

ALASKA LEGISLATURE

1083

HOUSE and SENATE FINANCE COMMITTEE FILES,

1993-1994

157

FISCAL NOTE

No. 2

Bill Version: HB 524

(H) Publish Date: 3/9/94

**STATE OF ALASKA
1994 LEGISLATIVE SESSION**

BILL

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act Relating to Defendant's Conditions of BRU: Public Defender Agency
Release..." Component: Public Defender Agency
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 1631

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	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
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) cost: none

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: John Salemi, Public Defender
 Division: Public Defender Agency
 Approved by Commissioner: Nancy Bear Usara
 Agency: Administration

Phone: 264-4400
 Date: _____
 Date: 2/17/94

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FISCAL NOTE

No. 1
 Bill Version: HB 524
 (H) Publish Date: 3/9/94

**STATE OF ALASKA
 1994 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected: Corrections
 Title: An Act relating to a defendant's violation of conditions of release BRU: Statewide Operations
 Component: Institutions
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 707-726

(Thousands of Dollars)

EXPENDITURES/REVENUES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	11.3	11.6	12.0	12.3	12.7	13.1
TOTAL OPERATING	11.3	11.6	12.0	12.3	12.7	13.1
CAPITAL EXPENDITURES	0	0	0	0	0	0
CHANGE IN REVENUES ()						

(Thousands of Dollars)

FUND SOURCE	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
1002 Federal Receipts						
1003 GF Match						
1004-GF	11.3	11.6	12.0	12.3	12.7	13.1
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	11.3	11.6	12.0	12.3	12.7	13.1

Estimate of any current year (FY94) cost: \$ _____ *

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)
 Please see the attached fiscal analysis.

Prepared by: Diane Schenker, Special Assistant Phone: 665-4643/786-2147
 Division: Office of the Commissioner Date: 2/25/94
 Approved by Commissioner: J. Frank Prewitt, Jr. Date: 2/20/94
 Agency: Department of Corrections

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COMMITTEE COPY

The bill would authorize warrantless arrests of certain defendants who violated conditions of bail in certain assault, sexual assault, stalking, and domestic violence cases. According to the District Attorney's office and information from the Anchorage Police Department, getting warrants under current law generally involves a one-day delay.

Assumptions

1. The Anchorage District Attorney's office estimates 100 cases per year, statewide, and estimates that each case will result in one additional day of incarceration.
2. The average cost of incarceration, statewide, in a state correctional center is approximately \$113 per day.
3. It is not possible to estimate any current year (FY94) costs until the department knows when the bill will actually go into effect.
4. Because the bill will impact all correctional institutions, and the average daily cost of incarceration reflects a combination of costs including overhead, the estimated expenses are shown under "miscellaneous."
5. An inflation factor of 3% is assumed after FY95.

Operating Expenses

100 cases per year X 1 day per case X \$113 per day = \$ 11,300 per year.

WALTER J. HICKEL
GOVERNOR



HB 524
P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 9, 1994

*The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would allow peace officers to make warrantless arrests when they have reasonable cause to believe that a defendant is violating the conditions of release imposed by a court in certain types of cases, including stalking, assault, sexual assault, and domestic violence cases. The bill would allow peace officers to take immediate action to protect the public, rather than requiring that they contact a prosecutor and a judge before arresting the defendant.

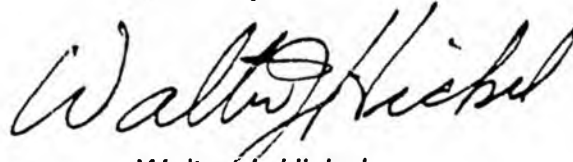
For example, if a person accused of stalking, domestic violence, assault, or sexual assault confronts the victim while the person is released on bail, or violates another condition of release, peace officers are rarely able to protect the victim or the public in general by making an immediate arrest. Typically, the peace officer must first meet with a prosecutor, go into court to file a motion, and obtain a court order before they can act to put the defendant back in jail. Since a large percentage of these incidents occur late at night and often involve alcohol or drug use by the defendant, these situations are particularly dangerous for victims -- and challenging for peace officers, prosecutors, and judges.

The bill authorizes the warrantless arrest of defendants who have violated conditions of release imposed by the court for certain offenses to the same extent that warrantless arrests are already authorized under existing law for the initial commission of these same offenses. The bill would permit peace officers to promptly arrest accused stalkers and other offenders who confront their victims, or otherwise violate conditions of release, while on bail.

The Honorable Ramona Barnes
March 9, 1994
Page 2

Protecting Alaskans from stalkers and domestic violence requires giving peace officers the tools to act -- to intervene -- and to do so immediately. I urge your favorable action on this bill.

Sincerely,

A handwritten signature in cursive script, reading "Walter J. Hickel". The signature is written in black ink and is positioned above the printed name and title.

Walter J. Hickel
Governor

НВВ

525

HFIN

FILE

FISCAL NOTE

No. 1
 Bill Version: HB 525
 (H) Publish Date: 3/9/94

**STATE OF ALASKA
 1994 LEGISLATIVE SESSION**

BILL

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act Relating to Evidence in Sexual BRU: Public Defender Agency
Assault Cases..." Component: Public Defender Agency
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 1631

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	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
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) cost: none

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: John Salemi, Public Defender Phone: 264-4400
 Division: Public Defender Agency Date: _____
 Approved by Commissioner: Nancy Bear Usura Date: 2/17/94
 Agency: Administration

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FISCAL NOTE

No. 2
 Bill Version: HB 525
 (H) Publish Date: 3/9/94

**STATE OF ALASKA
 1994 LEGISLATIVE SESSION**

BILL N

Revision Date: _____ Dept. Affected: Administration
 Title: *An Act Relating to Evidence in Sexual BRJ: Office of Public Advocacy
Assault Cases... Component: Office of Public Advocacy
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 43

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	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
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) cost: none

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Brant McGee, Public Advocate Phone: 274-1684
 Division: Office of Public Advocacy Date: _____
 Approved by Commissioner: Nancy Bear Usura Date: 2/17/94
 Agency: Administration

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. 3
 Bill Version: HB 525
 (H) Publish Date: 3/9/94

Revision Date: _____ Dept. Affected: Public Safety
 Title: Evidence in Sexual Assault Cases BRU: Alaska State Troopers
 Component: Detachments
 Sponsor: Rules by Request
 Requestor: Governor **COMPONENT SERIAL NO.** 799

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
<small>Revenue Code</small>						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Lee Ann Lucas Phone: 465-4322
 Division: Office of the Commissioner Date: 2/16/94
 Approved by Commissioner: *[Signature]* Date: _____
 Agency: Richard L. Britton, Dept. of Public Safety

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FISCAL NOTE

No. 4
 Bill Version: HB 525
 (H) Publish Date: 3/9/94

STATE OF ALASKA
 1994 LEGISLATIVE SESSION

Revision Date: February 15, 1994
 Title: "...amending Alaska Rule of Evidence 404...
 admissibility of certain character evidence..."
 Sponsor: Rules/Request of Governor
 Requestor: Governor's Office

Department Affected: Department of Law
 BRU: Prosecution
 Component: All
 COMPONENT SERIAL NO. 0085 through 0090

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)
 Please see the attached analysis.

Prepared by: Richard I. Pegues, Director
 Division: Administrative Services Division

Phone: 465-3672
 Date: February 15, 1994

Approved by Commissioner: Bruce M. Botelho, Attorney General
 Agency: Department of Law

Date: February 15, 1994

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. _____

ANALYSIS CONTINUATION:

This bill amends Alaska Rule of Evidence 404 in several important respects. First, the bill would help reduce the number of times a rape victim is "put on trial" by authorizing the admission into evidence of other sexual assaults by the defendant against the same or another person when the defendant relies on the defense of consent. A defendant who argues that the victim consented should not be able to hide behind Rule of Evidence 404(b) to keep the jury from learning that the defendant has assaulted other victims.

Second, with respect to sexual abuses or assaults against a minor, this bill removes from Rule of Evidence 404(b) confusing language -- "to show a common scheme or plan" -- that has been misinterpreted by several courts to exclude evidence meant to be allowed under the rule. The bill also specifies a 10-year time period as being not too remote for the admissibility of evidence of prior similar assaults or sexual abuse offenses committed by the defendant against minors.

Finally, this bill amends Rule of Evidence 404(a) to allow evidence of a defendant's reputation for aggression or violence when the defendant places the victim's character for violence in issue by claiming self-defense. A defendant who claims that the victim was the aggressor should not be able to hide behind Rule 404 to keep a jury from learning that the defendant has an even greater reputation for violence in the community.

Because the bill modifies the rules of evidence in a manner that will help level the playing field for state prosecutors, and does not add to or otherwise increase our workload, there will not be a fiscal impact.

HB 525

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-01001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 9, 1994

The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that amends Alaska Rule of Evidence 404 in several respects to help protect the victims of crimes in this state.

In far too many cases of sexual assault, domestic violence, and child sexual abuse, Alaska's victims are often themselves "put on trial" in the course of criminal proceedings. The emotional trauma that such crime victims routinely suffer in the criminal justice system can in some cases be nearly as traumatic as the crime itself.

Therefore, in order to address these problems and to better protect Alaska's citizenry, especially women and children who are frequently the victims of these crimes, we have proposed three changes to Rule of Evidence 404 which are intended to accomplish the following three goals.

The first goal is to reduce the number of times a sexual assault victim is "put on trial" by authorizing the admission into evidence of other sexual assaults or attempted sexual assaults by the defendant if the defendant claims that the victim voluntarily "consented" to the sexual activity. When a defendant argues that the victim consented, the prosecution should be permitted to stand up for the victim and rebut this claim by introducing evidence to the jury that the defendant has sexually assaulted or attempted to sexually assault other victims in the past.

The second goal is to similarly protect Alaska's sexually abused children. Rule of Evidence 404(b) was intended to prevent sexual predators and other child abusers from manipulating juries by hiding their past crimes of this type. Unfortunately, a confusing and unnecessary phrase -- "to show a common scheme or plan" -- has

The Honorable Ramona Barnes
March 9, 1994
Page 2

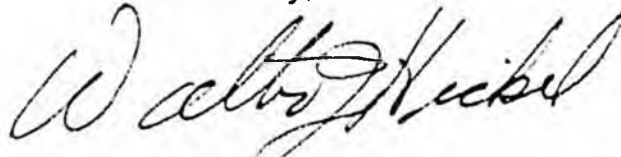
been misinterpreted by several Alaska courts to exclude evidence meant to be allowed under the rule. This bill would fix that problem by simply eliminating this confusing phrase. Evidence of other sexual assaults or sexual abuse by the defendant toward the same or another child should be admissible if those acts are similar to the offense charged, whether or not the evidence demonstrates a "common scheme or plan." This bill also specifies a 10-year time period as being not too remote for the admissibility of evidence of prior similar sexual assaults or sexual abuse offenses committed by the defendant against children.

The third goal relates to evidence of past violence on the part of the defendant. In cases of domestic violence and other violent crimes, the defendant often claims that the victim was the initial aggressor. The defendant claims, in essence, that "the victim hit me first" and that therefore the victim "had it coming." Under the existing rule of evidence, the defendant is then permitted to introduce all sorts of evidence about the victim's past reputation for violence -- and hide the fact that the defendant's own past contains an even more violent record. This bill would fix the rule by permitting the prosecution to stand up for the victim, and to rebut these claims by introducing evidence of the defendant's own past violence.

A defendant who claims that the victim was the aggressor should not be able to hide behind Rule 404 to keep a jury from learning that the defendant has an even greater reputation for violence in the community. The most common "relevant character trait of the accused" contemplated in this proposed amendment to Rule of Evidence 404(a) is the accused's reputation for violence or aggression.

The changes proposed in this bill will help level the playing field for the state in its efforts to combat crime. I urge your favorable action on this bill.

Sincerely,



Walter J. Hickel
Governor

HB

527

HFIN

FILE

FISCAL NOTE

No. 1
 Bill Version: HB 527
 (H) Publish Date: 3/9/94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act Extending the Maximum Period of Probation
for Certain Sex Offenses." BFL: Public Defender Agency
 Component: Public Defender Agency
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 1631

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	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
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) cost: none

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: John Salemi, Public Defender Phone: 264-4400
 Division: Public Defender Agency Date: _____
 Approved by Commissioner: Nancy Bear Usra Date: 2/18/94
 Agency: Administration

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FISCAL NOTE

No. 2
 Bill Version: HB 527
 (H) Publish Date: 3/9/94

**STATE OF ALASKA
 1994 LEGISLATIVE SESSION**

BILL :

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act Extending the Maximum Period of Probation
for Certain Sex Offenses." BPU: Office of Public Advocacy
 Component: Office of Public Advocacy
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 43

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	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
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) cost: none

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Brant McGee, Public Advocate
 Division: Office of Public Advocacy
 Approved by Commissioner: Nancy Bear Use
 Agency: Administration

Phone: 274-1684
 Date: _____
 Date: 2/16/94

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FISCAL NOTE

No. 3
 Bill Version: HB 527
 (H) Publish Date: 3/9/94

**STATE OF ALASKA
 1994 LEGISLATIVE SESSION**

Revision Date: 3/1/94 Dept. Affected: Corrections
 Title: An Act extending the maximum period BRU: ATI
of probation Component: ATI
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 694-1884

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
-----------------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	0	0	0	0	0	0
-------------------------------	---	---	---	---	---	---

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0	0	0	0	0	0

Estimate of any current year (FY94) cost: \$ 0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Because the extended period of probation would be unsupervised, no fiscal impact is expected.

