

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

3467 HLAB HB 68 - HB 78

343

REP. DICK SMOLYK
 JUNEAU, ALASKA

JANUARY 1995

Mrs J.L. P...
 6522 ...
 Ave. Anchorage

WE RECENTLY READ A BRIEF BUT INFORMATIVE ARTICLE IN THE NEWSPAPER...

THE MEASURE-----INSURE THE DRIVER, NOT THE VEHICLE.

WE WOULD LIKE YOU TO KNOW THAT WE BACK THIS KIND OF INSURANCE, WHEREAS,
 A VEHICLE DRIVER WOULD BUY ONE INSURANCE ON HIMSELF. NO MATTER WHAT
 VEHICLE HE/SHE MAY DRIVE OR OWN.

WE AS RESIDENTS OF THE STATE OF ALASKA STAND STRONG BEHIND THIS MEASURE.

NAME	ADDRESS	AGE	PHONE
1. Bob Lemmons	1009 E. C. h. h. v. # C	33	278-3371
Mary Ann Ostrut	P.O. Box 1143 Homer, Ak	53	235-6211
2. Patricia C Mirzele	6503 Rosewood	62	349-7250
Carol Nedowicz	4303 North Star St, Anch Ak	37	561-0645
3. Gary Sheen	5637 Salmon Anchorage Ak	40	---
Virginia F. Miller	4515 E 8th Anchorage Ak	45	538-2020
1. T. Buchanan	P.O. Box 87-2046 Wasilla	41	376-4657
3. Kelly Nichols	P.O. Box 722 Girdwood, AK 99587	38	783-2717
Ellen O'Malley	2906 W. 29th St Anchorage AK 99503	30	248-4576
3. Margaret Chiles	2348 Success Dr. Anchorage AK 99504	43	337-4510
1. Denise Schmidt	P.O. Box 4-491 Anchorage AK 99509	31	3495708
2. Susan Protzman	8701 Blackwood Anchorage AK 99502	27	243-2315
3. Randy C. Cook	2171 West 42th Anchorage	25	562-4512
4. Edith Henshaw	ANCH AK	34	561- 8466 8466

REP DICK SMOLTS

JANUARY 1985

JUNEAU, ALASKA

WE RECENTLY READ A BRIEF BUT INFORMATIVE ARTICLE IN THE NEWSPAPER...

THE '85 MEASURE----INSURE THE DRIVER, NOT THE VEHICLE.

WE WOULD LIKE YOU TO KNOW THAT WE BACK THIS KIND OF INSURANCE, WHEREAS, A VEHICLE DRIVER WOULD BUY ONE INSURANCE ON HIMSELF...NO MATTER WHAT VEHICLE HE/SHE MAY DRIVE OR OWN.

WE AS RESIDENTS OF THE STATE OF ALASKA STAND STRONG BEHIND THIS MEASURE.

NAME	ADDRESS	AGE	PHONE
SHARON L. PRITZMAN Sharon P Pritzman	6522 ROSEWOOD ST ANCH. AK. 99502	34	349-2161
John F Schmitt	7411 WOBURN #4 ANCH AK 99502	31	248 4053
Don B Smith	6531 AM GARD RD ANCH AK 99502	23	248-3837
Deanna J Clemens	4334 SPENARD RD ANCH. ALASKA 99503	33	248-5300
Michael A. Bell	4334 SPENARD RD ANCH AK 99503	31	---
Amela C Clemens	4334 Spenard Rd #1 Anchorage, Alaska 99503	25	248-0560
Benny W. Haggerty	11501 TRAILS END RD. ANCH	41	YES
...	SR 2586 64	42	99576
Benny W. Haggerty	4334 Spenard Rd. 99503	41	248-5300
D.W. Chertie D.C.	3441 ARTHURUS CIRCLE ANCH 99503	45	561-4421
Lillian Shampier	9449 Brighton Rd #301 ANCH 99503	44	344-7027
Francis E. Shampier	SAME	60	SAME
Robert E. Haggerty	PO Box 10441 PRBKS AK	25	452-8913
...	110 BERKELEY CT. FISH	27	452 8913

REP. DIS. 3-1-75
 JUNEAU, ALASKA

JANUARY 1975

WE RECENTLY READ A BRIEF BUT INFORMATIVE ARTICLE IN THE NEWSPAPER...

