the previous
25 year;
26 (7) reserves for incurred but not reported claims at the
27 end of the current year;
28 (8) reserves for incurred but not reported claims at the
29 end of the previous year;

1 (9) reserves for loss adjustment expense at the end of the
2 current year;

3 (10) reserves for loss adjustment expense at the end of the
4 previous year;

5 (11) actual incurred expenses allocated separately to loss
6 adjustment, commissions, other acquisition costs, advertising, general
7 office expenses, taxes, licenses and fees, and all other expenses;

8 (12) net underwriting gain or loss;

9 (13) net operation gain or loss, including net investment
10 income;

11 (14) the number and dollar amount of claims closed with
12 payment, by year incurred and the amount reserved for them;

13 (15) the number of claims closed without payment and the
14 dollar amount reserved for those claims; and

15 (16) other information requested by the director.

16 (c) The report required under this section shall be included in
17 the annual statement required under AS 21.09.200.

18 * Sec. 7. AS 21 is amended by adding a new chapter to read:

19 CHAPTER 13. INTERSTATE REINSURANCE COMPACT.

20 Sec. 21.13.010. RATIFICATION OF COMPACT. The state ratifies and
21 approves the Interstate Reinsurance Compact described in AS 21.13.020.
22 The state shall adhere to the compact upon its ratification and ap-
23 proval by three or more other states, as that term is defined in the
24 compact.

25 Sec. 21.13.020. TERMS AND PROVISIONS OF COMPACT. The terms and
26 provisions of the compact referred to in AS 21.13.010 are as follows:

27 INTERSTATE REINSURANCE COMPACT

28 Article I

29 Whereas, the high cost or unavailability of general liability

1 insurance is a nationwide problem that demands a nationwide solution;
2 and

3 Whereas, many states individually do not have sufficient finan-
4 cial ability to furnish within their borders reinsurance coverage
5 capable of increasing the availability of insurance at rates that are
6 not excessive; and

7 Whereas, it is believed that the states, or a group of states,
8 cooperatively can provide an acceptable and efficient reinsurance
9 program to meet the needs of the insureds and insurers within their
10 jurisdictions;

11 Therefore, the states that are signatories to this compact agree
12 as follows:

13 Article II

14 Each of the compacting states pledges to each of the other com-
15 pacting states faithful cooperation in carrying out all the purposes
16 of this compact.

17 Article III

18 The compacting states hereby create the Interstate Reinsurance
19 Commission. The commission shall be an agency and a body corporate of
20 each compacting state. The commission shall have all the powers and
21 duties set out in this compact, including the power to sue and to be
22 sued and additional powers that may be conferred upon it by subsequent
23 action of the respective legislatures of the compacting states.

24 Article IV

25 (a) The commission consists of three resident members from each
26 compacting state. At all times one commissioner from each compacting
27 state must be the head of that state's agency that has chief respon-
28 sibility for regulating the insurance industry in that state.

29 (b) The commissioners from each state shall be appointed by the

1 governor of that state as provided by law in the state. A commis-
2 sioner may be removed or suspended from office as provided by the law
3 of the state from which the commissioner was appointed.

4 (c) The term of each commissioner is four years, except that of
5 the first three commissioners appointed, one shall be appointed for
6 two years, one for three years, and one for four years. A commis-
7 sioner holds office until a successor is appointed and qualified. If
8 an office becomes vacant for any reason, the governor shall appoint a
9 commissioner to fill the office for the remainder of the unexpired
10 term.

11 Article V

12 (a) Business transacted at a meeting of the commission must be
13 by affirmative vote of a majority of the whole number of compacting
14 states. One or more commissioners from a majority of the compacting
15 states constitutes a quorum for the transaction of business. Each
16 compacting state represented at any meeting of the commission is
17 entitled to one vote.

18 (b) The commission shall elect from its number a chairman and a
19 vice chairman, and may appoint committees from among its members. It
20 may also establish advisory committees it considers necessary for its
21 proper functioning.

22 (c) The commissioners shall serve without compensation, but
23 shall be reimbursed for their actual and necessary expenses from the
24 funds of the commission.

25 (d) The commission shall establish and maintain an office within
26 at least one of the compacting states for the transaction of its
27 business and may meet at any time, but must meet at least once a year.
28 The chairman may call additional meetings and, upon the request of a
29 majority of the commissioners of three or more compacting states,

1 shall call additional meetings.