Prepared by: Diane Schenker, Special Assistant Phone: 465-4643/786-2147
 Division: Office of the Commissioner Date: 3/1/94
 Approved by Commissioner: J. Frank Prewitt, Jr. Date: 3/1/94
 Agency: Department of Corrections

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FISCAL NOTE

No. 4
 Bill Version: HB 527
 (H) Publish Date: 3/9/94

STATE OF ALASKA
 1994 LEGISLATIVE SESSION

Revision Date: February 15, 1994
 Title: "...extending the maximum period of probation after conviction for certain offenses."
 Sponsor: Rules/Request of Governor
 Requestor: Governor's Office

Department Affected: Department of Law
 BRU: Prosecution
 Component: All
 COMPONENT SERIAL NO. 0085 through 0090

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)
 Please see the attached analysis.

Richard I. Peques
 Prepared by: Richard I. Peques, Director Phone: 465-3672
 Division: Administrative Services Division Date: February 15, 1994
Richard I. Peques / FOR
 Approved by Commissioner: Bruce M. Botelho, Attorney General
 Agency: Department of Law Date: February 15, 1994

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FISCAL NOTE

**STATE OF ALASKA
1994 LEGISLATIVE SESSION**

BILL NO. 527

ANALYSIS CONTINUATION:

This bill amends AS 12.55.090(c) to provide that the maximum period of probation that may be imposed when a defendant is convicted of the felony sex offenses or sexual assault and sexual abuse of a minor is extended from the current maximum period of five years to a maximum period of ten years. This is a post-conviction sentencing provision, and it will therefore not have a fiscal impact on the Department of Law.

**STATE OF ALASKA
1994 LEGISLATIVE SESSION**

FISCAL NOTE

BILL NO.

No. 5
Bill Version HB 527
(H) Publish Date: 3/9/94

Revision Date: _____ Dept. Affected: Public Safety
Title: Extending the Maximum Period of Probation BRU: Alaska State Troopers
after Conviction Component: Detachments
Sponsor: Rules by Request
Requestor: Governor COMPONENT SERIAL NO. 799

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES () Revenue Code	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

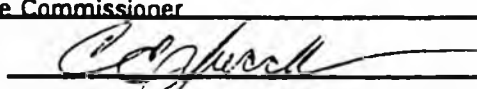
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Lee Ann Lucas Phone: 465-4322
Division: Office of the Commissioner Date: 2/16/94
Approved by Commissioner:  Date: **COMMITTEE COPY**
Agency: Richard L. Burton, Dept. of Public Safety

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WALTER J. HICKEL
GOVERNOR



HB 527
P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 9, 1994

*The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Dear Speaker Barnes:

Under the authority of a.i. III, sec. 18, of the Alaska Constitution, I am transmitting a bill extending the maximum period of probation that may be imposed when a defendant is convicted of a felony sex offense. Current law allows a maximum period of probation of only five years. This bill increases that time period to 10 years for the felony offenses of sexual assault and sexual abuse of a minor.

Among other benefits, this simple proposal will help protect Alaska's children and others from sexual assault or abuse because it will allow the courts to impose a longer period of probation for these defendants. If the defendant completes the first five years of probation without violating the terms set by the court, the additional probationary period will be unsupervised. If, however, the defendant demonstrates an inability to comply with the court's conditions, the additional probationary period will be supervised.

We can't lock all these offenders up forever. But by simply extending the allowable period of probation to up to 10 years for these felony offenses, we can give the courts the tool they need to monitor these offenders longer in order to better protect the public, without the more expensive costs of full-time incarceration.

Proposals like this have been pending in the legislature during the past several years. It is generally supported by both prosecutors and defense lawyers, and should be acted upon this session.

I urge your favorable action on this bill.

Sincerely,

A handwritten signature in black ink that reads "Walter J. Hickel".

Walter J. Hickel
Governor

HB

529

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 11, 1994

FURTHER REFERRALS:

Date of Committee Action: 3/15/94

The FINANCE Committee considered:

HB 529

HOUSE BILL NO. 529

APPROP: AMEND FY 94 PUBLIC ASSISTANCE

"An Act amending the medical assistance and community developmental disabilities grants appropriations in sec. 38, ch. 65, SLA 1993; and providing for an effective date."

- RECOMMENDATIONS: the same title
 be replaced with _____ a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

- ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal impact _____ fiscal note(s) _____
 zero fiscal note _____ zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Ronald J. Larson</i> Larson	X	<i>Eileen P. McKeon</i> McKeon		X	
<i>Mark Hanley</i> Hanley	X	<i>Bonnie Gustafson</i> Gustafson		X	
<i>Perry Martin</i> Martin	X	<i>Tom Hoffner</i> Hoffner		✓	
<i>Jan Ragnell</i> Ragnell	X	<i>Richard Foster</i> Foster		X	
<i>Tan Brown</i> Brown	✓				
<i>Therriault</i> Therriault	X				

Ronald J. Larson
 CHAIRMAN'S SIGNATURE



Representative Mark Hanley **Alaska State Legislature**

POSITION PAPER ON HB 529

The language in HB 529 is identical to Section 22 of HB 455, the FY94 supplemental request.

HB 529 is GF neutral.

In FY94, the Legislature authorized the Governor's request to transfer \$1.6 million from the Community Developmental Disabilities Grant appropriation to the Medical Assistance appropriation. Project CHOICE waivers, budgeted for in Medical Assistance, were to be used to finance care for individuals whose care was previously funded through DD grants.

Project CHOICE waivers did not come on line as quickly as anticipated in FY94, and only \$400,000 has been utilized of the \$1.6 million. At the beginning of FY94, DD grantees were instructed by the department to execute their budgets as if \$1.6 million had not been removed from the grant line. The department assumed that each grantee would receive a comparable benefit from waiver services.

The "fast-track" option has been deemed necessary due to the cash-flow problem grantees will experience beginning late April 1994. Most grantees must prove to their boards of directors that they have cash to cover obligations. If the FY94 supplemental passes in late April or early May, grantees will have to seek lines of credit to cover their remaining obligations in FY94. Several small grantees cannot get credit. Obtaining credit is an unanticipated expense for all grantees.

HB 529 transfers \$1.2 million from Medical Assistance to the DD grant line so that grantees can complete their FY94 operations.

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES
DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES
 CENTRAL OFFICE

P.O. BOX 110620
 JUNEAU, ALASKA 99801
 PHONE: (907) 465-3370
 FAX: (907) 465-2668
 TDD (907) 465-2225

June 29, 1993

ADDRESSEE
 raged
 BLOCKED OUT.

The Department of Health and Social Services, Division of Mental Health and Developmental Disabilities, is pleased to announce an award to ARCA - Residential in the amount of \$871,597. As you recall from the June 22, 1993 letter, you have been awarded a 1.5% increase for maintenance of effort. However, in order to implement the waivers, we have reduced the full grant award by 10% and will make final adjustments in the fourth quarter of the year. The breakout is as follows:

Beginning Award	\$ 954,129
Maintenance of Effort	<u>\$ 14,312</u>
Full Grant Award	\$ 968,441
Less 10%	<u>\$ (96,844)</u>
NGA Award	\$ 871,597

Your first quarter advance will still be twenty-five percent of the full grant award (\$242,110). This award is subject to final reconciliation of funds between the Division and your agency.

The following special requirements are being applied to your grant:

- Submit updated total agency budget
- Gas, oil, and maintenance are included in the budget. Explain what "use of vans" pays for.
- Explain what "use of facilities/rent" pays for; breakdown into administrative and direct expenses.
- Provide list of proposed equipment expenditures.
- Resubmit A&G rate determination; an example is enclosed.
- Clarify the number of respite hours to be delivered.
- The proposal was inconsistent describing the day activity program component. Work with the Division to clarify the discrepancy.

Page 2
June 29, 1993

These items must be addressed and submitted for approval by August 31, 1993. Second quarter funding will not be released until submissions are received and approved.

In order to process your award, the following documents must be returned to us as quickly as possible:

1. Notification of Grant Award (NGA) - Signed and dated (must be the original one page form) with the enclosed Special Conditions and General Program Conditions attached. Please note that the Special Conditions and General Program Conditions have been amended.
2. Revised budget detail and budget narrative to reflect the NGA award. Please note that the 10% that was reduced from the grant award can be included in the revised budget as "other" and also listed as "other" on the NGA to reflect "total project cost" Programs should not be cut - this is not the intent.
3. Quarterly Advance Form - Signed and Dated
4. Service Category Budget Summary Sheet

Copies of the above listed forms are enclosed as well as the cumulative fiscal report and budget revision forms. Some of the forms may be different than the ones you have used in FY 93. Please use the enclosed forms in FY 94. If you have questions regarding any of the above, please call Diana Ray at 465-3370.

We sincerely appreciate the dedication and quality of support you and your staff have provided to all of our mutual clients and their families over the past year. We look forward to another year of working with you as we continue to make progress in the delivery of services to persons experiencing a developmental disability.

Sincerely,

Diana Ray
for Mike Renfro
Developmental Disabilities
Program Administrator

ASETS*

*Alaska Specialized Education and Training Services, Inc.
A Non-profit Alaskan Corporation

2330 Nichols Street
Anchorage, AK 99508-3495
Phone: (907) 279-6617
TTY: (907) 278-8766
Fax: (907) 274-0636

Karen Ward, Ed.D.
Executive Director

February 23, 1994

Representative Ron Larson
House of Representatives
State Capitol
Juneau, AK 99801-1182

Dear Representative Larson:

On behalf of persons with developmental disabilities and their families, we urge you to introduce separate legislation that separates the Community Developmental Disabilities (DD) grants supplemental funding request (HB 455, Section 22) from the rest of the requests in HB 455. This legislation would add \$1.2 million to DMHDD budget and delete \$1.2 million from DMH. The Community DD grants supplemental request does not ask for additional money.

Community DD grants were reduced by \$1.6 million to medical assistance to implement Project Choice waivers. Due to circumstances beyond the grantees control, Project Choice implementation was delayed.

DD community services are at risk, and hundreds of persons with developmental disabilities may be without services unless the \$1.2 is transferred back to DMHDD.

In order to ensure that vital services to children and adults continue, you must act by April 1, 1994.

We urge you to act expeditiously and thank you for your concern.

Sincerely,



Karen Ward, Ed.D.
Executive Director

cc: House Finance Committee



ADVOCACY SERVICES OF ALASKA

615 East 82nd, Suite 101
Anchorage, AK 99518
(907) 344-1002 T D D
Toll Free 800-478-1234
Fax (907) 349-1002

230 South Franklin
Juneau, AK 99801
(907) 586-1627 T D D
Fax (907) 586-1066

250 Cushman, Suite 3H
Fairbanks, AK 99701
(907) 456-1070 T D D
Fax (907) 456-1080

February 23, 1994

FEB 28 1994

Rep. Mark Hanley
House Finance Committee
Juneau, AK

Dear Representative Hanley,

I am writing to you on behalf of children and adults who depend on vital services provided by Developmental Disabilities Grantees throughout Alaska.

If immediate action is not taken, many providers are going to be forced to drastically reduce or eliminate services as of April 1, 1994.

I urge you to introduce separate legislation that would pull Section 22, Supplemental for Development Disabilities Community Grants, from HB 455. This portion of the supplemental is unique in that it is not new or additional money. It is simply an add/delete that would transfer back the 1.2 million from the Division of Medical Assistance budget to the Division of Mental Health and Developmental Disabilities. The money was transferred last year in anticipation of fully implementing the Medicaid Waivers, and as you know this has not happened.

The administration has indicated that without legislative action, they will not have the resources to pay for services during the fourth quarter of this year.

HB 455 has many important components. However, because of the extreme impact on programs included in Section 22 and the fact that moving this section along without the rest will not increase the budget, I strongly believe separating Section 22 from HB 455 will best serve the needs of Alaskans.

Thank you in advance for your consideration.