HE'S MEASURE----INSURE THE DRIVER, NOT THE VEHICLE.

WE WOULD LIKE YOU TO KNOW THAT WE BACK THIS KIND OF INSURANCE, WHEREAS,
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WE AS RESIDENTS OF THE STATE OF ALASKA STAND STRONG BEHIND THIS MEASURE.

NAME ADDRESS AGE PHONE

NAME	ADDRESS	AGE	PHONE
<i>Frederick W. Kenney</i>	906 W 20 th Ave. Anchorage AK 99503	45	—
<i>Michael [unclear]</i>	4927 W-80 th Trl	35	243-1208
<i>Charles [unclear]</i>	3810 CAROLINA DR	35	248-4281
<i>Karen Matthews</i>	1550 Astorland Anchorage	31	349-2893
<i>[unclear]</i>	4403 Spruwell Anchorage AK	29	243-365
<i>JOE WELSH</i>	8001 E 3rd Ave #4	34	333-7278
<i>Diane Baumgartner</i>	530 Fairbanks St. Anchorage 99501	33	276-4072
<i>Dan [unclear]</i>	12730 HACE ST ANCH.	29	345-5314
<i>[unclear]</i>	3521 Telstar Anchorage AK	25	243-0221
<i>[unclear]</i>	1421 E 17 th #4 Anchorage	25	279-5060
<i>Wendy [unclear]</i>	1230 HACE ST Anch	26	345-5314
<i>Howard Shepherd</i>	328 BENEFICE #244 Anch.	39	—
<i>Ken [unclear]</i>	1423 "P" Street Anch.	41	278-4257
<i>[unclear]</i>			

REP. DICK SCULTE

JANUARY 1985

JUNEAU, ALASKA

HE RECENTLY READ A BRIEF BUT INFORMATIVE ARTICLE IN THE NEWSPAPER...

HE AS MEASURE----INSURE THE DRIVER, NOT THE VEHICLE.

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WE AS RESIDENTS OF THE STATE OF ALASKA STAND STRONG BEHIND THIS MEASURE.

NAME	ADDRESS	AGE	PHONE
JACK MIZE <i>Jack Mize</i>	300 EGAVIK DR #1 ANCHORAGE, 99503	40	562-4491
<i>James W. Winkler</i>	15331 Pallock Dr Anch AK 99516	20	345 4975
<i>Walter H. Cole</i>	7340 Blackberry	41	243-3645
<i>C. Westfall</i>	PO Box 112056	34	345-3203
<i>Danilo Horvath</i>	2805 W 3rd St #3	37	561-9017
<i>Tom C. Roeder</i>	1803 Cleveland St.	28	561-2629
<i>J Scott Montgomery</i>	316 EKLUTNA Box 87-2261	35	338-1873
<i>LEE A. WYATT</i>	WASILLA, ALASKA 99687	42	376 6554
<i>Lennie Geist</i>	1919 E. 75th Anchorage AK	25	344-4396
<i>Pete Casanova</i>	1200 W. Diamond #550 Anch, Alaska 99515	27	349-9904
<i>MARLBRET STURGILL</i>	7036 WEINER ANCH AK	32	248-4997
<i>DARRYL R. BROWN</i>	Box 111475 Anchorage AK	30	—
<i>Sean Burnett</i>	PO Box 60997-Fairbanks	30	907-452-613
4.			



Telegram

W.D. 11/11/50

FCM ANCHORAGE ALASKA 10 01-17 1940 1ST

PMS

REPRESENTATIVE DICK SCHULTZ

JUNEAU AK

YOUR IDEA ON AUTOMOBILE LIABILITY INSURANCE IS THE BEST THING
- WE HAVE EVER HEARD OF.

