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COMMITTEE REPORT

HOUSE

4/2

FURTHER:

*Ruler*

(5)

3/22/82

Date:

4-2-81

Mr. Speaker:

The Committee on LABOR & COMMERCE has had SB 831

"An Act relating to insurance policies and contracts."

under consideration and ~~(a majority of the committee)~~ ~~(the committee)~~ reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note *Supp/35*
- reports it back without recommendation *zero*
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING

~~DO PASS~~

*Don Rogge*

*Terry Martin*

*Ed Bylsma*

*Bill Kaulbach*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING

OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Terry Martin*

CHAIRMAN

COMMITTEE REPORT

HOUSE

4/21  
Ruler

(11)

FURTHER:

4/12/82

Date: 4-21-82

Mr. Speaker: (Taken from Rules and referred to Finance 4/12/82)

The Committee on FINANCE has had SB 831

"An Act relating to insurance policies and contracts."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>H</sup>CS for SB 831 (L+C)  same title
- and recommends do pass w/amendment  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation zero
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Jim Fuller

Hansen

R. Britton

John...

Robert...

Joseph...

Montgomery

Quinton...

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

David Luddy no rec

Jim Ort none

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

August H. Adams  
CHAIRMAN

AMENDED TITLE:  
AN ACT RELATING TO INSURANCE POLICIES AND CONTRACTS

PRIME SPONSOR: SENATE LABOR&COMM COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 4/12/82 IN (H) FINANCE

SB 831 SENATE ACTION 12:23 4/21/82 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/04/82	01	0454	FIRST READING -- COMMITTEE REPORTS
03/18/82	02	0605	L&C -- DP04
03/22/82	03	0638	RLS -- OTHER03 TAKEN UP IMMEDIATELY
03/22/82	04	0643	SECOND READING
03/22/82	05	0643	ADVANCED TO 3RD READING BY UNAN CONSENT
03/22/82	06	0643	THIRD READING
03/22/82	07	0643	PASSED BY DIV 16-00-04
****	**	**	*** ** *

SB 831 HOUSE ACTION 12:24 4/21/82 PAGE 3 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/22/82	08	0885	FIRST READING -- COMMITTEE REPORTS
04/02/82	09	1124	L&C -- CS04
04/02/82	10	1048	F/NOTE EQUALS ZERO
04/12/82	11	1252	MOVED FROM RLS TO FIN BY UNAN CONSENT FINANCE RULES
****	**	**	*** ** *

COMMITTEE REPORTS (House)

Child Care Workers  
(exempt. from Wage & Hour Act)  
COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 552 (FIN), (see pp. 477;529;546). Reported back to the House on April 7 by Labor & Commerce with the committee recommending as follows: Martin (Chmn.) signed do pass. Roger and Randolph signed no recommendation. To Finance.

Regional Resource Centers  
SENATE BILL NO. 603 (AMENDED), (see pages 140;485;529;546). Reported back to the House on April 7 by Health, Education & Social Services with a majority of the committee recommending it do pass. Signing do pass: Zeirne (Chmn.), Smith and Cato. Signing no recommendation: Martin. To Judiciary.

Appropriation Transfer  
(Nenana-Totchaket agric. project)  
COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 702 (FIN), (see pages 126;195;566;573;578). Reported back to the House on April 5 by Resources with the committee recommending it be replaced with SUBSTITUTE and a majority recommending it do pass. Signing do pass: Sutcliffe (Chmn.), Barnes, Halford and Grussendorf. To Finance.

House Resources version decreases by \$256,370 the amount of money transferred to the Nenana-Totchaket project. Amount transferred would be \$1,622,800 under the Resources SUBSTITUTE. Does not reduce the FY 82 allocation for survey and disposal for the Delta II agriculture project (Senate version reduced it from \$699,100 to \$442,730).

Appropriation (special)  
(mining film)  
(Arctic Winter Games)  
COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 746 (FIN), (see pages 183;374;423;508). Reported back to the House on April 6 by Labor & Commerce with the committee recommending as follows: Martin (Chmn.) signed do pass. Randolph and Bylana signed no recommendation. To Finance.

Insurance Contracts  
(issuance of)  
SENATE BILL NO. 831, (see pages 367;480;530;547;604). A corrected committee report was read on April 6. As reported out of Labor and Commerce on April 2, the report should have been that the committee recommended the bill be replaced with a SUBSTITUTE and that it do pass. Signing do pass: Martin (Chmn.), Rogers, Bylana and Randolph.

The Labor & Commerce SUBSTITUTE includes provisions identical to those in SB 878, page 554, relating to insurance requirements on state construction contracts.

Homesteading on State Land  
HOUSE BILL NO. 2, (see page 435). Reported back to the House on April 6 by Finance with the committee recommending it be replaced with SUBSTITUTE and with individual recommendations. Adams (Chmn.), Meekins, Fuller and Montgomery signed no recommendation. Cuddy signed "piggy back bill, do not pass." Chuckwuk signed do not pass. Bettisworth and Hurlbert signed do pass. To Rules.