Sincerely,

Rick Tessandore
Executive Director

HB

534

HFIN

FILE

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 8, 1994

FURTHER REFERRALS:

Date of Committee Action: 5/6/94

The FINANCE Committee considered:

HB 534

HOUSE BILL NO. 534

OMNIBUS INSURANCE REFORM

"An Act relating to insurance, to the licensing, accreditation, examination, regulation, and solvency of persons engaged in the insurance business, including insurers, nonadmitted insurers, purchasing groups, risk retention groups, and United States branches of alien insurers; relating to the management of and the filing of reports by persons licensed or otherwise doing business under the insurance code; amending Alaska Rule of Civil Procedure 45; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 534 (FIN) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) DCED 4/8/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>EP Maclean</u> Maclean	<input checked="" type="checkbox"/>	<u>Mike Yavara</u> YAVARA			<input checked="" type="checkbox"/>
<u>Donald J. Larson</u> Larson	<input checked="" type="checkbox"/>	<u>Mark Hanky</u> Hanky		<input checked="" type="checkbox"/>	
		<u>Kay Brown</u> BROWN		<input checked="" type="checkbox"/>	
		<u>Sean K. O'Connell</u> O'CONNELL			<input checked="" type="checkbox"/>

Donald J. Larson EP Maclean Maclean
CHAIRMAN'S SIGNATURE

FISCAL NOTE

No. 1
 Bill Version: CSHB 534(L&C)
 (H) Publish Date: 4/8/94

STATE OF ALASKA
 1994 LEGISLATIVE SESSION

Revision Date: _____
 Title: Omnibus Insurance Reform
 Sponsor: House Labor & Commerce Committee
 Requestor: _____

Department Affected: Commerce and Economic Development
 BRU: Insurance
 Component: Operations
 COMPONENT SERIAL NO. 354

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact.

COMMITTEE COPY

Prepared by: Joan Brown, Administrative Officer
 Division: Insurance

Phone: 465-2597
 Date: 3/25/94

Approved by Commissioner: Paul Fuhs
 Agency: Commerce and Economic Development

Date: 3/29/94

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

No. 1
Bill Version: CSHB 534(L&C)
(H) Publish Date: 4/8/94

Revision Date: _____
Title: Omnibus Insurance Reform
Sponsor: House Labor & Commerce Committee
Requestor: _____

Department Affected: Commerce and Economic Development
BRU: Insurance
Component: Operations
COMPONENT SERIAL NO. 354

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact.

COMMITTEE COPY

Prepared by: Joan Brown, Administrative Officer
Division: Insurance

Phone: 465-2597
Date: 3/25/94

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 3/29/94

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Adopted

CS FOR HOUSE BILL NO. 534(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to insurance, to the licensing, accreditation, examination,
2 regulation, and solvency of persons engaged in the insurance business, including
3 insurers, nonadmitted insurers, purchasing groups, risk retention groups, and
4 United States branches of alien insurers; relating to the management of and the
5 filing of reports by persons licensed or otherwise doing business under the
6 insurance code; amending Alaska Rule of Civil Procedure 45; and providing for
7 an effective date."

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

9 * Section 1. AS 06.20.260(a) is amended to read:

10 (a) A further or other charge or amount for an examination, service, brokerage
11 commission, expense, fee, bonus, or other thing may not be directly or indirectly
12 charged, contracted for, or received except

13 (1) lawful fees actually paid out by the licensee to a public officer for

1 filing, recording, or releasing any instrument securing the loan, or for transferring
2 certificate of title to a motor vehicle securing the lien or noting a lien on that
3 certificate;

4 (2) premiums actually paid out for insurance on any one or combination
5 of the following: pledged property of the borrower, or consumer credit [LIFE]
6 insurance: in this paragraph "consumer credit insurance" has the meaning given
7 in AS 21.57.160 [ON THE LIFE OF ONE OR MORE BORROWERS, CREDIT LOSS
8 OF INCOME INSURANCE, OR CREDIT DISABILITY INSURANCE TO PROVIDE
9 INDEMNITY FOR PAYMENTS BECOMING DUE ON THE INDEBTEDNESS];

10 (3) taxable costs and expenses to which the licensee becomes entitled
11 under general law in any court proceedings to collect a loan or to realize on the
12 security after default;

13 (4) reasonable fees paid by a licensee for appraisals, surveys, and title
14 insurance or reports if the loan is secured by an interest in real estate;

15 (5) a late payment fee of not more than 10 percent of the payment that
16 is due or \$15, whichever is less.

17 * Sec. 2. AS 06.20.287(a) is amended to read:

18 (a) A licensee may obtain consumer credit [LIFE, CREDIT DISABILITY,]
19 and property insurance on open-end loans under this chapter. The consumer credit
20 [LIFE AND CREDIT DISABILITY] insurance obtained by a licensee shall satisfy the
21 requirements of AS 21.57. The property insurance obtained by a licensee shall satisfy
22 the requirements of AS 21.39 and AS 21.42. The licensee shall comply with
23 AS 21.36.160 and 21.36.165 during all transactions with borrowers involving
24 consumer credit [LIFE, CREDIT DISABILITY] and property insurance.

25 * Sec. 3. AS 21.03.010 is amended by adding a new subsection to read:

26 (c) A person who transacts insurance in this state, or relative to a subject
27 resident, located, or to be performed in this state as or on behalf of a risk retention
28 group or purchasing group formed under and in compliance with 15 U.S.C. 3901 -
29 3906 (Liability Risk Retention Act), shall comply with the applicable provisions of this
30 title.

31 * Sec. 4. AS 21.06.080 is amended by adding a new subsection to read:

1 (e) If the director determines that a catastrophe has occurred in this state and
2 in good faith believes that the governor or the President of the United States has issued
3 or is about to issue a declaration of disaster, the director may take the action that the
4 director considers necessary to respond to the disaster in order to assure the continuity
5 and stability of the insurance market in this state, to protect policyholders and the
6 public, or to prevent aggravation of the disaster, including issuing an emergency order
7 temporarily suspending specific provisions of this title. Until a declaration of the
8 disaster has been lifted, the director may take action to respond to a disaster without
9 a hearing. An action taken under this subsection may not remain in effect more than
10 six months from the date that the director determines that a catastrophe has occurred
11 unless, after hearing, the director determines that the action is still necessary to
12 respond to the disaster.

13 * Sec. 5. AS 21.06.150(g) is amended to read:

14 (g) The director may withhold a document, information, account, record,
15 examination, or report from the public inspection for as long as the director finds the
16 withholding is necessary to protect a person against unwarranted injury or is in the
17 public interest. The director may close an examination hearing to the public when
18 the director finds the closure is necessary to protect a person against unwarranted
19 injury or is in the public interest. The director may publish the examination report
20 or a summary of it in a newspaper in the state if the director determines that the
21 publication is in the public interest.

22 * Sec. 6. AS 21.09.110 is amended to read:

23 Sec. 21.09.110. APPLICATION FOR CERTIFICATE OF AUTHORITY. To
24 apply for an original certificate of authority an insurer shall file with the director its
25 application, ~~()~~ accompanied by the applicable fees set under AS 21.06.250, ~~()~~
26 showing its name, location of its home office, or principal office in the United States
27 ~~()~~ if an alien insurer ~~()~~, kinds of insurance to be transacted, date of organization or
28 incorporation, form of organization, state or country of domicile, and additional
29 information that the director may reasonably require, together with the following
30 documents, as applicable:

31 (1) if a foreign insurer, a copy of its corporate charter or articles of

1 incorporation, with all amendments certified by the public officer with whom the
2 originals are on file in the state or country of domicile;

3 (2) if a reciprocal insurer, copies of the power of attorney of its
4 attorney-in-fact and of its subscribers' agreement, if any, certified by its
5 attorney-in-fact;

6 (3) a copy of its financial statement as of the preceding December 31,
7 and all subsequent quarterly financial statements, sworn to by at least two executive
8 officers of the insurer, or certified by the public insurance supervisory official of the
9 insurer's state of domicile or of entry into the United States;

10 (4) a copy of the report of last examination, if any, made of the insurer,
11 certified by the insurance supervisory official of its state of domicile or of entry into
12 the United States;

13 (5) appointment of the director under AS 21.09.180, as its attorney to
14 receive service of legal process;

15 (6) if a foreign or alien insurer, a certificate of the public official
16 having supervision of insurance in its state or country of domicile, or state of entry
17 into the United States, showing that it is authorized to transact the kinds of insurance
18 proposed to be transacted in this state;

19 (7) if an alien insurer, a copy of the appointment and authority of its
20 United States manager, certified by its officer having custody of its records; and

21 (8) if a foreign insurer, a certificate as to deposit if it is to be tendered
22 under AS 21.09.090 [;

23 (9) SPECIMEN COPIES OF POLICIES PROPOSED TO BE
24 OFFERED IN THIS STATE IF THEN AVAILABLE, TOGETHER WITH
25 PREMIUMS OR PREMIUM RATES APPLICABLE IF THEN KNOWN, OR A
26 DECLARATION THAT THE RATES AS APPLICABLE WILL BE THOSE
27 PROMULGATED BY DESIGNATED RATING ORGANIZATIONS AUTHORIZED
28 TO FILE RATES IN THIS STATE ON BEHALF OF THE INSURER OR BY THE
29 INSURER].

30 * Sec. 7. AS 21.09.110 is amended by adding a new subsection to read:

31 (b) Policy forms and rates that require approval under AS 21.39 or AS 21.42

1 shall be submitted under AS 21.39.040(j) or AS 21.42.120(g) and may not be
2 submitted with the application for a certificate of authority.

3 * Sec. 8. AS 21.09.130(b) is amended to read:

4 (b) If not continued by the insurer, its certificate of authority shall be
5 suspended [EXPIRES] at midnight on June 30 following the failure of the insurer to
6 continue it in force. The certificate of authority shall expire on June 30 one year
7 following its suspension due to failure to continue the certificate of authority. The
8 director shall promptly notify the insurer of the occurrence of a failure that may result
9 in suspension [RESULTING IN IMPENDING EXPIRATION] of its certificate of
10 authority.

11 * Sec. 9. AS 21.09 is amended by adding a new section to read:

12 Sec. 21.09.135. VOLUNTARY SURRENDER OF CERTIFICATE OF
13 AUTHORITY. (a) A foreign admitted insurer may apply for voluntary surrender of
14 its certificate of authority and the director may accept the application, if the foreign
15 admitted insurer

16 (1) is in compliance with the applicable sections of this title, or the
17 director waives in writing each condition of noncompliance;

18 (2) provides written confirmation that obligations incurred before the
19 voluntary surrender of the certificate of authority shall be paid to guarantee funds or
20 insurance pools established by law; and

21 (3) is domiciled in a state that is

22 (A) accredited by the National Association of Insurance
23 Commissioners at the time of the request for voluntary surrender, or

24 (B) not accredited by the National Association of Insurance
25 Commissioners at the time of the request and agrees in writing to be subject
26 to

27 (i) AS 21.09.200 and 21.09.205 for a period of two
28 years, including payment of any fee related to filing information with
29 the director; and

30 (ii) any other provision of this title that may be required
31 in writing by the director and for the period of time the director may

1 specify.

2 (b) If a foreign admitted insurer who surrenders a certificate of authority
3 ceases to exist, all business written and in force relative to a risk resident, located, or
4 to be performed in this state shall be lawfully cancelled or reinsured. A reinsurance
5 agreement covering all or a part of a risk described in this subsection shall be
6 approved by the director before accepting the certificate of authority for surrender if
7 the agreement meets the following criteria:

8 (1) insurance coverage has not deteriorated from the policies existing
9 at the time of the transfer;

10 (2) the assuming insurer is of equal or better financial standing; and

11 (3) the assuming insurer is admitted to do business in this state, unless
12 this requirement is waived by the director.

13 * Sec. 10. AS 21.09.200(f) is amended to read:

14 (f) In addition to the requirements of (a) of this section, an authorized [A
15 DOMESTIC] insurer shall file its annual statement with the National Association of
16 Insurance Commissioners on electronic media acceptable to the association by the
17 due date established by the association, and shall pay the applicable filing fee. The
18 director may waive the filing requirement if the insurer only transacts business
19 in this state and only accepts risks relative to a subject resident, located, or to be
20 performed in this state. An insurer that fails to comply with this subsection is
21 subject to the penalties specified in (e) of this section, calculated from the filing and
22 fee due date established by the National Association of Insurance Commissioners.

23 * Sec. 11. AS 21.09.205 is amended by adding a new subsection to read:

24 (d) In addition to the requirements of (a) of this section, an authorized insurer
25 shall file its quarterly statement with the National Association of Insurance
26 Commissioners on electronic media acceptable to the association by the due date
27 established by the association, and shall pay the applicable filing fee. The director
28 may waive the filing requirement if the insurer only transacts business in this state and
29 only accepts risks relative to a subject resident, located, or to be performed in this
30 state. An insurer that fails to comply with this subsection is subject to the penalties
31 specified in (c) of this section, calculated from the filing and fee due date established

1 by the National Association of Insurance Commissioners.

2 * **Sec. 12.** AS 21.09.210 is amended by adding new subsections to read:

3 (j) If, within three years after the date the tax under this section was due, an
4 insurer discovers a mistake or misinterpretation that resulted in an overpayment of the
5 tax in an amount exceeding \$250 in any one calendar year, the insurer may make a
6 written request to the director for a refund. If the director determines a valid mistake
7 or misinterpretation has occurred, the director shall refund to the insurer the amount
8 of the excess tax by granting, at the director's discretion, a monetary refund or
9 premium tax credit. A premium tax credit shall be used in the next calendar year to
10 the extent possible and any unused credit shall be paid as a monetary refund. A
11 premium tax credit may not reduce the payable tax, calculated without use of the
12 credit, to less than zero.

