

HB

28

<TARGET><BILL>HB 28</BILL><SUBJECT>HB
28</SUBJECT><COMM>HCRA28</COMM></TARGET>

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 16, 2013

FURTHER REFERRALS:

Date of Committee Action: 1/31/13

The COMMUNITY AND REGIONAL AFFAIRS Committee considered:

HB 28

HOUSE BILL NO. 28

"An Act exempting solicitations or voluntary agreements to provide ambulance, emergency, or fire department services from regulation as insurance."

HB 28-FIRE AND EMERGENCY MEDICAL SERVICES

Recommends it be replaced with HCS or CS for _____ (_____)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

- List of Abbrev for Depts.:
- ADM
 - CED
 - COR
 - CRT
 - EED
 - DEC
 - DFG
 - GOV
 - DHS
 - LWF
 - LAW
 - LEG
 - MVA
 - DNR
 - DPS
 - REV
 - DOT
 - UA

<u>NEW FISCAL NOTES</u>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	CED			✓

<u>PREVIOUS FISCAL NOTES</u>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Nageak	✓			
	L. Doux	✓			
	OLSON	✓			
	Reinbold	✓			
	Drummond			✓	
	Foster	✓			
Chair:					
Chair:					

} →

CO

CO

Kimberly Clark

From: Michael Paschall
Sent: Wednesday, January 30, 2013 11:18 AM
To: 'Kimberly.Clark@akleg.gov'
Subject: HB 28
Attachments: HB 28 Support Letter AFCA.pdf; HB 28 Tri Valley Program News Miner.pdf

Kimberly,

Witnesses for tomorrow:

Rep. Eric Feige, Presenting Bill

Michael Paschall, Staff to Rep. Feige, Presenting Bill

Jeff Tucker, Alaska State Fire Chief's Association, off-net call in

Mike Tvenge, City Administrator, City of Delta Junction, off-net call in

Also attached is a support letter we received and an article from the Fairbanks Daily News Miner.

Please let me know if you need anything else.

Mike

Michael Paschall
Office of Rep. Eric Feige
Alaska State House

Office (907) 465-5446
Toll Free (888) 465-4859
Cell (907) 460-8629

Room 126 – State Capitol
120 4th St.
Juneau, Alaska 99801

Kimberly Clark

From: Michael Paschall
Sent: Wednesday, January 30, 2013 12:58 PM
To: Kimberly Clark
Subject: FW: HB 28 Testimony

Correction from the Division of Insurance.

Mike

Michael Paschall
Office of Rep. Eric Feige

Office (907) 465-5446
Toll Free (888) 465-4859
Cell (907) 460-8629

From: Koeneman, Crystal A (CED) [<mailto:crystal.koeneman@alaska.gov>]
Sent: Wednesday, January 30, 2013 11:39 AM
To: Michael Paschall
Cc: Kolb, Bret S (CED); Hester, Martin D (CED)
Subject: HB 28 Testimony

Mike,

Marty Hester, Deputy Director, Division of Insurance will be at the committee meeting and available for questions.

Crystal Koeneman, Special Assistant
Commerce, Community & Economic Development

9th Floor | State Office Building, Juneau, AK 99811
☎: 907.465.2503(w)/907.321.8517(c) | 📠: 907.465.5442
✉: crystal.koeneman@alaska.gov

Kimberly Clark

From: Michael Paschall
Sent: Wednesday, January 30, 2013 11:32 AM
To: 'Kimberly.Clark@akleg.gov'
Subject: HB 28

Oops.

Left off Bret Kolb, Director of the Division of Insurance should be online to answer any questions.

Mike

Michael Paschall
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Alaska State House

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Room 126 – State Capitol
120 4th St.
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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.

From the Fairbanks Daily News Miner March 2011

Alaska State Legislature

REPRESENTATIVE
ERIC FEIGE
House District 6

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



During Session:
State Capitol Room 126
Juneau, Alaska 99801-1182
(907) 465-4859
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House of Representatives

MEMORANDUM

TO: Rep. Gabrielle LeDoux, Co-Chair, House Community & Regional Affairs Committee
Rep. Benjamin Nageak, Co-Chair, House Community & Regional Affairs Committee

FROM: Rep. Eric Feige *EF*

DATE: January 23, 2013

Re: Request for Bill Hearing (HB28)

I am formally requesting a hearing for HB 28 in the House Community & Regional Affairs Committee at the earliest possible date. Attached you will find the following documents:

1. Current Version of Bill.
2. Sponsor Statement.
3. Existing Statues.

We will provide you with support letters later this week and will get you a list of potential witnesses once we know the date the hearing is scheduled and can confirm availability. We do not expect to have more than two or three witnesses for this hearing.

On Tuesday, January 29, we have a scheduling conflict with a hearing in House State Affairs. If the bill is scheduled for that day, we prefer to have the bill scheduled as early in the hearing as possible.

If you have any questions or need additional information, please contact Michael Paschall on my staff. His direct number is 465-5446. He can also be reached on his cell phone at 460-8629.

Alaska State Legislature

REPRESENTATIVE
ERIC FEIGE
House District 6

House Resources Committee Co-Chair
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House of Representatives

SPONSOR STATEMENT – HB 28

"An Act exempting solicitations or voluntary agreements to provide ambulance, emergency, or fire department services from regulation as insurance."

