

HB

219

<TARGET><BILL>HB 219</BILL><SUBJECT>HB
219</SUBJECT><COMM>HSTA27</COMM></TARGET>

CS FOR HOUSE BILL NO. 219(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES FEIGE, GUTTENBERG, THOMAS

A BILL

FOR AN ACT ENTITLED

1 **"An Act exempting certain activities of ambulance, emergency, and fire department**
2 **services from regulation as insurance."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 21.03.021 is amended by adding new subsections to read:

5 (g) This title does not apply to a solicitation or a voluntary agreement to
6 provide ambulance and emergency services by a municipality or by a community-
7 based nonprofit organization formed to provide ambulance and emergency services
8 under the terms of an agreement with a prospective recipient of the services in the
9 community.

10 (h) This title does not apply to a solicitation or a voluntary agreement to
11 provide fire protection services by a municipality or by a community-based nonprofit
12 organization formed to provide fire protection services under the terms of an
13 agreement with a prospective recipient of the services in the community.

Alaska State Legislature

Chairman
State Affairs Committee

Member
Judiciary Committee
Energy Committee
Joint Armed Services Committee
Military & Veterans Affairs Committee

Finance Subcommittees
Administration
Corrections
Military and Veterans Affairs



A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

E-Mail: Representative_Bob_Lynn@legis.state.ak.us

Session:
Alaska State Capitol, #108
Juneau, AK 99801-1182

Phone: (907) 465-4931
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FAX

To: Legal Services

Fax #: 465-2029

From: Nancy Manly 465-2794 *N Manly*
Alaska State Capitol, Room 108
Juneau, AK 99801-1182

of Pages (including cover): 1

Phone: 907-465-4931
Fax: 907-465-4316

Re CS for HB 219 - Draft Final 27-LS0638/D

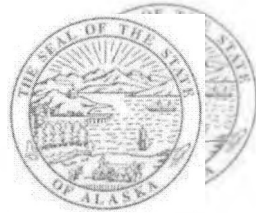
3/20/2012

HB 219 Version D moved from the House State Affairs Committee this morning with no amendments. Please draft a final CS for HB 219 Version D as written. Thanks.

Alaska State Legislature

REPRESENTATIVE
ERIC FEIGE
House District 12

House Resources Committee Co-Chair
Education Committee
Transportation Committee
Joint Armed Services Committee



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Juneau, Alaska 99801-1182
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House of Representatives

Changes between HB 219 Ver. B to I

The two subsections of this bill were renumbered from (f) and (g) to (g) and (h).

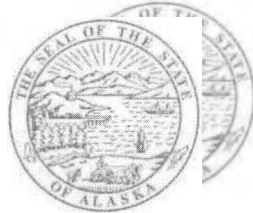
Language has been inserted in both (g) and (h) to expand the provisions to not only a solicitation but also an agreement to provide services.

Subsection (g) has been expanded to include "community-based" to limit the provisions of the bill to only locally based organizations.

Alaska State Legislature

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Changes between HB 219 Ver. I to D

Language has been inserted in both (g) and (h) Line 5 and Line 10 to add the word “voluntary” before the word “agreement.”

Language has been inserted in both (g) and (h) Line 8 and Line 13 to add the word “in the community” following the word “services.”

27-LS0638V
Bailey
3/8/12

CS FOR HOUSE BILL NO. 219()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES FEIGE, Guttenberg, Thomas

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8 the terms of an agreement with a prospective recipient of the services.

9 (h) This title does not apply to a solicitation or an agreement to provide fire
10 protection services by a municipality or by a community-based nonprofit organization
11 formed to provide fire protection services under the terms of an agreement with a
12 prospective recipient of the services.

27-LS0638\D
Bailey
3/15/12

adopted

CS FOR HOUSE BILL NO. 219()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

*Keller
moved version D
its before the
committee*

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES FEIGE, Guttenberg, Thomas

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SPONSOR STATEMENT – HB 219

HB 219 allows local fire and emergency medical agencies to solicit funding as a form of prepayment for services. This type of program has been successful in allowing such organizations to raise needed operating funds while limiting financial risk to those that may need the agency's services.

In a typical scenario, an individual or family pays a set fee to the local emergency medical service on an annual basis. The agency will then provide services to the individual or family member without additional charge to the individual.

Under current statute, it is the opinion of the Division of Insurance that this type of activity is deemed insurance and is regulated by that division in some situations. HB 219 will clarify that this type of program is not insurance and is not regulated by the division.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 219
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB219-DCCED-INS-02-10-12 Dept. Affected DCCED
 Title Fire and Emergency Medical Services Appropriation Insurance
 Allocation Insurance
 Sponsor Representative Feige
 Requester House Community and Regional Affairs OMB Component Number 354

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required;
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Linda Hall, Director
 Division Insurance
 Approved by JoEllen Hanrahan, Director Administrative Services
Commerce, Community, and Economic Development

Phone 907-465-2560
 Date/Time 2/10/12 8:30 AM
 Date 2/10/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 219

Analysis

HB 219 makes two exemptions from the Insurance title: the solicitation by a municipality or nonprofit organization to provide ambulance and emergency services under the terms of an agreement; and a solicitation by a municipality or nonprofit fire department registered with the state fire marshal to provide fire protection services under an agreement.