13 (k) A premium tax credit granted under (j) of this section may not carry over
14 as an attribute in a transaction under AS 21.69.610, 21.69.620, AS 21.78, or a similar
15 transaction entered into by a foreign insurer.

16 (l) In this section, "premium tax credit" means an amount that an insurer may
17 use as an offset against a premium tax payment.

18 * **Sec. 13.** AS 21.09 is amended by adding new sections to read:

19 **Sec. 21.09.290. RISK RETENTION GROUPS.** (a) A risk retention group
20 formed in this state shall

21 (1) comply with 15 U.S.C. 3901 - 3906 (Liability Risk Retention Act);

22 and

23 (2) qualify for and hold in good standing a certificate of authority under
24 this chapter, limited to liability insurance only.

25 (b) A risk retention group shall submit with its application for a certificate of
26 authority

27 (1) the identity of

28 (A) the initial members of the risk retention group;

29 (B) all persons who organized the risk retention group;

30 (C) all persons who will provide administrative services to the

31 risk retention group;

- 1 (D) all persons who will influence or control the activities of
2 the risk retention group;
- 3 (2) the amount and nature of initial capitalization;
- 4 (3) a plan of operation or a feasibility study that includes the coverage,
5 deductible, coverage limit, rate, and rating classification system for the type or class
6 of liability insurance the group intends to offer; and
- 7 (4) the states in which the risk retention group intends to operate.

8 (c) At least 30 days before a domestic risk retention group implements a
9 material change or revision to an approved plan of operation or feasibility study, the
10 material change or revision shall be filed with the director. A material change or
11 revision may not be implemented unless the domestic risk retention group receives the
12 director's written approval. In this subsection, "material change or revision" includes
13 an offering of an additional type or class of liability insurance.

14 (d) In this section,

15 (1) "liability" means legal liability for damages, including costs of
16 defense, legal costs and fees, and other claims expenses, because of injury to another
17 person, damage to property, or other damage or loss to a person resulting from or
18 arising out of a business, whether profit or nonprofit, trade, product, service, including
19 a professional service, or an activity of a state or local government, or an agency or
20 political subdivision of a state or local government; "liability" does not include
21 personal risk liability or employer's liability with respect to its employees other than
22 legal liability under 45 U.S.C. 51 (Federal Employers' Liability Act);

23 (2) "personal risk liability" means liability for damages because of
24 injury to a person, damage to property, or other loss or damage resulting from a
25 personal, familial, or household responsibility or activity and that is not a responsibility
26 or activity described under (1) of this subsection.

27 Sec. 21.09.300. DISCLOSURE OF MATERIAL TRANSACTIONS. (a) A
28 domestic insurer shall file a report with the director disclosing a material acquisition
29 and disposition of assets or a material nonrenewal, cancellation, or revision of ceded
30 reinsurance agreements unless the acquisition and disposition of assets or material
31 nonrenewal, cancellation, or revision of ceded reinsurance agreements have been

1 submitted to the director for review, approval, or information purposes as required by
2 this title.

3 (b) The report required under (a) of this section is due 15 days after the end
4 of the calendar month in which a reportable transaction occurs. A complete copy of
5 the report, including exhibits or other attachments filed as a part of the report, shall
6 be filed with the National Association of Insurance Commissioners.

7 (c) Except as provided in this section, a report obtained by or disclosed to the
8 director under this section is confidential, is not subject to subpoena, and may not be
9 made public by the director, the National Association of Insurance Commissioners, or
10 another person, without the prior written consent of the insurer submitting the report.
11 A report under this section may be disclosed to an insurance regulatory agency of
12 another state. If the director, after giving an insurer notice and an opportunity to be
13 heard, determines that the interest of policyholders, shareholders, or the public will be
14 served by publication of the report, the director may publish all or any part of the
15 report in a manner the director determines appropriate.

16 (d) A domestic insurer's report of an acquisition or disposition of an asset

17 (1) shall be made under (a) of this section if the acquisition or
18 disposition is material; for purposes of this subsection, an acquisition or disposition,
19 or the aggregate of a series of related acquisitions or related dispositions during any
20 30-day period is material if it is nonrecurring, not in the ordinary course of business,
21 and involves more than five percent of the reporting insurer's total admitted assets as
22 reported in its most recent financial statement required by law that is filed with the
23 division;

24 (2) shall be made on asset acquisition, including a purchase, lease,
25 exchange, merger, consolidation, succession, or other acquisition other than the

26 (A) construction or development of real property by or for the
27 reporting insurer; or

28 (B) acquisition of material for construction or development of
29 real property;

30 (3) shall be made on asset disposition including a sale, lease, exchange,
31 merger, consolidation, mortgage, hypothecation, assignment for the benefit of creditors,

- 1 or abandonment;
- 2 (4) must include information on the
- 3 (A) date of transaction;
- 4 (B) manner of acquisition or disposition;
- 5 (C) description of the assets involved;
- 6 (D) nature and amount of the consideration given or received;
- 7 (E) purpose of, or reason for, the transaction;
- 8 (F) manner by which the amount of consideration was
- 9 determined;
- 10 (G) gain or loss recognized or realized as a result of the
- 11 transaction; and
- 12 (H) names of persons from whom the assets were acquired or
- 13 to whom the assets were disposed.
- 14 (e) A domestic insurer's report of nonrenewal, cancellation, or revision of a
- 15 ceded reinsurance agreement
- 16 (1) shall be made under (a) of this section if the nonrenewal,
- 17 cancellation, or revision is material; for purposes of this subsection, a material
- 18 nonrenewal, cancellation, or revision is one that affects (A) for property and casualty
- 19 business, including accident and health business when written as property and casualty
- 20 business, more than 50 percent of an insurer's ceded written premium; or (B) for life,
- 21 annuity, and accident and health business, more than 50 percent of the total reserve
- 22 credit taken for business ceded, on an annualized basis as indicated in the insurer's
- 23 most recently filed statutory statement; however, a filing is not required if the insurer's
- 24 ceded written premium or the total reserve credit taken for business ceded represents,
- 25 on an annual basis, less than 10 percent of direct written premiums and assumed
- 26 written premiums or 10 percent of the statutory reserve requirement before a cession;
- 27 (2) shall be filed without regard to which party has initiated the
- 28 nonrenewal, cancellation, or revision of ceded reinsurance whenever any of the
- 29 following conditions exist:
- 30 (A) the entire cession has been cancelled, nonrenewed, or
- 31 revised and ceded indemnity and loss adjustment expense reserves after a

1 nonrenewal, cancellation, or revision represent less than 50 percent of the
2 comparable reserves that would have been ceded had the nonrenewal,
3 cancellation, or revision not occurred;

4 (B) an admitted or accredited reinsurer has been replaced on an
5 existing cession by an unauthorized reinsurer, however, a report shall be filed
6 only if the result of the revision affects more than 10 percent of the cession;
7 or

8 (C) collateral requirements previously established for
9 unauthorized reinsurers have been reduced; however, a report shall be filed
10 only if the result of the revision affects more than 10 percent of the cession;
11 and

12 (3) must include

13 (A) the effective date of the nonrenewal, cancellation, or
14 revision;

15 (B) a description of the transaction with an identification of the
16 initiator of the transaction;

17 (C) the purpose of, or reason for, the transaction; and

18 (D) if applicable, the identity of the replacement reinsurers.

19 (f) An insurer is required to report under (a) of this section on a
20 nonconsolidated basis unless the insurer is part of a consolidated group of insurers that
21 utilizes a pooling arrangement or 100 percent reinsurance agreement that affects the
22 solvency and integrity of the insurer's reserves and the insurer ceded substantially all
23 of its direct and assumed business to the pool. An insurer is presumed to have ceded
24 substantially all of its direct and assumed business to a pool if the insurer has less than
25 \$1,000,000 total direct written premiums and assumed written premiums during a
26 calendar year that is not subject to a pooling arrangement and the net income of the
27 business not subject to the pooling arrangement represents less than five percent of the
28 insurer's capital and surplus.

29 **Sec. 21.09.310. AUTHORIZATION OF UNITED STATES BRANCHES OF**
30 **ALIEN INSURERS AND GENERAL REQUIREMENTS.** (a) This section applies
31 to all United States branches of alien insurers using this state as a state of entry to

1 transact the business of insurance in the United States. Except as provided elsewhere
2 in this title, a United States branch is subject to all state laws applicable to an insurer
3 domiciled in this state.

4 (b) An alien insurer may apply for a certificate of authority to use this state
5 as a state of entry to transact the business of insurance in the United States by

6 (1) qualifying as an insurer licensed to do business in this state;

7 (2) establishing a trust under a trust agreement approved in writing by
8 the director with a United States bank acceptable to the director in an amount not less
9 than the minimum basic capital or basic guarantee surplus and additional maintained
10 surplus required under AS 21.09.070;

11 (3) submitting a copy of its charter and bylaws, if any, currently in
12 force, and other materials necessary to show the kind of business it is authorized to
13 transact in its domiciliary jurisdiction; documents submitted under this paragraph must
14 be attested to as accurate and complete by the insurance supervisory official in the
15 domiciliary jurisdiction, and must include an English translation if in a language other
16 than English;

17 (4) submitting a full statement, subscribed and affirmed as true by two
18 officers or equivalent responsible representatives in a manner that the director
19 prescribes, of its financial condition as of the close of its latest fiscal year, showing
20 its assets, liabilities, income disbursements, business transacted, and other facts
21 required to be shown in its annual statement, as reported to the insurance supervisory
22 official in its domiciliary jurisdiction; all documents submitted under this paragraph
23 must include an English translation if in a language other than English;

24 (5) submitting to an examination under AS 21.06.120(b) at its principal
25 office within the United States, and elsewhere if necessary, unless the director accepts
26 a report of the insurer's last examination and the report has been certified by the
27 insurance supervisory official of the insurer's domiciliary jurisdiction; and

28 (6) payment of fees established under AS 21.06.250.

29 (c) Before issuing or renewing a certificate of authority for a United States
30 branch, the director may require satisfactory proof that the insurer does not intend to
31 transact insurance business in violation of the provisions of this title or that is not

1 authorized by its charter. Proof required under this subsection may include the alien
2 insurer's charter, an agreement evidenced by a duly certified resolution of its board of
3 directors, or other proof that the director may require.

4 (d) The director may renew a certificate of authority for a United States branch
5 if satisfied, by proof the director may require, that the insurer is not delinquent with
6 respect to a requirement or qualification imposed by this title and that its continuance
7 to transact the business of insurance in this state will not be hazardous or prejudicial
8 to the best interest of the people of this state.

9 (e) A United States branch may not receive or renew a certificate of authority
10 in this state

11 (1) to transact a kind of insurance or a combination of kinds of
12 insurance that are not permitted to be transacted by domestic insurers in this state;

13 (2) if it transacts business other than the business of insurance
14 anywhere else within the United States unless the business, in the opinion of the
15 director, is necessarily or properly incidental to the kind of insurance that it is
16 authorized to transact in this state;

17 (3) if it fails to keep full and correct entries of its transactions; records
18 of entries shall at all times be maintained in its principal office within this state; or

19 (4) if it fails to comply with a requirement or limitation of this title that
20 it is not exempted from by another provision of this title and that is applicable to
21 similar domestic insurers and if, in the judgment of the director, the requirement or
22 limitation is necessary to protect the interest of the policyholders.

23 (f) A United States branch that transacts a kind or combination of kinds of
24 insurance outside this state that is not permitted to be done in this state by similar
25 domestic insurers may not have a certificate of authority issued or renewed in this state
26 unless, in the judgment of the director, the transaction of that kind of insurance is not
27 prejudicial to the best interest of the people of this state.

28 (g) A United States branch shall maintain assets in a trust account in an
29 amount not less than the United States branch's reserves and other liabilities, plus the
30 minimum basic capital or basic guaranteed surplus and additional maintained surplus
31 required under AS 21.09.070.