JAY AND JAN KERN

PO BOX 110147

ANCHORAGE AK 99511

*****;
*
* DELIVER TO: JPOM *
* *
* ORIGINAL *
* SENT: 01/21/85 TIME: 11:03 *
* FROM: LIOGLN *
* SUBJECT: POM *
* PRINT DATE: 01/21/85 TIME: 11:03 *
* *

***** PUBLIC OPINION MESSAGE *****

TO: REP. SHULTZ-----
FROM: ED KNOEBEL
BOX 84
GLENNALLEN, ALASKA 99589
822-3208 (HOME)
RE: HB 68-----

THAT IS GOOD, I NEED SOMETHING LIKE THAT. I HAVE BEEN TRYING TO GET THIS TYPE, AND HAVE NOT BEEN ABLE TO FIND ANYONE THAT SELLS SOME. I HAVE MORE THAN ONE VEHICLE BUT CAN ONLY DRIVE ONE AT A TIME, I HAVE WANTED TO GET INSURANCE ON ME, FOR I DRIVE.

EOM

* FROM: LINDSEY
* SUBJECT: VECO LOBBYISTS
* PRINT DATE: 01/18/85 TIME: 16:06
*

TO: JUNEAU INFO

FROM: SUSAN ELLEDGE SOLDOTNA

P. O. M.

TO: ALL SENATORS AND ALL REPRESENTATIVES

FROM:
TOM PATMOR
BOX 124
CLAM GULCH, AK 99568

MESSAGE: LAST YEAR VECO LOWERED THEIR EMPLOYEES WAGES BY 5.00 PER HOUR. VECO WOULD LIKE TO GET THEIR EMPLOYEES WAGES DOWN TO AT LEAST MINIMUM WAGE. HAS ED DANKWORTH SCHEDULED A VOTE ON WHEATHER OR NOT ALASKA WILL BECOME A RIGHT TO WORK STATE, BEWARE OF THAT MAN.

E.O.M.

FROM: JACQUI GORLICK
1501 WEST 41ST
ANCHORAGE, AK. 99503 PHONE: 563-1962 HOME

RE: HB 18

I STRONGLY SUPPORT PASSAGE OF HB 18 AND RECOMMEND CHANGE IN THE BILLS WORDING TO READ "EACH SCHOOL DISTRICT SHALL PROVIDE ANNUAL IN-SERVICE TRAINING OF TEACHERS AND PRINCIPALS." CURRENT WORDING PLACES RESTRAINT ON THE DISCRETION OF THE INDIVIDUAL SCHOOL DISTRICTS IN DETERMING THE AMOUNT OF TIME NECESSARY FOR TRAINING.

FROM: BROTHER TOM DATMOR
P.O. BOX 124
CLAM GULCH, AK 99568

MESSAGE: I WISH I COULD AFFORD TO TRAVEL BUT I CANT AFFORD LIABILITY INSURANCE. TOO BAD THE CONSTITION WAS WRITTEN FOR THE RICH. INSURING DRIVERS RATHER THAN VEHICLES WOULD DO MORE TO GET BAD DRIVERS OFF THE ROADS I'D RATHER RIDE WITH A GOOD UNINSURED DRIVER THAN A BAD INSURED DRIVER

E.O.M.

*
* DELIVER TO: JPOM *
* *
* *
* ORIGINAL *
* SENT: 03/04/85 TIME: 16:18 *
* FROM: MARTIE ROZKYDAL *
* SUBJECT: FOM - MATR-0076 *
* PRINT DATE: 03/04/85 TIME: 16:18 *
* *

TO: ALL LEGISLATORS

FROM: DALE WILLHITE
SRA BOX 6640
WASILLA 99687
376-6715

RE: HB 68, MANDATORY INSURANCE FOR VEHICLES

FARMERS, OTHERS OWNING MULTIPLE VEHICLES, FIND COSTS OF INSURING ALL VEHICLES EXCESSIVE. I STRONGLY SUPPORT A LIABILITY COVERAGE ON DRIVER SO THAT AN OWNER CAN AFFORD TO DRIVE THE VEHICLES THAT ARE ONLY USED A COUPLE OF TIMES A YEAR.

SR © MBF v Patents 1016,308, 3,479,117 Moore Business Forms, Inc.

