

HOUSE BILL NO. 238
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Introduced: 3/26/91

Referred: Labor & Commerce, Judiciary

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Medical Indemnity Corporation of Alaska; and providing for an
2 effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 09.55.560 is amended to read:

5 Sec. 09.55.560. **DEFINITIONS.** In AS 09.55.530 - 09.55.560,

6 (1) "health care provider" means an acupuncturist licensed under AS 08.06; an
7 audiologist licensed under AS 08.11; a chiropractor licensed under AS 08.20; a dental hygienist
8 licensed under AS 08.32; a dentist licensed under AS 08.36; a nurse licensed under AS 08.68;
9 a dispensing optician licensed under AS 08.71; a naturopath licensed under AS 08.45; an
10 optometrist licensed under AS 08.72; a pharmacist licensed under AS 08.80; a physical therapist
11 or occupational therapist licensed under AS 08.84; a physician licensed under AS 08.64; a
12 podiatrist; a psychologist and a psychological associate licensed under AS 08.86; and a hospital
13 as defined in AS 18.20.130, including a governmentally owned or operated hospital; [A
14 CORPORATE ENTITY COVERED UNDER AS 21.88.050(b)(11);] and an employee of a health

1 care provider acting within the course and scope of employment;

2 (2) "board" means an arbitration board established under AS 09.55.535;

3 (3) "panel" means an expert advisory panel established under AS 09.55.536.

4 * Sec. 2. AS 18.23.070(3) is amended to read:

5 (3) "health care provider" means an acupuncturist licensed under AS 08.06; a
6 chiropractor licensed under AS 08.20; a dental hygienist licensed under AS 08.32; a dentist
7 licensed under AS 08.36; a nurse licensed under AS 08.68; a dispensing optician licensed under
8 AS 08.71; an optometrist licensed under AS 08.72; a pharmacist licensed under AS 08.80; a
9 physical therapist or occupational therapist licensed under AS 08.84; a physician licensed under
10 AS 08.64; a podiatrist; a psychologist and a psychological associate licensed under AS 08.86; and
11 a hospital as defined in AS 18.20.130, including a governmentally owned or operated hospital;
12 [A CORPORATE ENTITY COVERED UNDER AS 21.88.050(b)(1);] and an employee of a
13 health care provider acting within the course and scope of employment;

14 * Sec. 3. AS 21.78.050 is amended to read:

15 Sec. 21.78.050. GROUNDS FOR LIQUIDATION. The director may apply to the court
16 for an order appointing the director as receiver, if an appointment of the director as receiver is
17 not then in effect, and directing the director to liquidate the business of a domestic insurer or of
18 the United States branch of an alien insurer having trusteed assets in this state, regardless of
19 whether or not there has been a prior order directing the director to rehabilitate the insurer, upon
20 any of the grounds specified in AS 21.78.040, or if the insurer

21 (1) has ceased transacting business for a period of one year; or

22 (2) is an insolvent insurer and has commenced voluntary liquidation or
23 dissolution, or attempts to commence or prosecute an action or proceeding to liquidate its
24 business or affairs, or to dissolve its corporate charter, or to procure the appointment of a
25 receiver, trustee, custodian or sequestrator under any law except this title [; OR

26 (3) IS THE MEDICAL INDEMNITY CORPORATION OF ALASKA, AND THE
27 DIRECTOR HAS ORDERED TERMINATION OF THE BUSINESS OF THE CORPORATION
28 IN ACCORDANCE WITH AS 21.88.055].

29 * Sec. 4. AS 21.88.030 is repealed and reenacted to read:

30 Sec. 21.88.030. LIABILITY OF A GOVERNOR, OFFICER, OR EMPLOYEE. A
31 governor, officer, or employee or former governor, officer, or employee of the corporation is not

1 liable for civil damages or a criminal fine by reason of the person's act or omission as a
2 governor, officer, or employee of the corporation, or by reason of the act or omission of the
3 corporation, the board of governors, officers, or employees unless (1) the person acts with actual
4 knowledge that the person was acting outside the scope of the person's authority, (2) at the time
5 of the act or omission the person was acting or failing to act for a purpose which the person
6 knew was not in the best interests of the corporation, or (3) with respect to a criminal act, the
7 person had actual knowledge or should have known the person's act was unlawful. If a claim
8 or action is brought against a person entitled to the protection of this section, the claim or action
9 will be defended by the state, except that the person shall reimburse the state for the cost to the
10 state of the person's defense if the provisions of (1), (2), or (3) of this section apply to the
11 person.

12 * Sec. 5. AS 21.88.095 is repealed and reenacted to read:

13 Sec. 21.88.095. PREMIUM TAX OFFSET. If the company to which the assets and
14 liabilities of the corporation are transferred does not write premiums for two consecutive years
15 that total less than 35 percent of all premiums written in the state for physicians' medical
16 malpractice insurance or does not write premiums for one calendar year that total less than 20
17 percent of all premiums written in the state for physicians' medical malpractice insurance, the
18 company may carry forward and offset against the company's premium tax liability to the state
19 the amount by which the aggregate claims paid on reinsurance assumed under the transfer
20 exceeds aggregate reserves on the same business established at the date of the transfer of the
21 assets and liabilities of the corporation.

22 * Sec. 6. AS 21.88.900 is repealed and reenacted to read:

23 Sec. 21.88.900. DEFINITION. In this chapter, "corporation" means the Medical
24 Indemnity Corporation of Alaska.

25 * Sec. 7. AS 37.05.146 is amended to read:

26 Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146
27 and AS 37.07.080 "program receipts" means fees, charges, income earned on assets, and other
28 state money received by a state agency in connection with the performance of its functions; all
29 program receipts except the following are general fund program receipts:

- 30 (1) federal receipts;
31 (2) University of Alaska receipts (AS 14.40.491);

1 (3) individual, foundation, or corporation gifts, grants, or bequests that by their
2 terms are restricted to a specific purpose;

3 (4) receipts of the following funds:

4 (A) highway working capital fund (AS 44.68.210);

5 (B) correctional industries fund (AS 33.32.020);

6 (C) loan funds;

7 (D) international airport revenue fund (AS 37.15.430);

8 (E) funds managed by the Alaska State Housing Authority (AS 18.55.020),
9 the Alaska Housing Finance Corporation (AS 18.56.020), [THE MEDICAL INDEMNITY
10 CORPORATION OF ALASKA (AS 21.88.020),] the Alaska Railroad Corporation
11 (AS 42.40.010), the Municipal Bond Bank Authority (AS 44.85.020), or the Alaska
12 Industrial Development and Export Authority (AS 44.88.020);

13 (F) fish and game fund (AS 16.05.100);

14 (G) school fund (AS 43.50.140);

15 (H) training and building fund (AS 23.20.130);

16 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and
17 former AS 39.37);

18 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);

19 (K) public school trust (AS 37.14.110);

20 (L) second injury fund (AS 23.30.040);

21 (M) fishermen's fund (AS 23.35.060);

22 (N) FICA administration fund (AS 39.30.050).

23 * Sec. 8. AS 21.88.010, 21.88.020, 21.88.040, 21.88.050, 21.88.055, 21.88.060, 21.88.070, 21.88.080,
24 21.88.090, and 21.88.210 are repealed.

25 * Sec. 9. This Act takes effect January 1, 1992.