- 1 (h) A written trust agreement must contain provisions that
- 2 (1) vest legal title to trusteed assets in the trustees, and their lawfully
- 3 appointed successors;
- 4 (2) require that all assets deposited in the trust be continuously kept
- 5 within the United States;
- 6 (3) provide for substitution of a new trustee in case of a vacancy by
- 7 death, resignation, or other reason, subject to the prior written approval of the director;
- 8 (4) require that the trustee continuously maintain a record sufficient to
- 9 identify the assets of the trust fund;
- 10 (5) require that trusteed assets consist only of cash, investments eligible
- 11 for investment of the funds of domestic insurers, and accrued interest on the assets, if
- 12 collectible by the trustee, subject to the limits on investment of funds by domestic
- 13 insurers under this title;
- 14 (6) require that the trust be for the exclusive benefit, security, and
- 15 protection of the policyholders, or policyholders and creditors, of the United States
- 16 branch in the United States and that the trust be maintained as long as there is an
- 17 outstanding liability of the alien insurer arising out of its transaction of insurance in
- 18 the United States; and
- 19 (7) provide that withdrawal of an asset may not be made or permitted
- 20 by a trustee without the prior written approval of the director except
- 21 (A) to make deposits required by law in a state for the security
- 22 or benefit of all policyholders, or policyholders and creditors, of the United
- 23 States branch in the United States;
- 24 (B) to withdraw funds deposited in another state under (A) of
- 25 this paragraph if
- 26 (i) the written trust agreement requires prior written
- 27 approval of the insurance supervising official of that other state;
- 28 (ii) written notice of the nature and extent of the
- 29 withdrawal is provided to the director within 30 days of the withdrawal;
- 30 and
- 31 (iii) the total trusteed assets remaining are in excess of

- 1 the total assets required to be maintained in trust under (g) of this
2 section;
- 3 (C) upon the specific written direction of the United States
4 manager, who is duly authorized and is acting under either general or specific
5 written authority previously given or delegated by the board of directors, to
6 substitute other assets as permitted by this title if the substituted assets are of
7 at least equal value and quality to those withdrawn;
- 8 (D) to transfer assets to an official liquidator or rehabilitator
9 under an order of a court of competent jurisdiction; or
- 10 (E) if provided under the terms of the written trust agreement,
11 to pay over to the United States manager of the United States branch, upon
12 request, income, dividends, or interest accumulations of the assets of the trust
13 fund that are in excess of the total assets required to be maintained in trust
14 under (g) of this section.
- 15 (i) A written trust agreement and all amendments to it shall be authenticated
16 in a form and manner that the director may prescribe and may not take effect until
17 approved by the director. The director may not approve a trust agreement unless the
18 director makes a written finding that
- 19 (1) the written trust agreement or its amendments are sufficient in form
20 and in conformity with law;
- 21 (2) a person designated as a trustee is eligible to act in that capacity;
22 and
- 23 (3) the written trust agreement is adequate to protect the interests of the
24 beneficiaries of the trust.
- 25 (j) The director may approve written modifications of, or variations in, a
26 written trust agreement upon a finding that the proposed changes are not prejudicial
27 to the interests of the people of this state or the United States policyholders and
28 creditors of the United States branch.
- 29 (k) The director may conduct examinations of the trusteed assets of an
30 authorized United States branch at the insurer's expense and may require the trustee
31 or trustees to file a statement, in a form as prescribed by the director, certifying the

1 assets and amounts of the trust fund.

2 (l) The director, upon finding that the requisites for the approval of the trust
3 agreement no longer exist, may issue an order that withdraws approval of a written
4 trust agreement and amendments to it. An order issued under this subsection takes
5 effect 10 days after being issued.

6 (m) In addition to all other actions permitted under this title, refusal or neglect
7 of a trustee to comply with the requirements of this title is a cause for suspension or
8 revocation of the United States branch's certificate of authority or the liquidation of
9 the alien insurer's United States branch.

10 (n) Annual statements under AS 21.09.200 and quarterly statements under
11 AS 21.09.205 (1) may only relate to insurance transactions and affairs within the
12 United States, assets held by or for the United States branch for the protection of
13 policyholders and creditors within the United States, and liabilities incurred against
14 those assets; and (2) may not contain a statement in regard to assets and business
15 transacted in a place not described in this subsection. The annual and quarterly
16 statements shall be signed and verified by the United States manager, attorney-in-fact,
17 or a duly empowered assistant United States manager of the United States branch.

18 (o) In a form prescribed by the director, an authorized United States branch
19 shall file with its annual and quarterly statements a statement of trusteed surplus
20 covering the same time period. The trusteed surplus shall consist of the aggregate
21 value of the United States branch's general state deposits and assets deposited with a
22 trustee under this section, plus accrued interest income if the interest were collected
23 by the states for the trustees, less the aggregate net amount of all its reserves and other
24 liabilities in the United States as determined under this subsection. The items of
25 securities and other property held under trust deeds shall be certified by the United
26 States trustee. To determine the net amount of the United States branch's liabilities
27 in the United States to be reported in the statement of trusteed surplus, the United
28 States branch shall adjust its total liabilities reported on its accompanying annual or
29 quarterly statement as follows:

30 (1) by adding back liabilities used to offset admitted assets reported in
31 the accompanying annual or quarterly statement; and

- 1 (2) by deducting
- 2 (A) unearned premiums on agent's balances or uncollected
- 3 premiums not more than 90 days past due;
- 4 (B) reinsurance on losses with authorized insurers, less unpaid
- 5 reinsurance premiums;
- 6 (C) reinsurance recoverables on paid losses from unauthorized
- 7 insurers that are included as an asset in the annual statement, but only to the
- 8 extent a liability for unauthorized recoverables as described in this paragraph
- 9 are included in the liabilities report in the trustee surplus statement;
- 10 (D) special state deposits held for the exclusive benefit of
- 11 policyholders, or policyholders and creditors, of a particular state not exceeding
- 12 net liabilities reported for that state;
- 13 (E) secured accrued retrospective premiums;
- 14 (F) if a life insurer,
- 15 (i) the amount of its policy loans to policyholders within
- 16 the United States, not exceeding the amount of legal reserve required
- 17 on an affected policy; and
- 18 (ii) the net amount of uncollected and deferred
- 19 premiums; and
- 20 (G) other nontrusteed assets, upon a written finding by the
- 21 director that the other nontrusteed assets secure liabilities in a substantially
- 22 similar manner to those permitted under this subsection.
- 23 (p) In addition to the annual and quarterly statements and the statements of
- 24 trustee surplus, the director may require additional information relating to total
- 25 business or assets, or any portion of them, of the alien insurer or its United States
- 26 branch.
- 27 (q) In addition to the general statement of the financial condition of the United
- 28 States branch, a report of examination must include a trustee surplus statement as of
- 29 the date of the examination.
- 30 (r) In this section,
- 31 (1) "trusteed assets" are the assets maintained in a trust account under

1 (g) of this section;

2 (2) "United States branch" means the business unit through which
3 business is transacted within the United States by an alien insurer and the assets and
4 liabilities of the insurer within the United States applicable to that business.

5 * Sec. 14. AS 21.09.310(b) is repealed and reenacted to read:

6 (b) An alien insurer may apply for a certificate of authority to use this state
7 as a state of entry to transact the business of insurance in the United States by

8 (1) qualifying as an insurer licensed to do business in this state; and

9 (2) establishing a trust under a trust agreement approved in writing by
10 the director with a United States bank acceptable to the director in an amount not less
11 than the greater of

12 (A) the minimum basic capital or basic guarantee surplus and
13 additional maintained surplus required under AS 21.09.070; or

14 (B) the authorized control level risk based capital under
15 AS 21.14;

16 (3) submitting a copy of its charter and bylaws, if any, currently in
17 force, and other documents necessary to show the kind of business it is authorized to
18 transact in its domiciliary jurisdiction; documents submitted under this paragraph must
19 be attested to as accurate and complete by the insurance supervisory official in the
20 domiciliary jurisdiction, and must include an English translation, if in a language other
21 than English;

22 (4) submitting a full statement, subscribed and affirmed as true by two
23 officers or equivalent responsible representatives in a manner that the director
24 prescribes, of its financial condition as of the close of its latest fiscal year, showing
25 its assets, liabilities, income disbursements, business transacted, and other facts
26 required to be shown in its annual statement, as reported to the insurance supervisory
27 official in its domiciliary jurisdiction; all documents submitted under this paragraph
28 must include an English translation if in a language other than English;

29 (5) submitting to an examination under AS 21.06.120(b) at its principal
30 office within the United States, and elsewhere if necessary, unless the director accepts
31 a report of the insurer's recent examination and the report has been certified by the

1 insurance supervisory official of the insurer's domiciliary jurisdiction; and

2 (6) payment of fees established under AS 21.06.250.

3 * Sec. 15. AS 21.09.310(g) is repealed and reenacted to read:

4 (g) A United States branch shall maintain assets in a trust account in an
5 amount not less than the United States branch's reserves and other liabilities, plus the
6 greater of

7 (1) the minimum basic capital or basic guaranteed surplus and
8 additional maintained surplus required under AS 21.09.070; or

9 (2) the authorized control level risk based capital under AS 21.14.

10 * Sec. 16. AS 21.12.020(a) is amended to read:

11 (a) Credit for reinsurance transactions shall be allowed a domestic ceding
12 insurer as either an asset or a deduction from liability on account of reinsurance ceded
13 only if the reinsurance is ceded to an

14 (1) assuming insurer that is licensed to transact insurance or reinsurance
15 in this state;

16 (2) assuming insurer that is accredited as a reinsurer in this state; an
17 accredited reinsurer is one that

18 (A) files evidence of submission [SUBMITS] to this state's
19 jurisdiction, submits to this state's authority to examine its books and records
20 under AS 21.06.120, is licensed to transact insurance or reinsurance in at least
21 one state that is accredited by the National Association of Insurance
22 Commissioners, or, in the case of a United States branch of an alien
23 admitted insurer, is entered through and licensed to transact insurance or
24 reinsurance in at least one state that is accredited by the National
25 Association of Insurance Commissioners; [AND FILES ANNUALLY WITH
26 THE DIRECTOR A COPY OF THE REINSURER'S ANNUAL STATEMENT
27 FILED WITH THE INSURANCE DEPARTMENT OF THE REINSURER'S
28 STATE OF DOMICILE AND A COPY OF THE REINSURER'S MOST
29 RECENT AUDITED FINANCIAL STATEMENT; OR]

30 (B) [IN THE CASE OF A UNITED STATES BRANCH OF
31 AN ALIEN ASSUMING INSURER, IS ENTERED THROUGH, AND

1 LICENSED TO TRANSACT INSURANCE OR REINSURANCE IN, AT
2 LEAST ONE STATE ACCREDITED BY THE NATIONAL ASSOCIATION
3 OF INSURANCE COMMISSIONERS, FILES ANNUALLY WITH THE
4 DIRECTOR A COPY OF ITS ANNUAL FINANCIAL STATEMENT THAT
5 IS FILED WITH THE INSURANCE REGULATORY AGENCY OF ITS
6 STATE OF DOMICILE, AND] maintains at least \$20,000,000 in policyholder
7 surplus and whose accreditation has not been denied by the director within
8 90 days of application to the director, or maintains less than \$20,000,000
9 in policyholder surplus and whose application for accreditation has been
10 approved by the director; and

11 (C) files annually with the director a copy of the reinsurer's
12 annual financial statement filed with the insurance department of the
13 reinsurer's state of domicile or state of entry [THE SURPLUS
14 REQUIREMENTS IN THIS SUBPARAGRAPH DO NOT APPLY TO
15 REINSURANCE CEDED AND ASSUMED UNDER A POOLING
16 ARRANGEMENT AMONG INSURERS IN THE SAME HOLDING
17 COMPANY SYSTEM];

18 (3) assuming insurer that is domiciled in a state, or in the case of a
19 United States branch of an alien assuming insurer, is entered through a state accredited
20 by the National Association of Insurance Commissioners that employs standards
21 regarding credit for reinsurance ceded substantially similar to those applicable under
22 (1) and (2) of this subsection, the assuming insurer maintains a policyholder surplus
23 of at least \$20,000,000, and the assuming insurer submits to the authority of this state
24 to examine its books and records; the surplus requirements in this paragraph do not
25 apply to reinsurance ceded and assumed under a pooling arrangement among insurers
26 in the same holding company system;

27 (4) assuming alien insurer that

28 (A) maintains a trust fund in a qualified United States financial
29 institution for the payment of the valid claims of its United States policyholders
30 and ceding insurers, and their assigns and successors in interest, that conforms
31 to the following requirements:

1 (i) the trust shall be established in a form approved by
2 the director; the trust instrument must provide that contested claims are
3 valid and enforceable upon the final order of any court of competent
4 jurisdiction in the United States; the trust shall vest legal title to its
5 assets in the trustees of the trust for its United States policyholders and
6 ceding insurers, their assigns, and successors in interest; the trust and
7 the assuming insurer are subject to examination as determined by the
8 director; the trust must remain in effect for so long as the assuming
9 insurer has outstanding liabilities due under the reinsurance agreements
10 subject to the trust;

11 (ii) on or before March 1 of each year the trustees shall
12 report in writing to the director on the balance of the trust and list the
13 trust's investments at the end of the preceding year, and shall certify the
14 date of termination of the trust, if so planned, or certify that the trust
15 does not expire before the following December 31;

16 (iii) in the case of a single assuming insurer, the trust
17 shall consist of trust money representing the assuming insurer's
18 liabilities attributable to business written in the United States and, in
19 addition, include a trust surplus of not less than \$20,000,000; the single
20 assuming insurer shall make available to the director an annual
21 certification of the insurer's solvency by the insurer's domiciliary
22 regulator and by an independent public accountant;