SUBSTITUTE makes no changes to homestead program proposed in bill, but adds several new sections:

New Sec. 9 amends AS 38.05.180 (Oil and Gas Leasing) by adding a new subsection which directs the Commissioner of Natural Resources to

Public Vend-  
Facilities

COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 778 (SA)(AMENDED), (see page 241;553;633;692). Reported back to the House on April 21 by Health, Education & Social Services with the committee recommending it be replaced with House HESS SUBSTITUTE and as follows: Beirne (Chmn.) and Cato signed do pass; Martin and Smith signed no recommendation. To Rules.

The House HESS CS makes several changes to the bill. New law on vending facilities (AS 23.15.132) is changed to make the Commissioner of Education responsible for approving new facilities (previous version granted this authority to the Director of Vocational Rehabilitation). Also, applies only to "public property that is under the jurisdiction of the state" rather than to "property of the state or a political subdivision of the state." New law establishing the Committee of Vendors is changed to include only blind vendors.

Adds new Sec. 4 which amends AS 23.15.180, "Hearings," by adding "(b) A blind person or severely handicapped person aggrieved by a decision or action of the agency under AS 23.15.133 - 23.15.135 [vending facilities & licensing of vendors] shall receive a hearing on request in accordance with the Administrative Procedure Act . . . A blind person may also file a complaint in accordance with 20 U.S.C. sec. 107d-1 for arbitration of a grievance." Also adds new Sec. 5 which makes technical amendments to the definition of "licensee."

Makes further changes to the definition of "vending facility" in AS 23.15.210(12). Items sold in the facilities must be sold "to the general public" and adds that the definition specifically excludes "a facility in a hospital, school, or other institution where food or other articles are offered for sale only to patients, inmates, and persons enrolled in or employed by the institution." Rewords new definition of "active participation." Repeals AS 23.15.100(b)(5) (power of the Div. of Voc. Rehab. to license vendors, granting preference to blind persons) and adds that language to AS 23.15.100(a) (duty of the Div. of Voc. Rehab. to license vendors, granting preference to blind persons).

Adds new AS 23.15.134, "Active Participation by Severely Handicapped Licensees." Seeks to ensure active participation of severely handicapped vendors in the administration of vending facilities operated by severely handicapped licensees. Requires that the opportunity for active participation be at least as extensive as the opportunity afforded to blind vendors by the Committee of Blind Vendors.

Insurance  
Contracts  
(issuance of)

SENATE BILL NO. 831, (see pages 367;480;530;547;604;641;719). Reported back to the House on April 21 by Finance with the committee recommending it be replaced with the Labor & Commerce HCS with an amendment and a majority recommending it do pass. Signing do pass: Adams (Chmn.), Fuller, Haugen, Bettisworth, Hurlbert, Carney, Chuckwuk and Montgomery. Signing no recommendation: Cuddy and Cotten. To Rules.

The Finance amendment adds a new Sec. 2 to read:

COMMITTEE REPORTS (House)

SB 831 (cont'd)

\* Sec. 2. AS 21.54 is amended by adding a new section to read:

Sec. 21.54.055. DISCLOSURE OF EMPLOYEE CLAIMS PROHIBITED. An insurer providing employee group or blanket disability insurance to an employer or to trustees of a fund established by an employer may not disclose an employee's claim unless the employee authorizes the disclosure in writing.

RENUMBER REMAINING SECTIONS.

Life Ins. Policy Loans  
(int. rate & reinstatement) COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 841 (L&C), (see pp. 401;628;687). Reported back to the House on April 22 by Labor & Commerce with the committee recommending as follows: Martir (Chmn.) and Bylsma signed no recommendation; Randolph signed do pass. To Judiciary.

Blue Ribbon Commis. on State Personnel Act  
(extending) SENATE CONCURRENT RESOLUTION NO. 44, (see pages 369;569;684;691). Reported back to the House on April 19 by State Affairs with the committee recommending as follows: Metcalfe (Chmn.) and Fanning signed no recommendation; Brown and Abood signed do pass. To Finance.

N. Pacific Chinook Salmon COMMITTEE SUBST. FOR SENATE JOINT RESOLUTION NO. 70 (RES), (see pages 261;485;527;530;547;692). Reported back to the House on April 20 by Resources with the committee recommending it be replaced with House Resources CS and a majority recommending it do pass. Signing do pass. Sutcliffe (Co-Chmn.), Barnes, Grussendorf and Fanning. To Rules.