HB 28 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 fire or emergency medical service on an annual basis. The agency then will respond and assist 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. HB 28 will clarify that this type of program is not insurance and is not regulated by the division.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HB 28 (A)
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB028-DCCED-DOI-01-26-13
Title: FIRE AND EMERGENCY MEDICAL SERVICES
Sponsor: FEIGE
Requester: Community and Regional Affairs

Department: Department of Commerce, Community and
Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates				
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Bret Kolb, Director	Phone: (907)269-7900
Division:	Division of Insurance	Date: 01/26/2013 03:23 PM
Approved By:	JoEllen Hanrahan, Director	Date: 01/26/13
	Administrative Services Division	

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2013 LEGISLATIVE SESSION**

BILL NO. HB 28

Analysis

HB 28 would amend AS 21.03.021 to exempt solicitation of an agreement or an agreement between a prospective recipient of ambulance, emergency, or fire protection services and a municipality or community-based nonprofit that provides ambulance, emergency, or fire protection services.

There is no anticipated fiscal impact to the Division of Insurance from this bill.

Chapter 21.03. SCOPE OF CODE (Select Statutes)

Collateral Refs -

43 Am. Jur. 2d, Insurance, Sec. 23-65.

44 C.J.S., Insurance, Sec. 3-22.

Sec. 21.03.010. Insurance regulated.

(a) All persons transacting a business of insurance in this state, or relative to a subject resident, located or to be performed in this state, shall comply with the applicable provisions of this title.

(b) Foreign and alien insurers doing business as authorized insurers under this title are not subject to AS 10.06 (Alaska Corporations Code).

(c) A person who transacts insurance in this state, or relative to a subject resident, located, or to be performed in this state as or on behalf of a risk retention group or purchasing group formed under and in compliance with 15 U.S.C. 3901 - 3906 (Liability Risk Retention Act), shall comply with the provisions of this title not preempted by federal law.

History -

(Sec. 1 ch 120 SLA 1966; am Sec. 3 ch 62 SLA 1995)

Revisors Notes -

In 1988 "AS 10.06 (Alaska Corporations Code)" was substituted for "the Alaska Business Corporation Act (AS 10.05)" to conform to the enactment of AS 10.06 and the repeal of AS 10.05 by ch. 166, SLA 1988.

Sec. 21.03.020. Application of Code as to particular types of insurers. [Repealed, Sec. 2 ch 234 SLA 1968].

Repealed or Renumbered

Sec. 21.03.021. Application of title.

(a) In addition to the exclusion contained in AS 21.03.070, this title does not apply to a life insurance or annuity company organized and operated without profit to any private shareholder or individual exclusively for the purpose of aiding and strengthening educational institutions by issuing insurance and annuity contracts only to or for the benefit of the institutions and individuals engaged in the service of these institutions; however, all policies and contracts issued by such an organization must provide for acceptance of service of process within this state.

(b) Except as otherwise provided in this title, a person that provides coverage for the cost of medical care in this state is subject to this title unless the person shows that, while providing coverage for medical care, the person is subject to the jurisdiction of another agency of this state or of the federal government by providing the director with the appropriate certificate, license, or other document issued by the other governmental agency that permits or qualifies the person to provide coverage for medical care.

(c) A person described under (b) of this section who is unable to show that the person is subject to the jurisdiction of another governmental agency under (b) of this section and who has not received a certificate of authority under AS 21.85

(1) is subject to all appropriate provisions of this title regarding the conduct of the person's business; and

(2) shall submit to an examination by the director to determine the organization and solvency of the person and to determine whether the person complies with this title.

(d) A person that advertises, administers, sells, or transacts the coverage of medical care under (b) of this section and is required to submit to an examination by the director under (c)(2) of this section shall advise every purchaser, prospective purchaser, or covered person that the person's coverage may not be regulated under Alaska insurance law and may not be covered by the Alaska Life and Health Insurance Guaranty Association under AS 21.79.

(e) This title does not apply to a service contract offered, issued for delivery, delivered, or renewed in this state. In this subsection, "service contract"

(1) means a service contract or agreement for a separate or additional consideration, for a specific duration, to

(A) maintain, service, repair, or replace tangible personal property, or to indemnify for repair, replacement, or maintenance, for an operational or structural failure due to a defect in materials or workmanship or normal wear and tear, with or without additional provision for incidental indemnity payments when service, repair, or replacement is not reasonably or commercially feasible;

(B) repair, replace, or maintain tangible personal property damaged as a result of power surges or as a result of accidental damage from the handling of property damaged by power surges; or

(C) repair, replace, or maintain household consumer goods, household appliances, and household systems, including damage resulting from operational or structural failure due to a defect in materials or workmanship or normal wear and tear;

(2) does not include

(A) mechanical breakdown insurance;

(B) a contract that requires an indemnity payment per incident and the payment exceeds the purchase price of the property serviced;

(C) a contract to provide service on a motor vehicle subject to registration under AS 28.10.011; or

(D) a home warranty; in this subparagraph, "home warranty" means a warranty that covers the entire home and does not include a warranty limited to a household system or appliance.

History -

(Sec. 3 ch 234 SLA 1968; am Sec. 2 ch 73 SLA 2001; am Sec. 1 ch 38 SLA 2002; am Sec. 1 ch 143 SLA 2003)



ALASKA FIRE CHIEF'S ASSOCIATION

2358 Bradway Road, North Pole, Alaska 99705

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

January 25, 2013

Representative Eric Feige
State Capitol Room 126
Juneau Alaska, 99801

Reference: HB28 "An Act exempting solicitations or voluntary agreements to provide ambulance, emergency, or fire department services from regulation as insurance."

Dear Representative Feige,

I am writing today on behalf of the Alaska Fire Chiefs Association in support of HB28 "An Act exempting solicitations or voluntary agreements to provide ambulance, emergency, or 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. These agencies 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 HB28 makes clear that these agencies are not providing insurance and should not be regulated as such and we support the passage of this legislation.

Please let me know if we can provide any additional information in support of this legislation.

Sincerely,

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

Jeff Tucker, Fire Chief
North Star Volunteer Fire Department
AFCA Legislative Committee Chair