23 (iv) in the case of a group, including incorporated and
24 [OF] individual unincorporated insurers, the trust shall consist of trust
25 money representing the group's liabilities attributable to business
26 written in the United States and, in addition, include a trust surplus not
27 less than \$100,000,000; the incorporated members of the group may
28 not be engaged in any business other than underwriting as a
29 member of the group and are subject to the same level of solvency
30 regulation and control by the group's domiciliary regulator as are
31 the unincorporated members; the group shall make available to the

1 director an annual certification of the solvency of each insurer [OF
2 THE INDIVIDUAL UNINCORPORATED INSURERS] by the group's
3 domiciliary regulator and by an independent certified public accountant,
4 or, for a Canadian or British insurer, an independent Canadian or
5 British chartered accountant:

6 (v) in the case of a group of incorporated insurers under
7 common administration that complies with the reporting requirements
8 contained in (ii) of this subparagraph, that has continuously transacted
9 an insurance business outside the United States for at least three years
10 immediately before making application for accreditation, that submits
11 to this state's authority to examine its books and records and bears the
12 expense of the examination, and that has aggregate policyholders'
13 surplus of \$10,000,000,000, the trust shall be in an amount equal to the
14 group's several liabilities attributable to business ceded by United States
15 ceding insurers to a member of the group under reinsurance contracts
16 issued in the name of the group, and the group shall maintain a joint
17 trustee surplus, of which \$100,000,000 shall be held jointly for the
18 benefit of United States ceding insurers of a member of the group as
19 additional security for the group's liabilities, and each member of the
20 group shall make available to the director an annual certification of the
21 member's solvency by the member's domiciliary regulator and the
22 member's independent certified public accountant, or, for a Canadian
23 or British insurer, the member's independent Canadian or British
24 chartered accountant; and

25 (B) reports annually to the director information substantially the
26 same as that required to be reported on the National Association of Insurance
27 Commissioners' annual statement form by licensed insurers to enable the
28 director to determine the sufficiency of the trust fund;

29 (5) assuming insurer that does not meet the requirements of (1) - (4)
30 of this subsection, but only with respect to the insurance of risks located in
31 jurisdictions where the reinsurance is required by applicable law or regulation of that

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jurisdiction.

* Sec. 17. AS 21.18.060(b) is amended to read:

(b) The director may require that the reserves be equal to the unearned portions of the gross premiums in force after deducting applicable reinsurance in solvent insurers as computed on each respective risk from the policy's date of issue. [EXCEPT AS REQUIRED BY THE DIRECTOR UNDER THIS SUBSECTION, THE PORTIONS OF THE GROSS PREMIUM IN FORCE, LESS APPLICABLE REINSURANCE IN SOLVENT INSURERS, TO BE HELD AS AN UNEARNED PREMIUM RESERVE SHALL BE COMPUTED ACCORDING TO THE FOLLOWING TABLE:

TERM FOR WHICH POLICY WAS WRITTEN	RESERVE FOR UNEARNED PREMIUM
1 YEAR OR LESS	1/2
2 YEARS	1ST YEAR 3/4 2ND YEAR 1/4
3 YEARS	1ST YEAR 5/6 2ND YEAR 1/2 3RD YEAR 1/6
4 YEARS	1ST YEAR 7/8 2ND YEAR 5/8 3RD YEAR 3/8 4TH YEAR 1/8
5 YEARS	1ST YEAR 9/10 2ND YEAR 7/10 3RD YEAR 1/2 4TH YEAR 3/10 5TH YEAR 1/10
OVER 5 YEARS	PRO RATA.]

* Sec. 18. AS 21.18.060(c) is amended to read:

(c) An [IN LIEU OF COMPUTATION ACCORDING TO THE TABLE IN (b) OF THIS SECTION, THE] insurer shall [AT ITS OPTION MAY] compute all of

1 the reserves on a monthly or more frequent pro rata basis.

2 * Sec. 19. AS 21.18.090 is amended to read:

3 Sec. 21.18.090. LOSS RESERVES, LIABILITY INSURANCE, AND
4 WORKERS' COMPENSATION. Where required in the form of annual statement
5 required of the insurer, the reserve for outstanding losses under insurance against loss
6 or damage from accident to or injuries suffered by an employee or other person and
7 for which the insured is liable shall be computed as follows:

8 (1) for all liability claims under policies written more than three
9 years before the end of the calendar year covered by the annual statement. the
10 reserve shall be the undiscounted value of the determined and the estimated
11 future payments [SUITS BEING DEFENDED UNDER POLICIES WRITTEN MORE
12 THAN

13 (A) 10 YEARS BEFORE THE DATE THE STATEMENT IS
14 MADE, \$1,500 FOR EACH SUIT;

15 (B) FIVE OR MORE AND LESS THAN 10 YEARS BEFORE
16 THE STATEMENT IS MADE, \$1,000 FOR EACH SUIT;

17 (C) THREE OR MORE AND LESS THAN FIVE YEARS
18 BEFORE THE STATEMENT IS MADE, \$850 FOR EACH SUIT];

19 (2) for all liability policies written during the three years immediately
20 preceding the date the statement is made, the reserve shall be the greater of 60
21 percent of the earned liability premiums of each of the three years less all losses and
22 expense payments made under liability policies written in the corresponding years or
23 the undiscounted value of the known and unknown claims; [BUT THE RESERVE,
24 FOR THE FIRST OF THE THREE YEARS, SHALL BE NOT LESS THAN \$750
25 FOR EACH OUTSTANDING LIABILITY SUIT ON THE YEAR'S POLICIES];

26 (3) for all workers' compensation claims under policies written more
27 than three years before the end of the calendar year covered by the annual
28 statement [IS MADE], the reserve may not [SHALL] be less than the present value
29 at four per cent interest of the determined and the estimated future payments;

30 (4) for all workers' compensation claims under policies written in the
31 three years immediately preceding the end of the calendar year covered by [DATE]

1 the annual statement [IS MADE], the reserve may not [SHALL] be less than 65
2 percent of the earned workers' compensation premiums of each of the three years, less
3 all loss and loss expense payments made in connection with the claims under policies
4 written in the corresponding years; [BUT IN THE FIRST YEAR OF THE
5 THREE-YEAR PERIOD,] the reserve may not [SHALL] be [NOT] less than the
6 present value at four [4] percent interest of the determined and the estimated unpaid
7 compensation claims under policies written during the three-year period [YEAR].

8 * Sec. 20. AS 21.21.250(a) is amended to read:

9 (a) An insurer may make loans or investments not otherwise expressly
10 permitted under this chapter, in aggregate amount not over five percent of the insurer's
11 assets and not over one percent of the insurer's assets for [OF] any one loan or
12 investment, if the loan or investment fulfills the requirements of AS 21.21.030, and
13 otherwise qualifies as a sound investment. However, a loan or investment may not be
14 represented by

15 (1) an item described in AS 21.18.030, or a loan or investment
16 otherwise expressly prohibited;

17 (2) agents' balances, or amounts advanced to or owing by agents or
18 former agents of the insurer, whether or not secured; except policy loans, mortgage
19 loans, and collateral loans otherwise authorized under this chapter;

20 (3) a category of loans or investments eligible under other provisions
21 of this chapter; or

22 (4) an asset theretofore acquired or held by the insurer under any other
23 category of loans or investments eligible under this chapter.

24 * Sec. 21. AS 21.21.370(a) is amended to read:

25 (a) A domestic insurer may [NOT] acquire, directly or indirectly, a medium
26 grade or lower grade obligation of an institution if, after giving effect to the
27 acquisition,

28 (1) the aggregate amount of all medium grade and lower grade
29 obligations held by the domestic insurer does not exceed [EXCEEDS] 20 percent of
30 its admitted assets and if not more than

31 (A) 10 percent of its admitted assets consist of obligations rated

1 four, five, or six by the securities valuation office;

2 (B) three percent of its admitted assets consist of obligations
3 rated five or six by the securities valuation office; and

4 (C) one percent of its admitted assets consist of obligations
5 rated six by the securities valuation office; and [OR]

6 (2) the aggregate amount of all medium grade and [OR] lower grade
7 obligations held by the domestic insurer does not exceed [EXCEEDS] 30 percent of
8 its policyholders' surplus account as shown by the insurer's most recent report filed
9 under AS 21.06.150, AS 21.09.200, or 21.09.205.

10 * Sec. 22. AS 21.22.010(g) is amended to read:

11 (g) The provisions of this section do not apply to

12 (1) an offer of, request for, invitation for, or agreement regarding [,
13 OR] acquisition of a voting security that, immediately before the consummation of the
14 offer, request, invitation, agreement, or acquisition, was not issued and outstanding; or

15 (2) an offer, request, invitation, agreement, or acquisition that the
16 director by order may exempt as not having been made or entered into for the purpose
17 and not having the effect of changing or influencing the control of the domestic
18 insurer.

19 * Sec. 23. AS 21.22.030(a) is amended to read:

20 (a) The director shall approve a merger or other acquisition of control referred
21 to in AS 21.22.010 unless, after a public hearing, the director issues an order
22 containing findings of fact and conclusions of law finding [FINDS] that

23 (1) after the change of control, the domestic insurer referred to in
24 AS 21.22.010 would not be able to satisfy the requirements for the issuance of a
25 license to write the line or lines of insurance for which it is presently licensed;

26 (2) the effect of the merger or other acquisitions of control would be
27 substantially to lessen competition in insurance in this state or tend to create a
28 monopoly in this state;

29 (3) the financial condition of an acquiring party is such that it might
30 jeopardize the financial stability of the insurer, or prejudice the interest of its
31 policyholders or the interests of any remaining security holders who are unaffiliated

1 with the acquiring party;

2 (4) the terms of the offer, request, invitation, agreement, or acquisition
3 referred to in AS 21.22.010 are unfair and unreasonable to the security holders of the
4 insurer;

5 (5) the plans or proposals that the acquiring party has to liquidate the
6 insurer, sell its assets, or consolidate or merge it with any person, or to make any other
7 material change in its business or corporate structure or management, are unfair and
8 unreasonable to policyholders of the insurer and not in the public interest; [OR]

9 (6) the competence, experience, and integrity of those persons who
10 would control the operation of the insurer are such that it would not be in the interest
11 of policyholders of the insurer and of the public to permit the merger or other
12 acquisition of control; or

13 (7) the acquisition is likely to be hazardous or prejudicial to the
14 insurance buying public.

15 * Sec. 24. AS 21.22.030 is amended by adding a new subsection to read:

16 (d) The director may retain at the acquiring person's expense an attorney,
17 actuary, accountant, or other expert not otherwise a part of the director's staff, if
18 reasonably necessary to assist the director in reviewing the proposed acquisition of
19 control.

20 * Sec. 25. AS 21.22.060(b) is amended to read:

21 (b) Every insurer subject to registration shall file a registration statement on
22 a form provided by the director, that must contain current information about

23 (1) the capital structure, general financial condition, ownership, and
24 management of the insurer and any person controlling the insurer;

25 (2) the identity of every member of the insurance holding company
26 system;

27 (3) the following agreements in force, relationships subsisting, and
28 transactions currently outstanding between the insurer and its affiliates:

29 (A) loans, other investments, or purchases, sales, or exchanges
30 of securities of the affiliates by the insurer or of the insurer by its affiliates;

31 (B) purchases, sales, or exchanges of assets;

1 (C) transactions not in the ordinary course of business;

2 (D) guarantees or undertakings for the benefit of an affiliate that
3 result in an actual contingent exposure of the insurer's assets to liability, other
4 than insurance contracts entered into in the ordinary course of the insurer's
5 business;

6 (E) all management and service contracts and all cost-sharing
7 arrangements [, OTHER THAN COST ALLOCATION ARRANGEMENTS
8 BASED UPON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES];
9 and

10 (F) reinsurance agreements [COVERING ALL OR
11 SUBSTANTIALLY ALL OF ONE OR MORE LINES OF INSURANCE OF
12 THE CEDING COMPANY]; and

13 (4) other matters concerning transactions between registered insurers
14 and any affiliates that may be included from time to time in a registration form
15 adopted or approved by the director.

16 * Sec. 26. AS 21.22.060(c) is amended to read:

17 (c) The director may permit an authorized insurer that is a member of a
18 holding company system subject to registration under the laws or regulations of its
19 state of domicile that are in the opinion of the director substantially similar to those
20 contained in this chapter to satisfy the requirements of (a) of this section by filing a
21 statement in accordance with the laws of its state of domicile [EXCEPT THAT THE
22 DIRECTOR MAY AT ANY TIME REQUIRE A COPY OF THAT STATEMENT BE
23 FILED WITH THE DIRECTOR].

24 * Sec. 27. AS 21.22.060(d) is amended to read:

25 (d) Information [NO INFORMATION] need not be disclosed on the
26 registration statement filed under (b) of this section if that information is not material
27 for the purposes of this section. Unless the director by regulation or order provides
28 otherwise, sales, purchases, exchanges, loans or extensions of credit, or investments,
29 involving one-half of one percent or less of an insurer's admitted assets or five percent
30 or less of the policyholder's surplus as of the 31st day of December of the calendar
31 year in which the transaction took place are not considered material for purposes of

1 this section.