TO: ALL LEGISLATORS

FROM: MARILYN CONNELL
PO BOX 235
WILLOW 99688

495-6217

RE: HB 67

HB 67 IS ONE OF THE MOST DANGEROUS PIECES OF LEGISLATION I'VE EVER HEARD OF. I DON'T SEE ANY REASON TO JUSTIFY THE LEGISLATORS OF THIS STATE REDUCING MY PERSONAL LIBERTY OR CONSTITUTIONAL RIGHTS BY ADMITTING HEARSAY EVIDENCE UNDER ANY CIRCUMSTANCES. STRONGLY URGE VOTE AGAINST IT.

FROM: JOAN ALEXANDER, 3082 N. CIRCLE, ANCHORAGE, 99507,
344-2904(HM)

RE: GOVERNOR SHEFFIELD'S APPOINTMENT

I AM ALARMED BY GOVERNOR SHEFFIELD'S APPOINTMENT OF MR. BILL ROSS A SOCIALIST AS COMMISSIONER OF THE STATE DEPT. OF ENVIRONMENTAL CONSERVATION. SURELY THERE MUST BE QUALIFIED LEADERS OTHER THAN SOCIALISTS TO FILL THIS INFLUENTIAL POSITION. MY REQUEST IS TO REMOVE MR. ROSS IMMEDIATELY. PLEASE ADVISE ME OF YOUR ACTIONS.

FROM: DRIANNE REICH/HAROLD OLSON
P O BOX 870269
WASILLA 99687
POINT MACKENZIE

RE: HB 68

WE ARE IN SUPPORT OF THE INSURANCE BILL-HB 68.

*Drick!
look @ these!*

MATC 22*****

TO: SENATORS KERTTULA & DEVRIES
REPRESENTATIVES SHULTZ, HURLEY, LARSON, HANLEY, M M MILLER,
SUND, GRUENBERG, TAYLOR

FROM: JOSEPH A JOHNSON 376-5476
P O BOX 870829
WASILLA 99687

RE: HB 68, MANDATORY INSURANCE OF DRIVER

I AM VERY MUCH IN FAVOR OF HOUSE BILL 68. THE INSURANCE INDUSTRY
IN THE STATE OF ALASKA IS LONG OVERDUE FOR REFORM.

*What are we going to do
w/ the bill - seems like
more interest has been
generated on this bill*

11 1

* DELIVER TO: JPOH *
* *
* ORIGINAL *
* SENT: 02/14/85 TIME: 15:05 *
* FROM: CHARLOTTE CREMER *
* SUBJECT: FIVE POM RE HB 68 FROM MAT-SU *
* PRINT DATE: 02/14/85 TIME: 15:05 *
* *

MATC
20*****

TO: SENATORS DEVRIES, KERTTULA
REPRESENTATIVES HURLEY, LARSON, SHULTZ, NAVARRE, DAVIS,
KOPONEN, BOUCHER

FROM: VALERIE AADSEN 376-2141
S R 2100
WASILLA 99687

RE: HB 68-MANDATORY INSURANCE FOR THE DRIVER

I SUPPORT HB 68 AND WISH YOU WOULD TOO.

↑

↑
MATC 23*****

TO: SENATORS KERTTULA AND DEVRIES
REPRESENTATIVES SHULTZ, LARSON, HURLEY, COTTEN, V FISCHER,
ABOON

FROM: DELL C DODGE 892-7930
S R BOX 2661
WASILLA 99687

RE: HB 68, MANDATORY INSURANCE FOR THE DRIVER

I BELIEVE INSURING THE PERSON RATHER THAN THE VEHICLE IS THE BEST
APPROACH.

MATC 24*****

TO: SENATORS DEVRIES, KERTTULA
REPRESENTATIVES SHULTZ, HURLEY, LARSON, PHILLIPS, NAVARRE

FROM: P SHULTZ 376-2883
P O BOX 1004
WASILLA 99687

RE: HB 68, MANDATORY INSURANCE FOR DRIVER

I CONSIDER THE IDEA OF INSURING THE PERSON AS OPPOSED TO THE
VEHICLE FOR LIABILITY IN CASE OF ACCIDENT TO BE A GOOD APPROACH.

