

HB

394

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 394(L&C)
(H) Publish Date: 2/24/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title: Insurance Policies in Foreign Languages RDU: Insurance (116)
Component: Insurance Operations
Sponsor: Meyer
Requestor: Labor & Commerce Component No.: 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation allows insurance policies to be filed, approved and delivered in languages other than English if an official English language version is also provided. It does not impact the operations of the division.

Prepared by: Linda S. Hall, Director
Division: Insurance
Approver by: William C. Noll, Commissioner
Agency: Commerce, Community, and Economic Development

Phone 907 269 7900
Date/Time 2/21/06 5:58 PM
Date 2/21/2006



ALASKA STATE LEGISLATURE
Representative Kevin Meyer

Sponsor: Representative Meyer
Current Version: Blank CS HB 394 24-LS; 506A
Contact: Mike Pawlowski 465-2812
Date: February 21, 2006

Committee Substitute Comparison Sheet for House Bill 394

Short Title:

"Insurance Policies in Foreign Languages."

Summary:

- CSHB 394 allows the Director of the Division of Insurance to approve a policy form filed in another language if an English version is provided and made the official version, allows an insurance company to provide policy forms and associated materials in another language if an English version is provided and made the official version, prohibits an insurance company from misrepresenting information in another language and defines "associated material."

Changes in blank CSHB 394:

- 1.) General changes:
 - a. Changed "insurance policy or form" to "insurance policy form" which is a term of art.
 - b. Changed "foreign language" to "non-English" for clarity.
- 2.) To section 1 (a):
 - a. Deleted "associated materials" from (a) because the Division of Insurance does not need to review "associated materials."
 - b. Deleted "An insurer may file and" to remove the reference to an insurance company because they are already allowed to file.
- 3.) To section 1 (b):
 - a. Added disclosures (1) & (2) from (a) since "associated materials" is included in (b) and not in (a).
- 4.) To section 1 (c):
 - a. Removed the reference to AS 21.90.020 and made misrepresentation a blanket prohibition so that it falls under the general provisions of AS 21.90.020 and other relevant statutes.
- 5.) New section 1 (d):
 - a. Added a definition of "associated material."

REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 30

SPONSOR STATEMENT

HB 394

“An Act relating to approval of insurance policy forms or associated materials in foreign languages and providing that the English version of policy forms or associated materials is the official version if certain conditions are met.”

Currently there is no law stating how insurance policies and associated materials provided in foreign languages would be interpreted – in English or in the foreign language. Without a clear law, insurers are reluctant to provide information and conduct business in foreign tongues. With a clear foreign language law, insurers will be able to confidently provide foreign language speakers with information regarding essential insurance products. HB 394 provides that insurance policies and associated materials be construed in English version so long as an English version was provided with the foreign language materials and proper disclosure is made.

This law benefits both consumers and the insurance business. According to the last census, more than 80,000 Alaskans speak a language other than English at home. Our increasingly diverse population needs proper information to secure their personal and business insurance needs. HB 394 will allow foreign language speaking consumers to secure information so they can better understand and thus can make better insurance decisions. For the insurance industry, HB 394 is likely to lead to increased penetration in emerging markets.

HB 394 is supported by the Division of Insurance and the Alaska State Chamber of Commerce.

REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 30

MEMORANDUM

DATE: February 15, 2006
TO: Representative Kevin Meyer
FROM: Mike Pawlowski
RE: Sectional Analysis for HB 394
(Version No. 24 - LS1506A)

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Adds a new section to AS 21.42 allowing an insurer to file and the director to approve an insurance policy in a language other than English with certain conditions and specifies penalties for knowingly misrepresenting information in a translation.

Table 3a. Alaska -- Ability to Speak English by Language Spoken at Home for the Population 5 Years and Over: 2000

(Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2000/docs/s3.pdf>)

