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Chairman's Information:

1) CSHB 80(L&C): "An act relating to insurance fees and licenses; and providing for an effective date."

a) Introduced: Governor

b) Co-Sponsors:

2) INTENT: This legislation provides authority for the Division of Insurance to set fees by regulation, to more adequately reflect the actual costs to the division for licensure.

FISCAL NOTE: none

3) ADDITIONAL REFERRALS: Finance and Rules

4) PUBLIC HEARINGS:

a) Sponsor:

b) Public witnesses:

5) BILL ACTION:

a) Hold in committee?

b) Assign to sub committee for further review?

c) Move from Committee?

d) close public hearings?

6) COMMITTEE ACTION:

a) amendments?

b) CS adoption?



Official Business

Alaska State Legislature

Senate

Committee on Labor & Commerce

Pouch V
State Capitol
Juneau, Alaska 99811

CSHB 80 (L&C): Summary

This legislation provides authority for the Division of Insurance to set fees by regulation. Most of the current fees were set by statute in 1966 and this bill will increase fees to more adequately reflect the actual cost to the division of insurance. Fees may be collected for, but are not limited to, applications, examinations, licenses, license renewals, certificates of authority, service of process, printed or photocopied material, and postage.

APR 15 1985

April 11, 1985

Senator Fred F. Zharoff
Alaska State Legislator
Pouch V (MS 3100)
Juneau, Ak. 99811

RE: HB 80 (L&C)

Dear Sir:

We would like to request your assistance with regards to a provision of HB 80, a bill relating to insurance fees and licenses that past the House.

The Insurance Agents in Fairbanks and myself object to a provision of the bill that starts on line 22, which is the repeal of Sec. 2 AS 21.06.250, FEES AND LICENSES.

We feel that most Agents in State, if they were aware, would object to it. While we have no differences with our current Director of Insurance, we have in the past and could again in the future have serious differences with a Director.

We feel it would be unwise and is unnessessary to let a Director be the sole authority for setting license fees. It is our believe that Agents would be better able to fight an unjust fee in the Legislator.

Please use your influence to delete that portion of HB 80.

Thank you.

Respectfully,

Gordon E. DeFue

Letters: Objecting to provision
allowing Dir. of Insurance to
set fees

APR 10 1985



DALE E. YODER, C.L.U.
P.O. BOX 529, FAIRBANKS, ALASKA 99707
(907) 456-4803



April 12, 1985

Senator Fred F. Zharoff
Alaska State Legislature
Pouch V
Juneau, AK 99811

RE: HB 20 (Lic.)

Dear Senator Zharoff:

This bill leaves insurance and license fees that could be charged up to the Director of Insurance. An unfriendly Director to the industry could charge several hundred dollars to renew an agents license.

We would rather leave the law as it is, where the legislature approves fees, the Director recommends if such fees are just and reasonable.

Thank you for listening to my position on this bill.

Sincerely,

Dale E. Yoder
Dale E. Yoder, CLU

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(L&C)

GENERAL AGENT
TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY

*Fred F. Zharoff
Sen. V
Juneau, Alaska*

FAIRBANKS ASSOCIATION OF LIFE UNDERWRITERS
P.O. Box 2436
Fairbanks, Ak. 99707

April 15, 1985

Sen. Fred F. Zharoff
Alaska State Legislature
Pouch V (MS 2000)
Juneau, Ak. 99811

RE: HB 80 (C & L)

Dear Sir:

I am writing to you on behalf of the Fairbanks Association of Life Underwriters and respectfully request your assistance regarding a provision of HB 80, a bill relating to insurance fees and licenses,

Our members, including myself, object to the provision of the bill which deals with FEES and LICENSES, repeal of Sec. 2 AS 21.06.250.

Even though we have no differences with our present Director of Insurance, we very well could have serious problems with a future Director, as we have had in the past.

We feel it would be unwise and is unnecessary to let a Director be the sole authority for setting license fees.