2 Article VI

3 (a) The commission shall adopt procedures for proper operation
4 of the compact, including provisions for

5 (1) appointing an administrator and employing other persons
6 as necessary for the proper functioning of the commission;

7 (2) enforcing the collection of contributions or payments
8 in default from compacting states;

9 (3) adding new members to the compact or the withdrawal of
10 members from the compact, consistent with Articles XVI and XVII;

11 (4) transmitting financial statements and audit reports of
12 the commission to compacting states;

13 (5) terminating the commission and disposing of its assets;
14 and

15 (6) establishing and administering a reinsurance fund,
16 including procedures for determining each compacting state's respon-
17 sibility for contributing to the fund.

18 (b) The commission shall provide for an annual determination by
19 a casualty actuary who is a member of the American Academy of Actu-
20 aries that procedures for establishing reserves for losses of the
21 commission are actuarially sound.

22 (c) The commission and the reinsurance fund shall be subject to
23 an annual independent audit. The audit shall be conducted in accor-
24 dance with generally accepted auditing standards and must include a
25 review of the actuarial assumptions used for establishing the reserves
26 under (b) of this article. The audit report must include certifica-
27 tion from a casualty actuary who is a member of the American Academy
28 of Actuaries that the actuarial assumptions continue to be sound and
29 the level of the reserves are adequate.

1 (d) The commission shall use a method of accounting that con-
2 forms with generally accepted government accounting principles.

3 Article VII

4 (a) The commission shall establish a reinsurance fund. It
5 consists of

6 (1) money contributed to it by compacting states;

7 (2) premiums paid for reinsurance coverage; and

8 (3) money recovered under Article XII.

9 (b) Money in the fund may be used to make loans to reciprocal
10 insurers, cooperative insurers, and joint underwriting associations in
11 the compacting states; pay reinsurance claims under the reinsurance
12 coverage provided under this compact; and pay administrative expenses
13 of the commission that are necessary or appropriate to carry out the
14 purposes of this compact.

15 Article VIII

16 (a) Within 30 days after receiving an application by a manufac-
17 turer, service provider, a group or association representing manufac-
18 turers or service providers, a reciprocal insurer, or cooperative
19 insurer in a compacting state, the commission shall hold a hearing on
20 the availability and rate structures of adequate commercial general
21 liability insurance and other lines of liability and property insur-
22 ance for the applicant or members of the applicant group or associa-
23 tion.

24 (b) The commission may also hold a hearing on the availability
25 and rate structure of adequate commercial general liability insurance
26 and other lines of liability and property insurance after a finding by
27 the commission that the line of insurance has become unavailable or
28 that rates in the compacting states are excessive.

29 (c) If the commission determines that a line of insurance is

1 not, or will not be available at rates that are not excessive, the
2 commission may implement the provisions of Article IX.

3 Article IX

4 (a) After a determination of unavailability or excessive rates
5 under Article VIII, the commission may encourage and assist insurers
6 licensed to operate in the compacting states to join together in joint
7 underwriting associations for the purpose of assuming, on the terms
8 and conditions they agree to, a reasonable portion of responsibility
9 for the adjustment and payment of claims arising from product, ser-
10 vice, or operationally related property damage, injuries, disabili-
11 ties, illnesses, and deaths.

12 (b) Money from the joint underwriting associations established
13 under this article may be used only to pay claims resulting from
14 product, service, operations, or related actions in excess of amounts
15 that are established each year by the commission as capital and sur-
16 plus. The commission may establish different amounts for each insurer
17 or joint underwriting association based on the needs of the insureds
18 and joint underwriting association members, and other relevant fac-
19 tors.

20 (c) If the commission finds, after notice and hearing, that the
21 premiums charged by the insurers or joint underwriting associations
22 make the insurance from the joint underwriting associations unavail-
23 able or available at a rate excessive for manufacturers, service
24 providers or other entities, the commission may amend the terms and
25 conditions of reinsurance available under Article X to decrease the
26 premiums to be paid, approve loans from the reinsurance fund to joint
27 underwriting associations, or take other actions necessary or proper
28 to carry out the purposes of this compact.

29 Article X

1 (a) After a finding under Article IX of unavailability or avail-
2 ability only at excessive rates, the commission may take necessary
3 action to make reinsurance coverage available to the joint underwrit-
4 ing associations formed under Article IX or to reciprocal insurers or
5 cooperative insurers. The commission may also make reinsurance avail-
6 able directly to insurers that participate in joint underwriting
7 associations established under Article IX for the portion of their
8 business that is related to a line of insurance that the commission
9 determines under Article VIII is unavailable or available only at
10 excessive rates. Action authorized under this article includes the
11 authority to enter into a contract with a reciprocal insurer, coopera-
12 tive insurer, or joint underwriting association for reinsurance cover-
13 age based on a premium, fee, or other charge set by the commission,
14 and to approve loans from the reinsurance fund.