MSB (S) MBS v Patent 2010 Jun 13 420 877 Moore Bus Bus/Print

HATC 21*****

TO: SENATORS KEFITULA & DEVRIES
REPRESENTATIVES LARSON & HURLEY, SHULTZ, PEARCE, COLLINS,
PETTYJOHN

FROM: K E AADSEN 376-2141
P O BOX 2100
WASILLA 99687

RE: HB 68

I URGE YOUR ACTIVE SUPPORT FOR HOUSE BILL 68.

* DELIVER TO JFOR *
* ORIGINAL *
* SENT: 03/01/85 TIME: 11:36 *
* FROM: LISA *
* SUBJECT: FGM *
* PRINT DATE: 03/01/85 TIME: 11:36 *

TO: ALL LEGISLATORS

FROM: ELIZABETH SCHNEIDER
P.O. BOX 4-2104
ANCHORAGE, AK. 99509
PHONE 278-1408

RE: HB 118

PLEASE PASS AS TWO THOUSAND DOLLARS IS NOT WORTH MUCH ANYMORE, PLEASE RAISE TO FIVE THOUSAND.

TO: ALL LEGISLATORS

FROM: ELIZABETH SCHNEIDER
P.O. BOX 4-2104
ANCHORAGE, AK. 99509
PHONE 278-1408 HM

RE: HB 68

PLEASE PASS HB 68 AS DRIVER AND NOT THE CAR IS RESPONSIBLE FOR ACCIDENTS. WE FEEL THE INSURANCE SHOULD BE ON THE PERSON AND NOT ON THE CAR.

%%
- 3/01

TO: ALL LEGISLATORS

FR: JOHN HORAN
P O BOX 871496
WASILLA 99687
376-5928

RE: SP 135 - LAND SURVEYS

THIS BILL IS LONG OVERDUE. I SUPPORT IMMEDIATE PASSAGE OF THIS LEGISLATION. THANK YOU.

MP (6) MF + Patent 3,010,308, 3,479,877 Moore Business Forms, Inc.

MP (6)

* ORIGINAL *
* SENT: 02/06/85 TIME: 15:51 *
* FROM: CHARLOTTE CREMER *
* SUBJECT: POM MATC## *
* PRINT DATE: 02/06/85 TIME: 15:51 *
* *

HELLO JUNEAU INFO; HERE ARE POM'S: THE FIRST THREE TO THE SAME LEGISLATORS RE HB 68. THE OTHERS REGARDING DIFFERENT MATTERS.

MATC 10

TO: REPRESENTATIVES SHULTZ, HURLEY, LARSON, NAVARRE, DAVIS, BOUCHER, KOPONEN, PEARCE, COLLINS, HANLEY, M M MILLER, SUND, GRUENBERG, TAYLOR, CLOCKSIN, PETTYJOHN, PHILLIPS AND SENATORS DEVRIES AND KERTTULA

FROM: RON PALMER 376-5721
P O BOX 870145
WASILLA 99687

RE: HB 68
PLEASE SUPPORT HB 68 AS SPONSORED BY REP SHULTZ. THANK YOU.

MATC11

TO: REPRESENTATIVES SHULTZ, HURLEY, LARSON, NAVARRE, DAVIS, BOUCHER, KAPONEN, PEARCE, COLLINS, HANLEY, MM MILLER, SUND, GRUENBERG, TAYLOR, CLOCKSIN, PETTYJOHN, PHILLIPS, AND SENATORS DEVRIES AND KERTTULA

FROM: LINDA J JENSEN 745-4564
PO BOX 871786
WASILLA 99687

RE: HB 68
I AM IN FAVOR OF HB 68.

MATC 12

TO: REPRESENTATIVES SHULTZ, HURLEY, LARSON, NAVARRE, DAVIS, BOUCHER, KOPONEN, PEARCE, COLLINS, HANLEY, M M MILLER, SUND, GRUENBERG, TAYLOR, CLOCKSIN, PETTYJOHN, PHILLIPS, AND SENATORS DEVRIES AND KERTTULA

FROM: JOHN B BROWNING 376-6146
PO BOX 874089
WASILLA 99687

RE: HB 68
I AM IN FAVOR OF HOUSE BILL 68 SPONSORED BY SHULTZ. THANK YOU.