Language spoken at home	Total	Speak English "very well"		Speak English "well"		Speak English "not well"		Speak English "not at all"	
	Number	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Population 5 years and over	579,740	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
Speak only English	496,980	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
Speak language other than English	82,755	51,915	62.7	19,975	24.1	9,325	11.3	1,540	1.9
Spanish or Spanish Creole	16,670	10,875	65.2	3,245	19.5	2,090	12.5	460	2.8
Other Indo-European languages	12,809	9,170	71.6	2,212	17.3	1,236	9.6	191	1.5
French (incl. Patois, Cajun)	2,195	1,640	74.7	280	12.8	275	12.5	0	0.0
French Creole	64	50	78.1	4	6.3	10	15.6	0	0.0
Italian	515	385	74.8	115	22.3	15	2.9	0	0.0
Portuguese or Portuguese Creole	185	160	86.5	25	13.5	0	0.0	0	0.0
German	3,575	2,915	81.5	420	11.8	230	6.4	10	0.3
Yiddish	45	30	66.7	0	0.0	15	33.3	0	0.0
Other West Germanic languages	273	265	97.1	4	1.5	4	1.5	0	0.0
Scandinavian languages	699	570	81.6	75	10.7	50	7.2	4	0.6
Greek	124	105	84.7	4	3.2	15	12.1	0	0.0
Russian	2,950	1,750	59.3	705	23.9	360	12.2	135	4.6
Polish	495	270	54.6	200	40.4	15	3.0	10	2.0
Serbo-Croatian	260	170	65.4	50	19.2	40	15.4	0	0.0
Other Slavic languages	500	215	43.0	115	23.0	150	30.0	20	4.0
Armenian	30	20	66.7	10	33.3	0	0.0	0	0.0
Persian	90	80	88.9	10	11.1	0	0.0	0	0.0
Gujarathi	0	0	0.0	0	0.0	0	0.0	0	0.0
Hindi	78	60	76.9	10	12.8	4	5.1	4	5.1
Urdu	104	90	86.5	10	9.6	4	3.9	0	0.0
Other Indic languages	153	60	39.2	85	55.6	4	2.6	4	2.6
Other Indo-European languages	474	335	70.7	90	19.0	45	9.5	4	0.8
Asian and Pacific Island languages	22,185	10,525	47.4	7,310	33.0	3,740	16.6	610	2.7
Chinese	1,290	630	48.8	470	36.4	165	12.8	25	1.9
Japanese	1,390	905	65.1	375	27.0	110	7.9	0	0.0
Korean	4,370	1,575	36.0	1,375	31.5	1,110	25.4	310	7.1
Mon-Khmer, Cambodian	125	50	40.0	30	24.0	45	36.0	0	0.0
Miao, Hmong	455	100	22.0	180	39.6	150	33.0	25	5.5
Thai	745	365	49.0	185	24.8	180	24.2	15	2.0
Laotian	1,135	450	39.7	305	26.9	290	25.6	90	7.9
Vietnamese	755	295	39.1	280	37.1	180	23.8	0	0.0
Other Asian languages	395	210	53.2	90	22.8	65	16.5	30	7.6
Tagalog	8,935	4,325	48.4	3,355	37.6	1,165	13.0	90	1.0
Other Pacific Island languages	2,590	1,620	62.6	665	25.7	280	10.8	25	1.0
Other languages	31,058	21,340	68.7	7,195	23.2	2,233	7.2	290	0.9
Navajo	45	45	100.0	0	0.0	0	0.0	0	0.0
Other Native North American languages	30,120	20,615	68.4	7,040	23.4	2,175	7.2	290	1.0
Hungarian	80	55	68.8	15	18.8	10	12.5	0	0.0
Arabic	190	140	73.7	25	13.2	25	13.2	0	0.0
Hebrew	220	160	72.7	45	20.5	15	6.8	0	0.0
African languages	224	175	78.1	45	20.1	4	1.8	0	0.0
Other and unspecified languages	179	150	83.8	25	14.0	4	2.2	0	0.0

(X) Not applicable



DIVISION OF INSURANCE

Frank H. Murkowski, Governor

March 2, 2006

VIA HAND DELIVERY

The Honorable Kevin Meyer
House of Representatives
State Capitol, Room 515
Juneau, AK 99801

Dear Representative Meyer:

As I told the House Finance Committee staff earlier this week, I regret that I am unable to attend Thursday's hearing regarding HB 394 because I will be traveling.

Before I left, however, I wanted express to you the Division of Insurance's support for the bill as it was amended in the Labor and Commerce Committee. The bill protects consumers whose first language is not English, by allowing insurance companies to provide them with important information in their native language, if they make the decision to do so.

We appreciate your sponsorship of this bill. I will be out of town through next week, but can be reached at (907) 723-5684 if you or any committee member has any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffery D. Troutt". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jeffery D. Troutt
Deputy Director

JDT/go4864
030206a
cc: Linda S. Hall, Director