15 (b) The commission shall include in a contract or arrangement
16 under this article the terms the commission considers necessary to
17 carry out the purposes of this compact and to protect the funds loaned
18 or entrusted. The reinsurance may be subject to deductibles and other
19 restrictions and limitations determined by the commission to be pru-
20 dent. Premiums collected shall be paid into the reinsurance fund.

21 (c) The commission may not provide reinsurance under this arti-
22 cle to a manufacturer, service provider, insurer, or joint underwrit-
23 ing association that

24 (1) the commission determines to have assets below accept-
25 able limits of capital or surplus; or

26 (2) has not adopted reasonable protective measures to
27 prevent loss, consistent with standards adopted by the commission
28 under Article XI.

29 (d) Reinsurance offered under this article shall reimburse an

1 insurer or joint underwriting association for its total proved and
2 approved claims for covered losses resulting from product, service, or
3 operationally related property damage, injuries, disabilities, ill-
4 nesses, and deaths during the term of the reinsurance contract or
5 other agreement, above the amount of the insurer's or joint underwrit-
6 ing association's retention of the losses as provided in the reinsur-
7 ance contract.

8 (e) Reinsurance claims under this article shall be paid from the
9 fund established in Article VII within 90 days of receipt by the
10 commission of proof of loss.

11 (f) The commission may contract with a licensed insurer, agent,
12 broker, or insurance service organization to administer a program or
13 programs established under this compact, except that the commission
14 may not delegate the responsibilities described in Article VIII.

15 Article XI

16 (a) The commission shall ensure that programs operated under
17 this compact

18 (1) do not act as disincentives for improvements in product
19 safety, safe service delivery, or safe operating practices;

20 (2) promote product safety, safe service delivery, and safe
21 operating practices through the establishment of models and programs
22 for risk management and loss control that are agreed on by the commis-
23 sion, joint underwriting associations, insurers, and insureds and
24 approved by the commission as a prerequisite for eligibility for the
25 programs under this compact.

26 (b) A manufacturer, service provider, or other entity that
27 benefits from a program under this compact, shall agree that the
28 relevant product or service will remain available to the public during
29 the period in which the manufacturer, service provider, or other

1 entity participates in the programs.

2 (c) An insurer that benefits from programs under this compact
3 shall agree that premiums for insurance that is written during the
4 period in which the insurer or its insured manufacturer, service
5 provider, or other entity participates in the programs will be based
6 on an experience rate and will not be excessive when based on reason-
7 able assumptions and probabilities.

8 Article XII

9 (a) At the request of the commission, the attorney general of
10 the appropriate state shall bring an action in the appropriate court
11 to recover from a person the amount of an unpaid reinsurance premium
12 lawfully payable by the insurer to the commission or to the manager
13 selected under (f) of Article X.

14 (b) An action under this article must be brought within five
15 years of the date the right to payment accrued. If false or fraudu-
16 lent conduct warrants, the claim is not considered to have accrued
17 until its discovery.

18 (c) A recovery under this article shall be deposited in the
19 reinsurance fund.

20 Article XIII

21 The commission shall undertake studies of needs for insurance and
22 reinsurance in the compacting states, the resources for meeting the
23 needs, and the long-range effects of the compact on the availability
24 of insurance at rates that are not excessive; and from time to time
25 prepare comprehensive reports on this research for presentation to the
26 Council of State Governments and to the legislatures of the compacting
27 states. In conducting the studies, the commission may confer with any
28 national or regional planning body that may be established. The
29 commission shall draft and recommend to the governors of the various

1 compacting states, uniform legislation dealing with problems of insur-
2 ance availability in the compacting states.

3 Article XIV

4 The operating costs of the commission, including any assessments
5 made to cover claims, shall be apportioned among the compacting states
6 so that each state pays a percentage of the total costs that corres-
7 ponds to that state's percentage of the total population represented
8 by the compacting states.

9 Article XV

10 This compact shall become operative and binding immediately as to
11 the states adopting it whenever four or more states have adopted it
12 before July 1, 1987. This compact shall become effective as to any
13 additional states adopting it after July 1, 1987, at the time of their
14 adoption.

15 Article XVI

16 This compact may be terminated at any time by consent of a major-
17 ity of the compacting states. Consent shall be manifested by passage
18 and signature in the usual manner of legislation expressing consent by
19 the legislature and governor of the terminating state. A state may at
20 any time withdraw from this compact by means of appropriate legisla-
21 tion to that end. Withdrawal does not become effective until two
22 years after written notice by the governor of the withdrawing state
23 accompanied by a certified copy of the requisite legislative action is
24 received by the commission. Withdrawal does not relieve the withdraw-
25 ing state from its obligations under this compact accruing before the
26 effective date of withdrawal. The withdrawing state may rescind its
27 action of withdrawal at any time within the two-year period. After
28 this two-year period, the withdrawing state may be reinstated by
29 application to and the approval by a majority vote of the commission.