MATC13

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF MOTOR VEHICLES

BILL SHEFFIELD, GOVERNOR

P.O. BOX
JUNEAU, ALASKA 99802-0020

PHONE: 465-4335

January 29, 1985

*Jack -
File 14 B 64*

Representative Dick Shultz
Alaska House of Representatives
State Capitol, Pouch V
Juneau, AK 99811

Dear Representative Shultz:

You expressed a desire to have Chapter 22 of Title 28 amended to exempt operators who were driving an employer's vehicle and asked for a recommendation on how that could be accomplished.

I believe one alternative would be to add a Subsection (..) to Section 28.22.240 to reflect:

"If the driver at the time of an accident was driving in the course and scope of employment a vehicle owned, operated or leased by the driver's employer, the suspension provisions of this chapter apply to the employer and do not apply to the driver".

As worded, the above amendment would only exempt the employee in the case of an accident and would not exempt the employee if the employee was charged with a violation of traffic law.

If I can be of further assistance, please let me know.

Sincerely,



BILL BROWN
Chief of Driver Services

BB/nb

BACKGROUND FOR
SS HOUSE BILL 68

THE PURPOSE OF THIS BILL IS TO PROVIDE AN ALTERNATIVE TO THE PRESENT METHOD OF PURCHASING MANDATORY LIABILITY INSURANCE. IT IS DESIGNED FOR THE DRIVER WHO OWNS NUMEROUS VEHICLES BUT ONLY DRIVES THEM A PART OF THE YEAR. WE FEEL IT IS THE DRIVER WHO NEEDS THE LIABILITY INSURANCE AND NOT THE VEHICLE. THERE ARE INSURANCE COMPANIES TODAY WHO WRITE LIABILITY INSURANCE POLICIES FOR PERSONS WHO OPERATE BUT DON'T OWN A VEHICLE. THE BILL HAS A LARGE GROUP OF SUPPORTERS WHO ARE IN THE CATEGORY OF OWNING A LOT OF VEHICLES BUT ONLY DRIVE THEM FOR SHORT PERIODS DURING THE YEAR. THIS BILL IS MEANT TO BE A VIABLE ALTERNATIVE ONLY FOR OBTAINING LIABILITY INSURANCE AND IS NOT MEANT TO REPLACE ANY OTHER INSURANCE PROGRAM PRESENTLY IN EFFECT.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 68 (I&C)
 Title: An Act relating motor
vehicle liability insurance

Sponsor: Labor and Commerce
 Requestor: Labor and Commerce
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Alaska Public Utilities Comm.
 BRU: Commerce and Econ Dev.

Components: Public Protection
Division of Insurance

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
----------------	------------	------------	------------	------------	------------	------------

FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary.

Prepared by: John L. George, Director
 Division: Alaska Public Utilities Commission

Phone: 465-2515
 Date: February 20, 1986

Approved by Commissioner: *John H. Thornburg*
 Agency: Commerce and Economic Development

Date: February 20, 1986

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Alaska State Legislature

COMMITTEES

Co-Chairman — House Resources
Committee
Member — House Transportation
Committee



While in Session:

Pouch V
State Capital
Juneau, Alaska 99811
Phone (907) 465-4951
465-4940

House of Representatives

Home - SR 790
Tok, Alaska 99780

Dick Shultz

February 27, 1985

Robert Sundberg, Commissioner
Department of Public Safety
Pouch N
Juneau, Alaska 99811

Dear Commissioner Sundberg:

Enclosed for your review and comment is a Committee Substitute for House Bill 68 "An Act relating to motor vehicle liability insurance."

The original bill did not address my concern that each automobile owned and operated by an Alaskan be covered by liability insurance. My intention is to provide an alternative to the present method of purchasing mandatory liability insurance.

My contention, is that a person owning 1 or more vehicles would not have to insure each vehicle separately. It is not meant to replace any other insurance program presently in effect.

Thanking you in advance for your time.

Sincerely,

A handwritten signature in cursive script that reads "Dick".