It is our believe that Agents would be better able to fight an unjust fee in the Legislature.

On behalf of our Association I urge you to use your influence to delete that portion of HB 80, starting on line 22.

Thank you.

Respectfully,

Elfriede F. Eldridge

Elfriede F. Eldridge
President

CSHB 80 (L&C)

THIS LEGISLATION PROVIDES AUTHORITY FOR THE DIVISION OF INSURANCE TO SET FEES BY REGULATION. MOST OF THE CURRENT FEES WERE SET BY STATUTE IN 1966, AND THIS BILL WILL GIVE THE DIVISION THE ABILITY TO SET FEES WHICH REFLECT THE ACTUAL COST.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

UC
4/21/85

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 80 (L&C)
Title: Insurance Fees

FISCAL DETAIL

Agency Affected: Commerce
Program Category Affected: Public Protection

Sponsor: Governor

BRU, Program or Subprogram(s) Affected: _____

Requestor: House Finance Committee

Division of Insurance

Date of Request: 3/21/85

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE		Indeterminate				
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Costs of hearings can be absorbed in existing budget. Fees will not be set until hearing process is complete, but Division estimates that approximately \$260,000 in new revenues will be brought in.

Prepared By: Al Adams - Chairman *APA*
Division: House Finance Committee

Phone: 465-3706
Date: 3/21/85

Approved by Commissioner: _____
Agency: _____

Date: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 80

January 18, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill raising current fees collected by the division of insurance, Department of Commerce and Economic Development, under AS 21.

The statutes currently setting fees for the division of insurance do not provide adequate revenue to the state to cover the division's present budget. Most of the fees were set by statute in 1966 and have not been increased since. This bill would raise fees to more closely approximate the actual cost of services and would provide for periodic reports by the division to the legislature in order to encourage future adjustments, as they become necessary. This bill is virtually identical to the committee substitute of a bill introduced last session, CSHB 633 (L&C).

I urge your support of and prompt action on this measure.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

Statutes Relating to CSHB 80 (L&C)

AS21.06.250

CHAPTER = 21.06
SECTION = 21.06.250
TITLE = 21
HEADINGS TITLE 21.
Insurance.
CHAPTER 06.
The Director of Insurance.
CITATION Sec. 21.06.250.
CATCH LINE

FEES AND LICENSES.

TEXT (a) The director shall collect required fees in advance.
The fees are as follows:
(1) certificate of authority
(A) for filing an application for certificate of authority, articles of incorporation and other charter documents, bylaws, financial statement, examination report, power of attorney to the director, and all other documents and filings required in connection with such application, and for issuance of an original certificate of authority, if issued
domestic insurers \$100
foreign insurers \$100
(B) annual continuation of certificate of authority \$ 65
(C) reinstatement of certificates of authority \$ 65
(D) amending certificate of authority \$ 10
(2) filing amendment of articles of incorporation, domestic and foreign insurers \$ 10
(3) filing bylaws or amendments thereto, where required \$ 10
(4) filing annual statement of insurer, other than as part of application for original certificate of authority \$ 10
(5) general agent or agent license, property, casualty, surety, title insurance agents, and including disability insurance without additional license or fee when written by property, casualty, or surety insurer otherwise represented by the general agent or agent
(A) application for original license, and including issuance of license, if issued,
(i) individual \$
35
(ii) firm or corporation