No fiscal impact is anticipated by the division as a result of this legislation.



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Insurance

Sarah Palin, Governor
Emil Notti, Commissioner
Linda S. Hall, Director

RECEIVED
SEP 14 2008
GUESS & RUDD

September 9, 2008

Mr. James D. DeWitt
Guess & Rudd P.C.
100 Cushman Street, Suite 500
Fairbanks, AK 99701-4659

Dear Mr. DeWitt:

Thank you for your May 28, 2008, letter addressed to Director Hall asking whether a fire service subscription program is insurance.

After review of this letter describing the fire protection subscription service, we have determined that the program as described falls within the scope of the definition of insurance in Title 21 of the Alaska Statutes. Alaska Statute 21.90.900(25) defines insurance to be a contract whereby one undertakes to indemnify another or pay or provide a specified or determinable amount or benefit upon determinable contingencies. While the fire protection subscription does not indemnify or compensate the resident or business for their loss, it does provide a specified benefit (fire service) upon determinable contingencies (fire).

If you have supplementary information that might provide further insight into the program you describe, we would, of course, be willing to review that material. Additional information might include any plan documents, plan implementation descriptions, models such as other municipality or state plans upon which the plan you describe was based or any other relevant material.

Thank you for contacting the Division of Insurance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sarah McNair-Grove".

Sarah McNair-Grove, FCAS, MAAA
Actuary



ALASKA FIRE CHIEF'S ASSOCIATION

2358 Bradway Road, North Pole, Alaska 99705

Phone: (907) 488-3400 FAX: (907) 488-6118

February 27, 2012

Rep. Eric Feige
State Capitol Room 126
Juneau, Alaska 99801-1182

Reference: HB219 "An Act exempting certain emergency medical and fire department services from regulation as insurance."

Dear Rep. Feige,

I am writing today on behalf of the Alaska Fire Chiefs Association in support of HB219 "An Act exempting certain emergency medical and fire department services from regulation as insurance."

In some of our smaller communities across the State of Alaska raising funds to provide for Fire and EMS services is difficult at best. They are not supported through local taxation and survive through donations and other fund raising means.

A model that has been used nationally is for the local Fire or EMS agency to charge a subscription or fee to provide services to an individual or family. The revenue generated by these fees goes directly to support the operations of the Emergency Service Provider.

We feel that HB219 makes clear that these agencies are not providing insurance and should not be regulated as such.

Sincerely,

A handwritten signature in black ink, appearing to be "Jeff Tucker", written over a horizontal line.

Jeff Tucker, Fire Chief
AFCA Legislative Committee Chair

Few participate in Tri-Valley volunteer ambulance plan
by Kris Capps / For the News-Miner

DENALI PARK - The annual ambulance plan for the Tri-Valley Volunteer Fire Department is a better bargain than I thought.

I mistakenly reported last week that it costs \$100. In fact, the cost is only \$75. The funds are used for maintenance of fire and rescue equipment.

Surprisingly, participation in this program is very low — less than 20 percent of the population chooses to sign up.

Here's how it works: If you need an ambulance anytime during the coming year, and you are on this plan, you will not be charged. This includes emergency medical services for any family members who live in the household.

If you are uninsured, this cost is covered. If you are insured, your insurance company is billed and any outstanding balance is forgiven.

I also look at it as my annual donation to this important local organization.

I would suggest it is well worth supporting.

Even if you don't sign up, be sure to update the department on information about your residence, in case they are ever called in an emergency: your physical address, number of people living in your home and any special needs they may have. Email the information to tvvfd@mtaonline.net.

REPRESENTATIVE
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House of Representatives

MEMORANDUM

To: Rep. Bob Lynn, Chair, House State Affairs Committee

From: Rep. Eric Feige

Date: March 5, 2012

Re: Hearing Request, HB 219

I am requesting a hearing on HB 219 that is currently referred to the House State Affairs Committee.

Attached you will find the following documents:

1. Current bill version 27-LS0638\B.
2. Sponsor Statement.
3. Fiscal Note HB219-DCCED-INS-02-10-12.
4. Division of Insurance Letter indicating current practice is insurance and regulated by the division.
5. Alaska Fire Chiefs Association letter of support.
6. News Miner article about program in Tri-Valley that may be deemed insurance by the division.

If you have any questions, or need additional information, please feel free to contact me or Michael Paschall on my staff. He may be reached directly at 465-5446 or 460-8629.