Representative Dick Shultz

DS/spp

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

POUCH N
JUNEAU, ALASKA 99811
PHONE: 465-4322

OFFICE OF THE COMMISSIONER

March 5, 1985

*File
W.H. NB 68*

The Honorable Dick Shultz
House of Representatives
Alaska State Legislature
Pouch V
Juneau, AK 99811

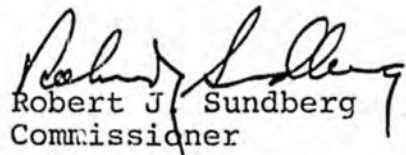
Dear Representative Shultz:

I have reviewed Committee Substitute for House Bill 68 "An act relating to motor vehicle liability insurance".

The broader interpretation addressed in the aforementioned committee substitute clarifies the scope and insurance policy needs to meet the requirements of vehicle liability insurance.

The Department supports the amendments.

Sincerely,


Robert J. Sundberg
Commissioner

Enclosure

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF MOTOR VEHICLES

P. O. BOX 960
ANCHORAGE, ALASKA 99510
(907) 269-5551

March 8, 1985

*File
with HB
68*

The Honorable Dick Shultz
Alaska State Legislature
Pouch 1
Juneau, Alaska 99811

Dear Representative Shultz:

I have reviewed your Committee Substitute for House Bill 68 as you requested. While I believe I understand your commendable intentions, I have the following concerns.

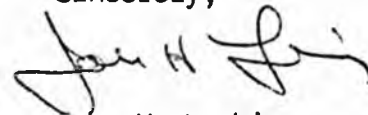
Alaska Statute 28.22.200(a), Sec. 2, places the responsibility of insurance on the operator, not owner. Where does this place employees driving company vehicles not covered under SB-103 or HB-133, which are still in committee, and the emergency regulations adopted February 28, 1985?

Additionally I question what premium rates insurance companies would need to establish for a personal policy of liability insurance. I would suggest contact with the insurance sector concerning what this will cost each operator.

Please feel free to contact me or my staff for any additional conversation on this matter.

A personal contact in Juneau on driver matters is Bill Brown, Chief of Driver Services at 465-2650.

Sincerely,



John H. Lucking
Director

KCAM TALK

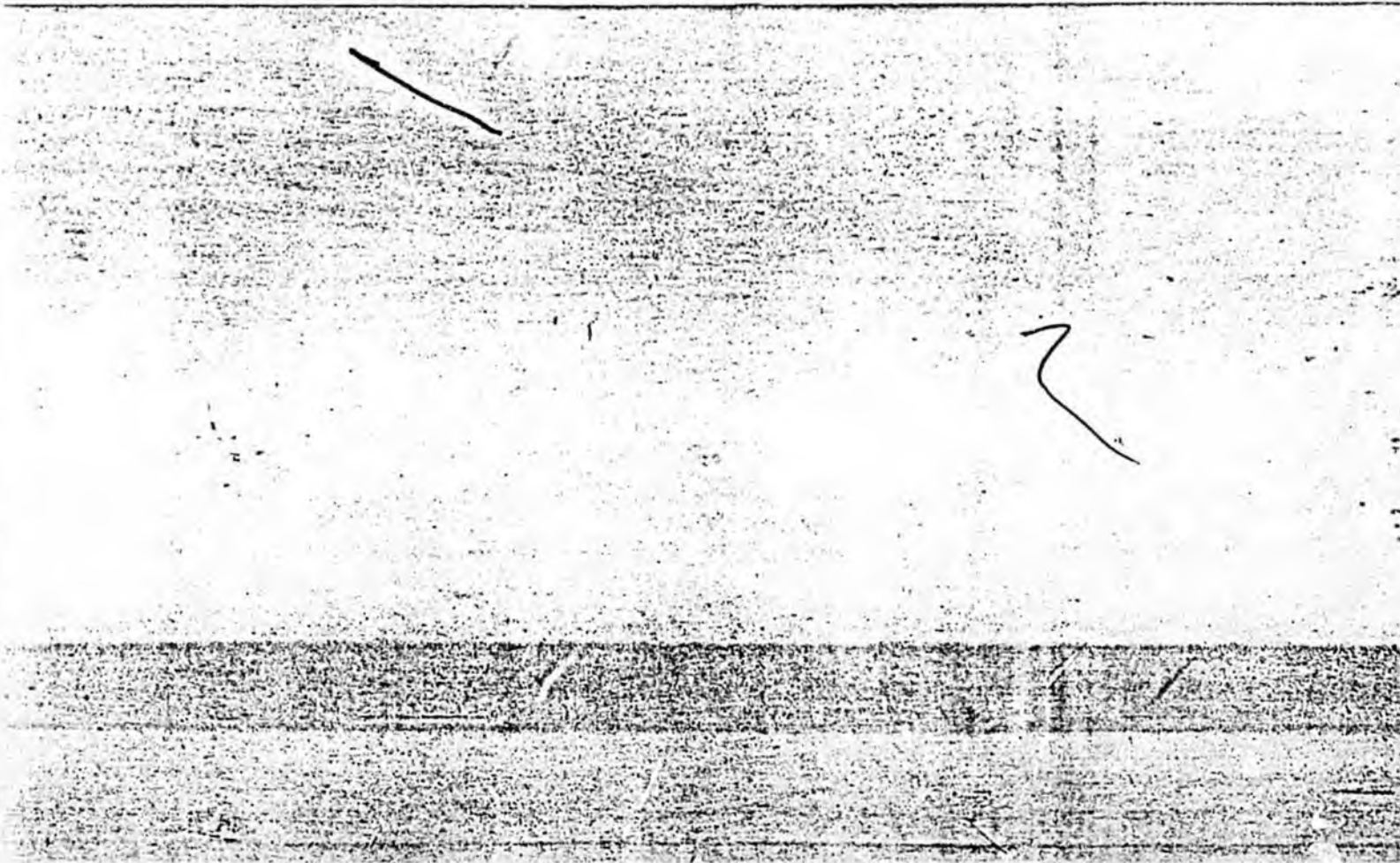
THIS IS REP. DICK SHULTZ SPEAKING TO YOU FROM JUNEAU.

