

**SB**

**104**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/4/97

FURTHER: REPORTED OUT OF  
SFC 4-22-97

DATE TURNED  
IN TO OFFICE: 4-24-97

Finance Committee considered SENATE BILL NO. 104

OMNIBUS INSURANCE REFORM

and recommends:

- be replaced with CS SB 104 (FIN)
- adopt previous CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical change
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>Ed C. ...</i>	✓		
		<i>Paul ...</i>	✓		
		<i>Al ...</i>	✓		
		<i>John ...</i>	✓		
		<i>Dave ...</i>			✓
Co-Chair: <i>Deane</i>	✓	Co-Chair: _____			
Co-Chair: _____		Co-Chair: <i>...</i>			

**NEW FISCAL NOTE(S):**

Department                      Date    Zero    Fiscal

Revenue	4/8		65.5

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date    Zero    Fiscal

#2 DCED	3/11		

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

FISCAL NOTE

REPORTED OUT OF  
APR 22 1997

BILL NO: CS SB 104  
(LAC)

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Omnibus Insurance Reform BRU: Revenue Operations  
 Component: Treasury  
 Sponsor: Senate Rules  
 Requester: (S) FIN COMPONENT SERIAL NO. 121

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )	65.5	485.1	485.1	485.1	485.1	485.1
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

The legislation allows the annual payment date to be changed to a quarterly payment date. The anticipated change in revenue is based upon receiving interest income in the general fund on approximately \$28.0 million in tax from 28 to 243 days earlier than at present.

Prepared by: Vom Voss, Cash Manager and Investment Officer Phone: 465-2360  
 Division: Treasury Date: April 8, 1997  
 Approved by Commissioner: Ross Kinney, Deputy Commissioner Date: April 8, 1997  
 Agency: Department of Revenue

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Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Omnibus Insurance Reform BRU: Revenue Operations  
 Component: Treasury  
 Sponsor: Senate Rules  
 Requester: (S) L&C COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )	65.5	485.1	485.1	485.1	485.1	485.1
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The legislation allows the annual payment date to be changed to a quarterly payment date. The anticipated change in revenue is based upon receiving approximately \$28.0 million in tax from 28 to 243 days earlier than at present.

Prepared by: Vern Voss, Cash Manager and Investment Officer Phone: 465-2360  
 Division: Treasury Date: March 24, 1997  
 Approved by Commissioner: Ross Kinney, Deputy Commissioner Date: March 24, 1997  
 Agency: Department of Revenue

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# FISCAL NOTE

REPORTED OUT OF  
APR 22 1997

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

No. FC2  
Bill Version: SB 104  
(S) Publish Date: 4-4-97

Revision Date: \_\_\_\_\_  
Title: An Act relating to regulation and examination of  
insurers and insurance agents  
Sponsor: Senate Rules  
Requestor: \_\_\_\_\_

Department: Commerce and Economic Development  
BRU: Insurance  
Component: Insurance

COMPONENT SERIAL NO. 354

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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**FUND SOURCE**

(Thousands of Dollars)

FUND SOURCE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ \$0.00

**POSITIONS**

POSITIONS	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

There is no fiscal impact on the component.

Prepared by: Marianne K. Burke, Director  
Division: Insurance  
Approved by Commissioner: William L. Hensley  
Agency: Commerce and Economic Development

Phone: 465-2515  
Date: March 11, 1997  
Date: 3-11-97

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Donley Model  
Admitted w/o  
ADMITTED W/O  
0-LS0407/H.3

SENATE FINANCE  
COMMITTEE

Ford  
4/22/97

Amendment Number: 2  
Bill Number: SB104

Sponsor: \_\_\_\_\_ Date: 4-22-97

A M E N D M E N T  
Filed In By: PS

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: CSSB 104(FIN) ("H" Version, Dated 4/14/97)

- 1 Page 2, line 4:
- 2 Delete "110 - 116"
- 3 Insert "111 - 117"

4 Page 73, following line 6:

5 Insert a new bill section to read:

6 **\*\* Sec. 109.** AS 21.89.020(f) is amended to read:

7 (f) An automobile liability insurance policy must provide

8 (1) that all expenses and fees, not including counsel fees or adjuster  
9 fees, incurred because of arbitration or mediation shall be paid as determined by the  
10 arbitrator;

11 (2) liability coverage in the amount set out in AS 28.22.101(d) for  
12 motor vehicles rented in the United States or Canada by a person insured under the  
13 policy;

14 (3) physical damage coverage for motor vehicles rented in the United  
15 States or Canada, if the policy provides physical damage coverage; if the insured  
16 declines physical damage coverage, the insurer shall offer physical damage coverage  
17 for rented vehicles;

18 (4) that payments from applicable coverage provided under (2) and  
19 (3) of this subsection will be made in the following order of priority:

20 (A) from a policy or coverage purchased by the operator  
21 from the person who has the vehicle available for rent;

22 (B) from a policy or coverage covering the operator of a  
23 rented vehicle but not purchased from the person who has the vehicle  
24 available for rent; and



SENATE FINANCE  
COMMITTEE

Amendment Number: 1

Bill Number: SB104

Sponsor: \_\_\_\_\_ Date: 4-22-97

AMENDMENT PF

Donley Moved  
Adonis Object  
FAILED 3/14 Vote  
0-LS0407H.2

Ford  
4/21/97

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: CSSB 104(FIN) ("H" Version, Dated 4/14/97)

1 Page 1, line 8, following "provisions;":

2 Insert "requiring that uninsured and underinsured motor vehicle insurance apply  
3 to claims of an insured even if other policy limits are not exhausted;"

4 Page 2, line 4:

5 Delete "and 110 - 116"

6 Insert "110, 111, and 113 - 117"

7 Page 74, following line 1:

8 Insert a new bill section to read:

9 **\*\* Sec. 112.** AS 28.22.201(a) is amended to read:

10 (a) The uninsured and underinsured motorists coverage required under this  
11 chapter

12 (1) applies [DOES NOT APPLY] to bodily injury, sickness, disease,  
13 or death of an insured or damage to or destruction of property of an insured even if  
14 [UNTIL] the limits of liability bonds and policies that apply have not been used up  
15 by payments or judgments or settlements; however, the insurer shall, in each  
16 instance, receive a credit against the insured's total damages for amounts actually  
17 received by the insured for covered claims from other sources, including liability  
18 bonds, other insurance policies, judgments, or settlements;

19 (2) must be a single combined coverage; and

20 (3) may be rejected by the insured in writing; if the insured has  
21 rejected uninsured or underinsured coverage, the coverage may not be included in a  
22 supplemental, renewal, or replacement policy unless the insured subsequently requests  
23 uninsured or underinsured coverage in writing."

1 Renumber the following bill sections accordingly.

2 Page 74, line 3:

3 Delete "and AS 21.81"

4 Insert "AS 21.81; AS 28.20.445(c), 28.20.445(h); AS 28.22.211; and

5 AS 28.40.100(a)(22)"

6 Page 74, line 9:

7 Delete "secs. 116, 117, and 119"

8 Insert "secs. 117, 118, and 120"

9 Page 74, line 11:

10 Delete "Section 113"

11 Insert "Section 114"