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# COMMITTEE REPORT

## SENATE

FURTHER:

Date: 1974 12 19

Mr. President:

The Committee on Education and the Arts has had 10/28

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)  same title
- replace with CS for \_\_\_\_\_  new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
CHAIRMAN



FILE WITH HB 48

ALASKA STATE LEGISLATURE - SENATE

SENATOR RICHARD I. ELIASON

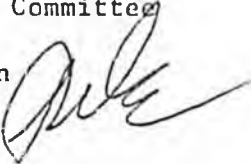
LABOR AND COMMERCE COMMITTEE, CHAIRMAN  
RESOURCES COMMITTEE  
JUDICIARY COMMITTEE  
FISHERIES SUB-COMMITTEE



P. O. BOX 143  
SITKA, ALASKA 99833  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4916

MEMORANDUM

TO: Sen. Bill Ray, Chair  
Senate Judiciary Committee

FROM: Sen. Dick Eliason 

DATE: May 27, 1983

RE: HB 48 --- "An Act repealing certain insurance laws."

As requested, I reviewed the above-referenced bill and I am now reporting my findings to you.

House Bill 48, introduced by Rep. Terry Martin, repeals the countersignature law which requires that an insurer policy issued for delivery in Alaska or covering a subject in Alaska be signed by a licensed resident Alaska insurance agent. The law was originally intended as a protective measure for Alaska insurance agents and brokers, to give them an advantage over their nonresident counterparts.

However, the law has not worked as expected. It tends to impede the orderly flow of business and delays delivery to the policyholder of those policies affected. Some nonresident agents and brokers legally circumvent the law through the use of a contract with a resident agent, a power of attorney and a facsimile signature. Repeal of this law will not reduce protection of the public.

HB 48: An Act repealing certain insurance laws.

The Administration supports this bill. This bill repeals the countersignature law which requires that an insurance policy issued for delivery in Alaska or covering a subject in Alaska be signed by a licensed resident Alaska insurance agent. The law was originally intended as a protective measure for Alaska insurance agents and brokers, to give them an advantage over their nonresident counterparts. The law has not worked as expected. It tends to impede the orderly flow of business and delays delivery to the policyholder of those policies affected. Some nonresident agents and brokers legally circumvent the law through the use of a contract with a resident agent, a power of attorney and a facsimile signature. Repeal of this law will not reduce protection of the public.



Richard A. Lyon, Commissioner

DATE: \_\_\_\_\_

5/16/83

21.09.220 DOCUMENT= 1 OF 1 PAGE = 1 OF 2  
CHAPTER = 21.09  
SECTION = 21.09.220  
TITLE = 21

SINGS TITLE 21.  
INSURANCE.  
CHAPTER 09.  
AUTHORIZATION OF INSURERS AND GENERAL REQUIREMENTS.  
SECTION SEC. 21.09.220.  
CH LINE

COUNTER SIGNATURE BY RESIDENT AGENT - APPLICATION OF TITLE.  
NO COMPANY, ASSOCIATION, RECIPROCAL EXCHANGE, PERSON OR PERSONS  
AUTHORIZED TO TRANSACT INSURANCE OR OFFER INDEMNITY CONTRACTS IN  
THIS STATE EXCEPTING RECIPROCAL MUTUALS ORGANIZED UNDER THE LAWS  
OF THIS STATE AND LIFE INSURANCE COMPANIES OR LIFE INSURANCE  
CONTRACTS AND HEALTH AND ACCIDENT CONTRACTS AND ANNUITY CONTRACTS  
WRITTEN THEREIN, MAY MAKE, WRITE, PLACE OR CAUSE TO BE MADE,  
WRITTEN OR PLACED, A POLICY OR CONTRACT OF INSURANCE OR INDEMNITY  
OF ANY KIND OR CHARACTER, OR A GENERAL OR FLOATING POLICY  
COVERING RISKS ON PROPERTY LOCATED IN THE STATE, LIABILITY  
CREATED BY OR ACCRUING UNDER THE LAWS OF THIS STATE, OR  
UNDERTAKINGS TO BE PERFORMED IN THIS STATE, EXCEPT THROUGH THEIR  
LICENSED RESIDENT INSURANCE AGENTS, WHO SHALL COUNTERSIGN ALL  
POLICIES, RIDERS AND ENDORSEMENTS OR INDEMNITY CONTRACTS SO  
ISSUED AND COLLECT THE PREMIUMS, OR SEE TO THEIR COLLECTION IN  
DUE COURSE, AND WHO SHALL KEEP A RECORD OF THE SAME. THE RECORD  
SHALL CONTAIN THE USUAL AND CUSTOMARY INFORMATION CONCERNING THE  
RISK UNDERTAKEN, INCLUDING THE FULL PREMIUM PAID OR TO BE PAID,  
TO THE END THAT THE STATE MAY RECEIVE THE TAXES REQUIRED BY LAW

21.09.220 DOCUMENT= 1 OF 1 PAGE = 2 OF 2  
TO BE PAID ON PREMIUMS COLLECTED FOR INSURANCE ON PROPERTY OR  
UNDERTAKINGS LOCATED IN THIS STATE. NO AGENT SHALL PAY OR  
FORWARD A PREMIUM OR APPLICATION FOR INSURANCE OR IN ANY MANNER  
SECURE, HELP OR AID IN THE PLACING OF INSURANCE, OR EFFECT A  
CONTRACT OF INSURANCE OR INDEMNITY UPON PROPERTY, LIABILITY OR  
UNDERTAKINGS LOCATED IN THIS STATE WITH AN INSURER WHICH IS NOT  
AUTHORIZED TO TRANSACT ITS BUSINESS IN THIS STATE; EXCEPT THAT IF  
TWO OR MORE INSURERS ISSUE A SINGLE POLICY OF INSURANCE, THE  
POLICY MAY BE COUNTERSIGNED ON BEHALF OF ALL INSURERS APPEARING  
ON IT BY A LICENSED AGENT, RESIDENT OF THE STATE, OR ANY ONE OF  
THE INSURERS. THE PRACTICE OF SIGNING POLICIES IN BLANK IS  
LIKEWISE PROHIBITED.