- 75
- (B) annual renewal or continuation of license
 - (i) individual \$
 - 35
 - (ii) firm or corporation
 - 75
 - (C) appointment of agent or general agent, each insurer \$ 5
 - (D) annual renewal of appointment of general agent or agent, each insurer \$ 5
 - (E) temporary license \$ 35
 - (6) nonresident general agent or agent's license
 - (A) individual \$ 75
 - (B) firm or corporation \$150
 - (C) annual renewal or continuation of license \$ 75
 - (7) broker license
 - (A) application for original license and including issuance of license if issued - resident
 - (i) all line broker
 - \$100
 - (ii) property-casualty broker
 - 75
 - (iii) life-disability broker
 - 75
 - (B) annual renewal or continuation of license - resident
 - (i) all line broker
 - \$100
 - (ii) property-casualty broker
 - 75
 - (iii) life-disability broker
 - 75
 - (C) application for original license and including issuance of license, if issued - nonresident
 - (i) all line broker
 - \$250
 - (ii) property-casualty broker
 - 150
 - (iii) life-disability broker
 - 150
 - (D) annual renewal or continuation of license - nonresident
 - (i) all line broker
 - \$250
 - (ii) property-casualty broker
 - 150
 - (iii) life-disability broker
 - 150
 - (8) solicitor license
 - (A) application for original license, including issuance of license if issued \$ 15
 - (B) annual continuation of license \$ 15
 - (9) general agent or agent license - life, disability

insurance and annuities

(A) application for original license, including issuance of license, if issued,

(i) individual \$ 35

(ii) firm or corporation 75

(B) annual renewal or continuation of license,

(i) individual \$ 35

(ii) firm or corporation 75

(C) appointment of general agent or agent, each insurer \$ 5

(D) annual renewal of appointment of general agent or agent, each insurer \$ 5

(10) examination for license as general agent, agent, broker, solicitor or adjuster, each examination \$ 10

(11) surplus line broker license

(A) application for original license and for issuance of license, if issued - resident \$100

(B) application for original license and for issuance of license if issued - nonresident \$300

(C) annual renewal or continuation of license - resident \$100

(D) annual renewal or continuation of license - nonresident \$300

(12) adjuster license

(A) application for original license and for issuance of license if issued - resident \$ 35

(B) annual renewal or continuation of license - resident \$ 35

(C) application for original license and for issuance of license, if issued - nonresident \$ 75

(D) annual renewal or continuation of license - nonresident \$ 75

(13) insurance vending machine license, each machine, each year \$ 35

(14) for issuing any other certificate required or permissible under law \$ 5

(15) for accepting service of process \$ 5

(16) for copy of insurance code, actual printing cost plus postage;

(17) for copy of insurance report, actual printing cost plus postage;

(18) for any printed material furnished by the director not mentioned above, the director may charge the actual cost of printing plus handling and postage;

(19) for limited license (travel insurance agent)

..... \$ 25
(20) -Repealed, sec. 6 ch 113 SLA 1974.-
(21) rating bureaus (for a three-year license)

..... \$100
(b) The director shall promptly deposit with the

commissioner of revenue to the credit of the general fund of this state all fees received under this section.

HISTORY (Sec. 1 ch 120 SLA 1966; am secs. 1 - 6 ch 113 SLA 1974; am sec. 1 ch 206 SLA 1976)

AS21.87.320

CHAPTER = 21.87
SECTION = 21.87.320
TITLE = 21
HEADINGS TITLE 21.
Insurance.
CHAPTER 87.
Hospital and Medical Service Corporations.
CITATION Sec. 21.87.320.
CATCH LINE

FEE AND LICENSES.

TEXT (a) Each service corporation shall pay to the director fees in advance as follows:
(1) for filing application for initial certificate of authority by newly formed corporation, or after expiration or revocation of previous certificate of authority \$100
(2) for issuance of initial certificate of authority, or each annual continuation or renewal 65
(3) for filing and certifying articles of incorporation 10
(4) for filing and certifying amendments to articles of incorporation 10
(5) for filing bylaws and amendments to bylaws 10
(6) for filing annual statement of financial condition 10
(7) for affixing seal and certifying documents other than the certificate hereinabove provided for 5

(b) The director shall promptly deposit with the commissioner of revenue to the credit of the general fund of this state all fees received under this section.

HISTORY (Sec. 1 ch 120 SLA 1966)