

HB

5588

COMMITTEE REPORT

1/14/76

HOUSE

JUDICIARY

Mr. Speaker:

Date

1/23/76

The Committee on COMMERCE has had HB 558

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

F. J. ... _____
... _____
... _____
... _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends

_____ recommends:

_____ recommends:

... Chairman

R. E. ROBERTSON (1885-1961)
F. O. EASTAUGH
J. B. BRADLEY
W. G. RUDDY
L. B. JACOBSON
R. B. BAKER (ANCHORAGE)
M. T. THOMAS
L. J. BARKER (ANCHORAGE)
J. F. CLARK
P. M. HOFFMAN
J. P. TANGEN
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PLEASE REPLY TO

JUNEAU OFFICE

ANCHORAGE OFFICE

A PROFESSIONAL CORPORATION

 January 28, 1976

The Honorable Robert Bradley
Chairman
House Commerce Committee
Room 628, New Court Building
Juneau, Alaska 99801

Re: House Bill 558

Dear Representative Bradley:

On behalf of the American Life Insurance Association, I am writing to advise you of the Association's position regarding the above legislation. The following amended language is suggested in order to bring the appropriate sections of the bill into conformity with the 1971 Commissioners' Model Fair Trade Practices, found in the 1972 NAIC Proceedings at pages 444, 495, 498, A513 and 515.

Sec. 21.36.125, page 4, introductory language to be amended as follows:

Sec. 21.36.125. UNFAIR CLAIM SETTLEMENT PRACTICES. No person may commit or perform with such frequency as to indicate a general business practice any of the following acts or practices:

The reasoning behind the suggested rewording being that it is felt some allowance should be made for innocent violations.

Representative Robert Bradley
Re: House Bill 558
January 28, 1976
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Sec. 21.36.320(d), page 7, to be amended as follows:

Reduction of proposed penalty to \$1,000 and addition of "but not to exceed an aggregate penalty of \$10,000."

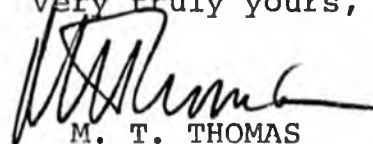
Sec. 21.36.320(e), page 7, to be amended as follows:

Reduction of proposed additional penalty to \$4,000 and addition of "but not to exceed an aggregate penalty of \$50,000, in any six month period."

The basis for the proposed penalty changes is that a fine of an astronomical amount for one advertisement could literally put a small company out of business.

We would appreciate your careful consideration of the suggested amending language. If you should need additional information or I could be of further assistance regarding the subject legislation, please contact me.

Very truly yours,



M. T. THOMAS

MTT:kh