1 Sec. 21.36.210. LIMITS ON CANCELLATION. An insurer may not
2 cancel an insurance policy in this state except for nonpayment of
3 premium.

4 * Sec. 9. AS 21.36.220 is amended to read:

5 Sec. 21.36.220. NOTICE OF CANCELLATION. An insurer may not
6 exercise its right to cancel a policy [UNLESS A WRITTEN NOTICE OF
7 CANCELLATION IS MAILED OR DELIVERED TO THE NAMED INSURED, AT THE
8 ADDRESS SHOWN IN THE POLICY, AT LEAST 20 DAYS BEFORE THE EFFECTIVE
9 DATE OF CANCELLATION, EXCEPT THAT WHEN CANCELLATION IS] for nonpayment
10 of premium unless [THE] notice is [SHALL BE] mailed or delivered to
11 the named insured at the address shown in the policy at least 10 days
12 before the effective date of cancellation. The notice must [AND
13 SHALL] include or be accompanied by a statement of the reason for the
14 cancellation. This section does not apply to the failure to renew a
15 policy, except as to coverage in force for less than 12 months.

16 * Sec. 10. AS 21.36.240 is amended to read:

17 Sec. 21.36.240. FAILURE TO RENEW. An insurer may not fail to
18 renew a policy in force for less than 12 months. An insurer may not
19 fail to renew a policy in force for 12 months or more unless a written
20 notice of nonrenewal is mailed or delivered to the named insured, at
21 the address shown in the policy, and to the director at least 60 [20]
22 days before the expiration date of the policy, or of the anniversary
23 date of a policy written for a term longer than one year or with no
24 fixed expiration date. The notice must include a statement of the
25 reason for nonrenewal. This section does not apply

26 (1) if the insurer has in good faith manifested in any way
27 its willingness to renew;

28 (2) in case of nonpayment of premium for the expiring
29 policy; or

1 (3) if the insured fails to pay the premium as required by
2 the insurer for renewal.

3 * Sec. 11. AS 21.39 is amended by adding a new section to read:

4 Sec. 21.39.055. HEARINGS ON RATE INCREASES. (a) If, within the
5 waiting period specified in AS 21.39.040(d), the director finds that a
6 filing related to general commercial liability or property insurance
7 represents a 25 percent or greater increase in rates on file for that
8 type of insurance offered by the insurer or rating organization imme-
9 diately before the filing, the director shall send to the insurer or
10 rating organization written disapproval of the filing, stating that
11 the filing may not become effective until after a public hearing under
12 this section.

13 (b) The director shall hold a public hearing required by (a) of
14 this section within 45 days of receiving the filing upon not less than
15 15 days' written notice to the affected insurer or rating organiza-
16 tion.

17 (c) The director shall give public notice of a hearing held
18 under this section in a manner designed to reach persons or groups
19 that would be affected by the rate increase so that they may partici-
20 pate fully in the hearing.

21 (d) A rate filing subject to a hearing under this section be-
22 comes effective 10 days after the public hearing held under this
23 section unless disapproved by the director for failure to meet the
24 requirements of this chapter.

25 * Sec. 12. The first annual report required under AS 21.09.205, enacted
26 by sec. 6 of this Act, is due from each insurer covered under that section
27 by March 31, 1987. In addition, the data required under AS 21.09.205 shall
28 be reported by year in the same manner to the director of insurance for the
29 calendar years 1975 through 1985. This report is also due March 31, 1987.

1 * Sec. 13. In addition to the annual report required under AS 21.06.-
2 110, by the 10th day of the First Session of the Fifteenth Legislature, the
3 director of insurance shall report to the legislature concerning

4 (1) the extent to which commercial general liability and other
5 essential lines of liability and property insurance are readily available
6 at rates that are neither excessive nor inadequate for municipalities,
7 school districts, service providers, manufacturers, and other persons or
8 entities in the state;

9 (2) recommendations to the legislature for increased resources
10 or legislation needed to enable the division to effectively regulate the
11 insurance industry in this state and to promote the availability of general
12 liability and property insurance at rates that are neither excessive nor
13 inadequate.

14 * Sec. 14. The governor shall take appropriate action to encourage
15 other states to ratify the compact enacted in sec. 7 of this Act.

16 * Sec. 15. Sections 7 and 14 of this Act take effect immediately in
17 accordance with AS 01.10.070(c).