2 * **Sec. 28.** AS 21.22.060(k) is amended to read:

3 (k) An insurer subject to registration under (a) of this section shall register
4 annually by April 1 of each year for the previous calendar year unless, for good cause
5 shown, the director extends the time for registration. The director may require an
6 insurer [AUTHORIZED TO DO BUSINESS IN THE STATE, THAT IS A MEMBER
7 OF A HOLDING COMPANY SYSTEM AND] that is allowed to register as
8 provided [NOT SUBJECT TO REGISTRATION] under (c) [(a)] of this section, to
9 furnish a copy of

10 (1) the registration statement;

11 (2) [,] the summary specified in (1) of this section; [,] or

12 (3) other information filed by the insurer with the insurance regulatory
13 authority of the insurer's state of domicile.

14 * **Sec. 29.** AS 21.27.010(a) is amended to read:

15 (a) Except as provided otherwise in this chapter, a [A] person may not act
16 as or represent to be an insurance producer, managing general agent, reinsurance
17 intermediary broker, reinsurance intermediary manager, surplus lines broker, or
18 independent adjuster in this state or relative to a subject resident, located, or to be
19 performed in this state unless licensed under this chapter. A person may not act as or
20 represent to be a managing general agent, reinsurance intermediary broker, or
21 reinsurance intermediary manager representing an insurer domiciled in this state
22 regarding a risk located outside this state unless licensed by this state.

23 * **Sec. 30.** AS 21.27.020 is amended by adding a new subsection to read:

24 (f) The director may

25 (1) adopt regulations establishing additional education or experience
26 requirements for applicants or licensees under this chapter; and

27 (2) make arrangements, including contracting with an outside agency,
28 for administrative services.

29 * **Sec. 31.** AS 21.27.025(a) is amended to read:

30 (a) A licensee shall notify the director within 30 days in writing by certified
31 mail of a change in residence, employment that is licensed under this chapter, place

1 of business, legal name, fictitious name or alias, mailing address, or phone number,
2 a suspension, [OR] revocation, or disciplinary action of a license by another state or
3 jurisdiction; or a conviction of a misdemeanor or felony.

4 * Sec. 32. AS 21.27.060(d) is amended to read:

5 (d) This section does not apply to an applicant

6 (1) for a limited license under AS 21.27.150(1), (2), or (6):

7 (2) who, at any time within the two-year period immediately preceding
8 the date the current pending application is received by the division, had been licensed
9 in good standing in this state under a license requiring substantially similar
10 qualifications as required by the license applied for; or

11 (3) whose license in its [THE] resident jurisdiction requires the same
12 qualifications as the license applied for in this state if the license in all jurisdictions
13 is in good standing [AND ITS RESIDENT JURISDICTION IS ACCREDITED BY
14 THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS].

15 * Sec. 33. AS 21.27.100 is amended by adding a new subsection to read:

16 (e) An individual in a firm who acts solely on behalf of a firm that is
17 appointed as an agent on behalf of an admitted insurer under this section, may not be
18 required to also have an appointment if the individual in the firm is licensed with that
19 firm.

20 * Sec. 34. AS 21.27.130 is amended to read:

21 Sec. 21.27.130. FORM AND CONTENT OF LICENSES. A license shall be
22 in the form the director prescribes and must set out

23 (1) the name and [MAILING] address of the licensee, and, if the
24 licensee is required to have a place of business, the physical address of the place of
25 business;

26 (2) if for a firm, the name of the principal or manager of the firm;

27 (3) the kind or class of insurance the licensee is licensed to handle;

28 (4) the effective date and expiration date of the license;

29 (5) the condition under which the license is granted;

30 (6) the date of issuance of the license;

31 (7) each fictitious name and alias under which the licensee may do

1 business; and

2 (8) other information required by the director.

3 * Sec. 35. AS 21.27.360(b) is amended to read:

4 (b) All money, except that made payable to the insurer, representing premium
5 taxes and fees, premiums or return premiums received by the licensee, shall be
6 received in the fiduciary account of the licensee and shall be promptly accounted for
7 and paid to the person entitled to the money. The fiduciary account shall be located
8 in this state unless the licensee is licensed as a nonresident under AS 21.27.270.

9 For purposes of this section, the fiduciary account of the firm shall be considered the
10 fiduciary account of an individual licensee acting on behalf of the firm and shall be
11 the responsibility of the firm. Money deposited into a fiduciary account may not be
12 commingled or otherwise combined with other money, except as allowed under (d) of
13 this section and AS 21.27.365.

14 * Sec. 36. AS 21.27.380(a) is amended to read:

15 (a) Except as provided in this title, the director may renew a license biennially
16 on a date set by the director if the licensee continues to be qualified under this chapter
17 and on or before the close of business of the renewal date, meets all renewal
18 requirements established by regulation and pays the [IF] renewal license fees set
19 under AS 21.06.250 for each license to [ARE RECEIVED BY] the director [ON OR
20 BEFORE THE CLOSE OF BUSINESS OF THE RENEWAL DATE]. A licensee is
21 responsible for knowing the date that a license lapses and for renewing a license before
22 expiration. The director shall mail a renewal notice to the licensee's current address
23 on file with the director 30 days before the renewal date.

24 * Sec. 37. AS 21.27.420 is amended by adding a new subsection to read:

25 (c) With the consent of an applicant or licensee, the director may issue or
26 renew a license with restrictions upon the scope of the person's license or may
27 otherwise restrict or condition the activities of the licensee if the director determines
28 that the person has violated the provisions of this title or to protect the public from
29 injury or potential injury.

30 * Sec. 38. AS 21.27.530 is amended to read:

31 Sec. 21.27.530. INSURANCE PRODUCER QUALIFICATIONS. In addition

1 to the general qualifications under AS 21.27.020, to qualify for issuance or renewal of
2 an insurance producer license, an applicant or licensee

3 (1) must possess the competence necessary to fulfill the responsibilities
4 of an insurance producer;

5 (2) if previously licensed in good standing in this state as an insurance
6 producer, must not have had a license suspended or revoked within the previous four
7 calendar years;

8 (3) for a fraternal society limited insurance producer license, shall file
9 with the application a statement by an officer or director of the appointing fraternal
10 society that affirms that the society has satisfied itself that the applicant is trustworthy
11 and competent to act as its insurance agent;

12 (4) for a license with a scope that includes variable contracts, must
13 either be currently registered with the federal Securities and Exchange Commission as
14 a broker-dealer or personally take and pass, to the satisfaction of the director, tests of
15 the knowledge and competence of the applicant concerning securities; and

16 (5) except for an applicant or licensee who represents to be and acts
17 solely on behalf of admitted insurers as an agent and who does not receive money
18 required to be received in the fiduciary account of the licensee, shall file with the
19 application and maintain in force while licensed a bond in the amount of \$10,000,
20 unless a greater amount is required by another provision of this title; a licensee who
21 maintains more than one place of business may satisfy the bond requirement with
22 a single bond.

23 * Sec. 39. AS 21.27.570(a)(3)(B) is amended to read:

24 (B) the controlling insurance producer shall render accounts to
25 the controlled insurer detailing all transactions, including information in the
26 accounts necessary to support compensation, commissions, charges, and other
27 fees received by, or owing to, the controlling producer;

28 * Sec. 40. AS 21.27.620(j) is amended to read:

29 (j) If the director determines after a hearing under AS 21.06.170 - 21.06.240
30 that a managing general agent caused loss or damage arising out of a violation of
31 AS 21.27.590 - 21.27.630 to an insurer, the director may order the managing general

1 agent to make restitution to the insurer, receiver, [THE] rehabilitator, or [THE]
2 liquidator of the insurer for the loss. Restitution ordered under this subsection is in
3 addition to any other liability of the managing general agent and does not affect the
4 rights of a policy holder, claimant, creditor, or third party. The director may
5 maintain or bring a civil action brought by or on behalf of the insurer and its
6 policyholders and creditors for recovery of compensatory damages for the benefit
7 of the insurer and its policyholders and creditors or seek other appropriate relief.
8 If an order of rehabilitation or liquidation of the insurer has been entered under
9 AS 21.78, the receiver appointed under the order determines that a person has not
10 materially complied with AS 21.27.590 - 21.27.630 or an order of the director, and
11 the insurer suffers loss or damage from the noncompliance, the receiver may
12 bring a civil action for the recovery of damages or other appropriate sanctions for
13 the benefit of the insurer.

14 * Sec. 41. AS 21.27.690(b) is amended to read:

15 (b) An [A DOMESTIC] insurer may use a nonresident reinsurance
16 intermediary broker who is not licensed under this chapter if the person is licensed in
17 good standing as a resident reinsurance intermediary broker by an insurance regulator
18 of another state that is accredited by the National Association of Insurance
19 Commissioners. Upon written request, the director may grant written permission for
20 a domestic insurer to use an alien reinsurance intermediary broker not licensed by and
21 without a place of business in a jurisdiction subject to accreditation by the National
22 Association of Insurance Commissioners if the alien reinsurance intermediary broker
23 is licensed in good standing by its domiciliary insurance regulator. The domestic
24 insurer and unlicensed reinsurance intermediary broker are subject to all other
25 requirements of this section.

26 * Sec. 42. AS 21.27.690(e) is amended to read:

27 (e) If the director determines after a hearing under AS 21.06.170 - 21.06.240
28 that a reinsurance intermediary broker caused losses or damage arising out of a
29 violation of AS 21.27.670 - 21.27.700 to an insurer or reinsurer, the director may order
30 the reinsurance intermediary broker to make restitution to the insurer, reinsurer,
31 receiver, rehabilitator, or liquidator of the insurer or reinsurer for the net losses

1 incurred by the insurer or reinsurer. Restitution ordered under this subsection is in
2 addition to any other liability of the reinsurance intermediary broker and does not
3 affect the rights of a policyholder, claimant, creditor, or third party. The director may
4 maintain or bring a civil action brought by or on behalf of the reinsurer or
5 insurer and its policyholders and creditors for recovery of compensatory damages
6 for the benefit of the reinsurer or insurer and its policyholders and creditors or
7 seek other appropriate relief. If an order of rehabilitation or liquidation of the
8 insurer has been entered under AS 21.78, the receiver appointed under the order
9 determines that a person has not materially complied with AS 21.27.670 -
10 21.27.700 or an order of the director, and the insurer suffers loss or damage from
11 the noncompliance, the receiver may bring a civil action for the recovery of
12 damages or other appropriate sanctions for the benefit of the insurer.

13 * Sec. 43. AS 21.27.760(j) is amended to read:

14 (j) If the director determines after a hearing under AS 21.06.170 - 21.06.240
15 that a reinsurance intermediary manager caused losses or damage arising out of a
16 violation of AS 21.27.730 - 21.27.770 to an insurer or reinsurer, the director may order
17 the reinsurance intermediary manager to make restitution to the insurer, reinsurer,
18 receiver, rehabilitator, or liquidator of the insurer or reinsurer for the net losses
19 incurred by the insurer or reinsurer. Restitution ordered under this subsection is in
20 addition to any other liability of the reinsurance intermediary manager and does not
21 affect the rights of a policyholder, claimant, creditor, or third party. The director may
22 maintain or bring a civil action brought by or on behalf of the reinsurer or
23 insurer and its policyholders and creditors for recovery of compensatory damages
24 for the benefit of the reinsurer or insurer and its policyholders and creditors or
25 seek other appropriate relief. If an order of rehabilitation or liquidation of the
26 insurer has been entered under AS 21.78, the receiver appointed under the order
27 determines that a person has not materially complied with AS 21.27.730 -
28 21.27.770 or an order of the director, and the insurer suffers loss or damage from
29 the noncompliance, the receiver may bring a civil action for the recovery of
30 damages or other appropriate sanctions for the benefit of the insurer.

31 * Sec. 44. AS 21.34.040(c)(4) is amended to read:

1 (4) a Lloyd's or other similar group including incorporated and
2 individual unincorporated underwriters. [GROUP OF ALIEN INDIVIDUAL
3 INSURERS] may qualify if it maintains a trust fund in an amount not less than
4 \$50,000,000, as security to the full amount, for the protection of all its policy holders
5 and creditors of each member of the group in the United States; the incorporated
6 members may not be engaged in any business other than underwriting as a
7 member of the group and shall be subject to the same level of solvency regulation
8 and control by the group's domiciliary regulator as are the unincorporated
9 members; the trust fund must consist of instruments of substantially the same
10 character and quality as those that are eligible investments for the capital and statutory
11 reserves of admitted insurers authorized to write like kinds of insurance in this state
12 or of irrevocable, clean, and unconditional letters of credit; the trust fund must have
13 an expiration date that at no time is less than five years;

14 * Sec. 45. AS 21.34.080(c) is amended to read:

15 (c) A producing broker shall execute and deliver to the surplus lines broker not
16 later than the end of each month on a form prescribed by the director, and a surplus
17 lines broker shall file with the director with the report required by (a) of this section
18 or with the surplus lines association with the evidence of insurance required by (b) of
19 this section, for surplus lines insurance first placed or renewed in the preceding
20 calendar month, an affidavit that shall be open to public inspection, as to the diligent
21 efforts to place the coverage with admitted insurers, and the results of those efforts.
22 The affidavit must contain a statement by the producing broker that the insured was
23 expressly informed in writing before the [PLACEMENT OF THE SURPLUS LINES]
24 insurance contract or coverage was bound that the surplus lines insurer with whom
25 the insurance was to be placed is not licensed in this state, is not subject to this state's
26 supervision, and, in the event of the insolvency of the surplus lines insurer, losses will
27 not be covered under AS 21.80 (Alaska Insurance Guaranty Association Act).