The House Resources CS makes several revisions to the preamble, adding seven new paragraphs and rewording the existing paragraphs. Makes substantial changes to the Resolved clauses: Requests the N. Pacific Fishery Management Council (NPFMC) and the Alaska Board of Fisheries to direct the National Marine Fisheries Service, Alaska Region, and the Alaska Dept. of Fish and Game to manage the Yakutat-Southeast Alaska chinook salmon fishery at the 1980 optimum yield range; requests the President of the United States to direct the Secretary of Commerce to disapprove any amendments or modifications to the fishery management plan submitted by the NPFMC if the amendments would reduce the harvest of chinook salmon below the 1981 [1980] level; requests the Department of State to "move toward a speedy resolution of the United States-Canada salmon interception issues" (original directed this request to the President). Adds new paragraphs which request the Chairman of the Alaska Board of Fisheries to reconvene the Board of Fisheries to reinstitute the optimum yield of chinook salmon in the Yakutat-Southeast Alaska region at the 1980 level, and to direct the members of the Alaska Congressional delegation to work with the Oregon and Washington Congressional delegations to ensure that a successful plan is

INTRODUCTION OF BILLS (Senate)

SSSB 778 (cont'd)

Adds section which amends the definition of "Licensee" in AS 23.15.210(10). Further amends definition of "public property" to include "real or personal property owned or leased by the state, or federal government, an agency of the state or federal government, or a political subdivision of the state or federal government." (References to federal property added; "real or personal" added.)

Adds definition of "active participation" to mean a substantive ongoing process of negotiations between the Div. of Voc. Rehab. and the Committee of Blind Vendors to accomplish certain objectives, with the Commissioner of Education having final administrative responsibility.

Introduced March 29 and referred to State Affairs.

State Construction Contracts (insurance)

SENATE BILL NO. 878, by the Rules Committee by request of the Administrative Regulation Review Committee. Adds new Chapter 94, "Miscellaneous Provisions" to AS 36, "Public Contracts." Would prohibit the state, when awarding state construction contracts, from requiring a contractor to obtain insurance from a particular insurer, agent, or broker. Would also prohibit the state from agreeing to provide insurance to a contractor who is awarded a contract. Would apply to all state agencies, including Legislature and Judicial System and such agencies as the Alaska P Authority, the University of Alaska, and the Alaska State Housing Authority. Effective immediately.

Introduced March 29 and referred to State Affairs and Transportation.

Business Lic. Tax (exempting sales of cap. assets)

SENATE BILL NO. 879, by the Rules Committee by request of the Administrative Regulation Review Committee. Would exempt gross receipts from the sale of a capital asset from the business license tax that was in effect until 1978. Exemption would be retroactive until July 1, 1972. Defines "capital asset" as all property of a business except (1) property held for resale in the normal course of business; or (2) accounts and notes receivable.

The business license tax (AS 43.70) levied a .5% tax on gross receipts in excess of \$20,000, except that all gross volume in excess of \$10,000 was taxed at the rate of .25%. The license fee is currently \$25 a year for all businesses except banks. Effective immediately.

Introduced March 29 and referred to Community & Regional Affairs and Finance.

Royalty Oil Contract (Doyon, Ltd.)

SENATE BILL NO. 880, by the Rules Committee by request of the Governor. Would approve and ratify a contract for the sale of state royalty oil to Doyon, Ltd. The contract, dated February 26, 1982 and referred to as "Doyon I," provides that it is void if Doyon, Ltd. or its assignee purchases or gains a controlling interest in either the Mapco Alaska refinery or the royalty oil contract with Mapco Alaska by May 1, 1982. A copy of the contract,

HOUSE JOURNAL

AMENDMENT

OFFERED IN THE HOUSE

BY: FINANCE COMMITTEE

TO: HCSSB 831 (I&C)

PAGE 1, LINE 16 ADD A NEW SECTION 2:

\* Sec. 2. AS 21.54 is amended by adding a new section to read:

Sec. 21.54.055. DISCLOSURE OF EMPLOYEE CLAIMS PROHIBITED. An insurer providing employee group or blanket disability insurance to an employer or to trustees of a fund established by an employer may not disclose an employee's claim unless the employee authorizes the disclosure in writing.

RENUMBER REMAINING SECTIONS.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS for S.B. 831 and SB 878  
 Title An Act relating to Insurance  
 Requested by Labor & Commerce Date 4/17/82

II. FISCAL DETAIL

Department of Commerce, Alaska Power Authority  
 Agency Affected Department of Administration, Div. of Risk Management  
 Program Category Affected Alaska Power Authority, Division of Risk Management  
 BRU, Program, Or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER (Specify Source)		0				
		0				

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		NONE				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE 4/17/82 PREPARED BY House Finance Committee  
 AGENCY \_\_\_\_\_

Original: Legislative Finance PHONE \_\_\_\_\_  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Al Adams, Chair  
 House Finance Committee

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 831  
 Title An act relating to Insurance Policies and Contracts  
 Requested by Labor and Commerce Committee Date 3/4/82

II. FISCAL DETAIL

Agency Affected: Division of Insurance  
 Program Category Affected Public Protection  
 BRU, Program, Or Subprogram(s) Affected Division Insurance  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	0					
200 TRAVEL	0					
300 CONTRACTUAL	0					
400 COMMODITIES	0					
500 EQUIPMENT	0					
600 LAND & STRUCTURES	0					
700 GRANTS, CLAIMS, ETC.	0					
<b>TOTAL</b>	<b>0</b>					

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER (Specify Source)	0					

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	0					
PART TIME	0					
TEMPORARY	0					

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE March 15, 1982 PREPARED BY Kenneth C. Moore, Div. of Insurance  
AGENCY Commerce & Economic Development  
 Original: Legislative Finance PHONE 465-2515  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)