TORY (SEC. 1 CH 120 SLA 1966)

.09.230 DOCUMENT= 1 OF 1 PAGE = 1 OF 2  
CHAPTER = 21.09  
SECTION = 21.09.230  
TITLE = 21

INGS TITLE 21.  
INSURANCE.  
CHAPTER 09.  
AUTHORIZATION OF INSURERS AND GENERAL REQUIREMENTS.  
TION SEC. 21.09.230.

CH LINE

EXCEPTION.

NOTHING CONTAINED IN SEC. 220 OF THIS CHAPTER SHALL BE CONSTRUED AS PREVENTING THE FREE AND UNLIMITED RIGHT TO NEGOTIATE WHOLLY OUTSIDE THIS STATE CONTRACTS OF INSURANCE BY LICENSED NONRESIDENT AGENTS AND BROKERS, PROVIDED THE POLICIES, DAILIES, ENDORSEMENTS OR EVIDENCE OF THE CONTRACTS COVERING PROPERTIES OR INSURABLE INTERESTS IN THIS STATE ARE COUNTERSIGNED BY THE RESIDENT AGENT OF THIS STATE, IN WHICH EVENT THE COUNTERSIGNING AGENT SHALL RECEIVE A COMMISSION OF NOT LESS THAN FIVE PER CENT OF THE PREMIUM PAID; PROVIDED, HOWEVER, THAT THE COUNTERSIGNING COMMISSION MAY NOT EXCEED ONE-HALF OF THE TOTAL COMMISSION AND PROVIDED FURTHER THAT FOR COUNTERSIGNING THESE INSURANCE POLICIES THE RESIDENT AGENT SHALL NOT BE PAID MORE THAN \$50 NOR LESS THAN \$1 FOR COUNTERSIGNING A POLICY OR BOND; AND PROVIDED FURTHER, THAT IF THE LICENSED NONRESIDENT AGENT OR BROKER OR THE INSURER ASSUMING THE RISK DESIRES THE RESIDENT AGENT TO RENDER ADDITIONAL SERVICES DURING THE LIFE OF A POLICY THE COMPENSATION TO BE PAID TO THE COUNTERSIGNING AGENT SHALL BE A MATTER OF CONTRACT BETWEEN THE PARTIES IN INTEREST. SECTIONS 220 - 250 OF THIS CHAPTER DO

.09.230 DOCUMENT= 1 OF 1 PAGE = 2 OF 2  
NOT APPLY TO THE FOLLOWING CONTRACTS:

(1) POLICIES COVERING PROPERTY RECEIVED FOR SHIPMENT OR DELIVERY, OR IN TRANSIT WHILE IN POSSESSION OR CUSTODY OF A COMMON CARRIER, OR THE ROLLING STOCK, VESSELS, AIRCRAFT, OR OTHER PROPERTY OF A COMMON CARRIER USED AND EMPLOYED BY IT IN INTERSTATE OR FOREIGN COMMERCE, OR INSURANCE OF AIRCRAFT OWNED OR OPERATED BY MANUFACTURERS OF AIRCRAFT;

(2) POLICIES ISSUED BY INSURERS NOT USING AGENTS IN THE GENERAL SOLICITATION OF BUSINESS;

(3) CONTRACTS OF REINSURANCE OR RETROCESSIONS MADE BY AND FOR ADMITTED COMPANIES;

(4) CONTRACTS OF LIFE AND DISABILITY INSURANCE AND ANNUITY CONTRACTS;

(5) CONTRACTS OF TITLE INSURANCE;

(6) BID BONDS ISSUED IN CONNECTION WITH A PUBLIC OR PRIVATE CONTRACT;

(7) WET MARINE AND TRANSPORTATION INSURANCES.

FOR (SEC. 1 CH 120 SLA 1966)

01 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

.09.240 DOCUMENT= 1 OF 1 PAGE = 1 OF 1  
CHAPTER = 21.09  
SECTION = 21.09.240  
TITLE = 21

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INSURANCE.  
CHAPTER 09.  
AUTHORIZATION OF INSURERS AND GENERAL REQUIREMENTS.  
TION SEC. 21.09.240.

CH LINE

AFFIDAVIT ATTACHED TO ANNUAL STATEMENT.

AT THE TIME THE ANNUAL STATEMENT OF EVERY SUCH COMPANY IS FILED WITH THE DIRECTOR THERE SHALL BE ATTACHED TO IT AN AFFIDAVIT OF THE PRESIDENT, MANAGER OR CHIEF EXECUTIVE OFFICER IN THE UNITED STATES STATING THAT SECS. 220 - 250 OF THIS CHAPTER HAVE NOT BEEN VIOLATED.

FOR (SEC. 1 CH 120 SLA 1966)

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HR 48  
Title An act repealing certain insurance laws  
Requested by Martin Date 1/16/83

II. FISCAL DETAIL

Agency Affected Division of Insurance  
Program Category Affected PUBLIC PROTECTION  
ERU, Program, Or Subprogram(s) Affected DIVISION OF 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE January 25, 1983 PREPARED BY Kenneth E. Moore, Div of Insurance

AGENCY Commerce & Economic Development

Original: Legislative Finance PHONE 465-2515

cc: Budget and Management

Prime Sponsor (First Legislator Named)

32-001 (Rev. )