28 * Sec. 46. AS 21.34.110 is amended to read:

29 Sec. 21.34.110. SURPLUS LINES BROKER'S DUTY TO NOTIFY
30 INSURED. (a) A contract of insurance placed by a surplus lines broker under this
31 chapter is not binding upon the insured and a premium charged is not due and payable

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(1) the surplus lines broker has notified the insured in writing, a copy of which shall be maintained by the licensee with the records of the contract, available for examination, that the insurer with which the surplus lines broker places the insurance does not hold a certificate of authority issued by this state and is not subject to its supervision, and in the event of the insolvency of the surplus lines insurer, losses will not be covered under AS 21.80 (Alaska Insurance Guaranty Association Act); or

(2) the surplus lines broker has obtained the affidavit of the producing broker that the notice required under AS 21.34.080(c) has been given to the insured; a licensee shall maintain a copy of the affidavit with the record of the contract available for examination.

(b) Nothing in this section may be construed as nullifying [SHALL NULLIFY] an agreement by an insurer to provide insurance.

* Sec. 47. AS 21.34.190(a) is amended to read:

(a) The fee for filing the statement under AS 21.34.180(b) is an amount equal to one percent on gross premium charged less any return premiums during the preceding calendar year [QUARTER]. The surplus lines broker shall pay the fee at the time of filing of the statement.

* Sec. 48. AS 21.36.120(d) is amended to read:

(d) Nothing in this section may be construed as prohibiting the payment of commissions or other compensation to persons duly transacting business under AS 21.27 [LICENSED AGENTS OR SOLICITORS], or as prohibiting an insurer from allowing or returning to its participating policyholders, members, or subscribers, lawful dividends, savings, or unabsorbed premium deposits.

* Sec. 49. AS 21.36.195 is amended to read:

Sec. 21.36.195. SURPLUS LINES BROKERS AND INSURANCE PRODUCERS: PROHIBITED ACTS. A surplus lines broker or an insurance producer may not fail to provide evidence [THE EVIDENCES] of insurance, affidavits, filings, or reports, or fail to maintain the records, or fail to pay the taxes and fees, required under AS 21.34.

* Sec. 50. AS 21.36.235(a) is amended to read:

1 (a) Except as provided in AS 21.36.305 [AS 21.36.420], if the renewal
2 premium is increased more than 10 percent for a reason other than an increase in
3 coverage or exposure base, or if after renewal there will be a material restriction or
4 reduction in coverage not specifically requested by the insured, written notice shall be
5 mailed to the insured and to the agent or broker of record as required by AS 21.36.260

6 (1) at least 20 days before expiration of a personal insurance policy;

7 or

8 (2) at least 45 days before expiration of a business or commercial
9 policy.

10 * Sec. 51. AS 21.36.290 is amended to read:

11 Sec. 21.36.290. POLICY PERIOD. Except as described in (b) of this
12 section, a [A] policy with a policy period or term of less than 12 months shall, for the
13 purposes of AS 21.36.210 - 21.36.310, be considered to be written for a policy period
14 or term of 12 months except in case of cancellation under any of the circumstances
15 specified in AS 21.36.210, and a policy written for a term longer than one year or a
16 policy with no fixed expiration date shall be considered to be written for successive
17 policy periods or terms of one year and termination by an insurer effective on an
18 anniversary date of the policy shall be considered a failure to renew.

19 * Sec. 52. AS 21.36.290 is amended by adding a new subsection to read:

20 (b) For determining the appropriate rate or premium, a personal automobile
21 insurance policy with a policy period or term of less than six months shall, for the
22 purposes of AS 21.36.210 - 21.36.310, be considered to be written for a policy period
23 or term of six months.

24 * Sec. 53. AS 21.36 is amended by adding a new section to read:

25 Sec. 21.36.305. PREMIUM INCREASES ON PERSONAL AUTOMOBILE
26 INSURANCE POLICIES. (a) An insurer may not increase the premium on a personal
27 automobile insurance policy unless the increase applies to all insureds of the same
28 class.

29 (b) An insurer may not increase the premium or add a surcharge to a personal
30 automobile insurance policy because of the issuance of a citation for a moving traffic
31 violation unless the insured or another person who resides in the insured's household

1 and is covered by the policy has been convicted of the violation or has entered a plea
2 of no contest to the violation.

3 (c) The director shall adopt regulations to determine circumstances under
4 which an insurer may increase the premium or add a surcharge to a personal
5 automobile insurance policy.

6 (d) An insurer that increases the premium or adds a surcharge to a personal
7 automobile insurance policy may only make the increase or surcharge effective on the
8 renewal date of the policy.

9 (e) An insurer that increases the premium or adds a surcharge to a personal
10 automobile insurance policy shall give written notice of the increase or surcharge at
11 least 20 days before it takes effect, stating the reason for the change and the right of
12 appeal under AS 21.39.090. This subsection does not apply to

13 (1) premium increase resulting from a change requested by an insured,
14 if the insured is notified at the time the request is made that the amount of the
15 insured's premium will change as a result of the requested policy change; or

16 (2) rate approved by the director if the insurer gives written notice of
17 a premium increase to the insured at least 20 days before the renewal date of the
18 affected policy.

19 * Sec. 54. AS 21.36.360(i) is amended to read:

20 (i) A criminal insurance act is committed by a person [AN INSURER] doing
21 business in this state or relative to a subject resident, located, or to be performed
22 in this state who knowingly

23 (1) writes, places, or causes to be written or placed in this state or
24 relative to a subject resident, located, or to be performed in this state a policy,
25 duplicate policy, or contract of insurance of any kind or character, or general or
26 floating policy upon persons or property resident, situated, or located in this state, from
27 or through a person not authorized to transact business under AS 21.27 or a risk
28 retention group or purchasing group not registered under AS 21.89.070
29 [BROKER, AGENT, SURPLUS LINE BROKER, OR PERSON WHO HAS NOT
30 SECURED A GENERAL AGENT LICENSE IN THIS STATE]; or

31 (2) pays a commission or other form of remuneration to a person, firm,

1 or organization for the writing or placing of insurance coverage in this state or relative
2 to a subject resident, located, or to be performed in this state unless that person,
3 firm, or organization is authorized under AS 21.27 to transact [HOLDS A LICENSE
4 ISSUED BY THE DIRECTOR FOR] the kind or class of insurance written or placed,
5 or, in the case of a risk retention group or purchasing group, is registered under
6 AS 21.89.070.

7 * Sec. 55. AS 21.36.360(j) is amended to read:

8 (j) A criminal insurance act is committed by a person in this state or relative
9 to a subject resident, located, or to be performed in this state who acts as an
10 insurance producer, managing general agent, third-party administrator,
11 reinsurance intermediary broker, reinsurance intermediary manager, surplus lines
12 broker [SOLICITOR], or independent adjuster without being licensed by the director
13 as required under this title or as a risk retention group or purchasing group
14 without being registered as required under AS 21.89.070. A criminal insurance act
15 is committed by an insurance producer, managing general agent, third-party
16 administrator, reinsurance intermediary broker, reinsurance intermediary
17 manager, or surplus lines broker [OR SOLICITOR] who solicits or takes application
18 for, procures, or places for others any insurance for which the person is not licensed
19 as required under AS 21.27 or for which the license of the person has been
20 suspended or revoked. A criminal insurance act is committed by a person in this
21 state or relative to a subject resident, located, or to be performed in this state who
22 acts as or on behalf of a risk retention group or a purchasing group that is not
23 registered under AS 21.89.070 [THIS SUBSECTION DOES NOT APPLY TO A
24 PERSON DESCRIBED IN AS 21.90.910 OR TO A PERSON SECURING AND
25 FORWARDING INFORMATION REQUIRED FOR THE PURPOSE OF A GROUP
26 INSURANCE COVERING THE UNPAID BALANCE OR REMAINING PAYMENTS
27 PROPOSED TO BE MADE IN CONNECTION WITH THE PURCHASE OF
28 MERCHANDISE OR SERVICES IF NO COMMISSION OR OTHER
29 COMPENSATION IS PAYABLE ON ACCOUNT OF THE INSURANCE TO THE
30 PERSON].

31 * Sec. 56. AS 21.36.360(k) is amended to read:

1 (k) A criminal insurance act is committed by an insurance producer,
2 managing general agent, [GENERAL AGENT,] third-party administrator,
3 reinsurance intermediary broker, reinsurance intermediary manager, or surplus
4 lines broker [OR SOLICITOR] who knowingly compensates or offers to compensate
5 in any manner a person other than an insurance producer, managing [AGENT,]
6 general agent, third-party administrator, reinsurance intermediary broker,
7 reinsurance intermediary manager, or surplus lines broker [OR SOLICITOR]
8 licensed as required under this title in this or another jurisdiction [STATE OR
9 PROVINCE], for procuring or in any manner helping to procure applications for or to
10 place insurance in this state. A criminal insurance act is committed by a person in
11 this state or relative to a subject resident, located, or to be performed in this state
12 who acts as or on behalf of a risk retention group or a purchasing group that is
13 not registered under AS 21.89.070 [THIS SUBSECTION DOES NOT APPLY TO
14 THE PAYMENT OF COMPENSATION THAT IS NOT CONTINGENT UPON
15 VOLUME OF BUSINESS TRANSACTED IN THE FORM OF SALARIES TO THE
16 REGULAR EMPLOYEES OF THE AGENT, GENERAL AGENT, BROKER, OR
17 SOLICITOR].

18 * Sec. 57. AS 21.36.360(n) is amended to read:

19 (n) A criminal insurance act is committed by an agent, managing general
20 agent, third-party administrator, reinsurance intermediary broker, reinsurance
21 intermediary manager, or other representative of an insurer involved in the procuring
22 or issuance of an insurance contract who intentionally fails to report to the insurer the
23 exact amount of consideration charged as premium for the contract and to maintain
24 records showing that information.

25 * Sec. 58. AS 21.36.380 is amended to read:

26 Sec. 21.36.380. NOTICE ON CLAIM FORM. A claim form must contain a
27 statement that states in substance the following: "A person who knowingly and with
28 intent to injure, defraud, or deceive an insurance company files a claim containing
29 false, incomplete, or misleading information may be prosecuted under state law [IS
30 GUILTY OF A FELONY]." A lack of the statement on a claim form does not
31 constitute a defense to prosecution under this title.

1 * Sec. 59. AS 21.39.040 is amended by adding new subsections to read:

2 (j) An insurer who has submitted an application for a certificate of authority
3 under AS 21.09.110 and a filing of policy forms under AS 21.42.120 may file a
4 proposed rating system as described in this section. The director's approval of the
5 rating system is contingent upon the issuance of a certificate of authority under
6 AS 21.09.120.

7 (k) The director may adopt regulations detailing the format and content of a
8 rating system filing under this section.

9 * Sec. 60. AS 21.39 is amended by adding a new section to read:

10 Sec. 21.39.055. CANCELLATION OF APPROVED FILING. The voluntary
11 surrender of a certificate of authority or the failure of the surrendering admitted foreign
12 insurer to continue a certificate of authority in force has the effect of cancelling an
13 approval that the insurer may have received under this chapter, unless the approval has
14 been affirmed by the director at the time of the surrender or noncontinuation of the
15 certificate of authority.

16 * Sec. 61. AS 21.42.120 is amended by adding new subsections to read:

17 (f) This section does not apply to a type of insurance subject to AS 21.57.

18 (g) An insurer who has submitted an application for a certificate of authority
19 under AS 21.09.110 may file a proposed policy form as described in this section. The
20 director's approval of the policy form is contingent upon the issuance of a certificate
21 of authority under AS 21.09.120.

22 (h) The director may adopt regulations detailing the format and content of the
23 filing of a policy form under this section.

24 * Sec. 62. AS 21.42.345 is amended by adding a new subsection to read:

25 (b) An insurer authorized under AS 21.09 to offer, issue for delivery, deliver,
26 or renew an individual or group disability insurance policy for medical coverage on
27 an expense incurred basis in the state, or a hospital or medical service corporation
28 authorized under AS 21.87 to offer or renew an individual or group subscriber's
29 contract for medical coverage in the state, shall offer coverage for family members,
30 including newly born children, adopted children, or children placed for adoption and
31 is subject to the conditions in (a) of this section, regardless of the marital status of the