LAST WEEK I MENTIONED I WOULD DISCUSS HB 68 AN ALTERNATE MANDATORY INSURANCE BILL. THIS BILL IS INTRODUCED ONLY AS AN ALTERNATIVE TO THE PRESENT INSURANCE LAW AND IS NOT MEANT TO REPLACE IT.

IT IS MY BELIEF THE DRIVER SHOULD BE INSURED--NOT THE VEHICLE. HB 68 ACCOMPLISHES THIS. I ALSO CONTEND THE DRIVER'S DRIVING RECORD SHOULD DETERMINE THE POLICY PREMIUM--NOT THE AGE OF THE VEHICLE OR WHETHER IT HAS 4 CYLINDERS OR 16 CYLINDERS. FOR EXAMPLE--IF THE INSURANCE RECORDS RATE ME AS A POOR DRIVER AND MY WIFE AS A GOOD DRIVER THEN I DON'T BELIEVE OUR INSURANCE PREMIUMS SHOULD REFLECT A HIGHER RATE FOR BOTH OF US BECAUSE OF MY INEPTNESS. UNDER THIS BILL ONLY I WOULD BE REQUIRED TO PAY THE HIGHER PREMIUM. UNDER THE PRESENT LAW, IF A PERSON HAS NUMEROUS PIECES OF EQUIPMENT BUT ONLY USES IT FOR PART OF THE YEAR HE ^{YOU} OR SHE ARE REQUIRED TO PAY THE FULL PREMIUM. ^{Amount} EVEN IF ONE IS LUCKY ENOUGH TO FIND AN INSURANCE COMPANY WHO WILL ALLOW A WAIVER ON DEAD-LINED EQUIPMENT THE REPORTS NECESSARY FOR THIS ALLOWANCE CAN BE TIME CONSUMING AND VERY TEDIOUS. FOR EXAMPLE--UNDER THE PRESENT LAW IF YOU HAVE A PICK-UP TRUCK THAT IS USED ONLY FOR HAULING YOUR GARBAGE TO THE DUMP 2 OR 3 TIMES A MONTH--YOU ARE REQUIRED TO CARRY FULL LIABILITY INSURANCE ON THIS PICK-UP. THIS CAN MAKE YOUR GARBAGE HAULING PRETTY EXPENSIVE. HB 68 IS DESIGNED EXPRESSLY FOR THE FAMILY WHO OWNS A LOT OF VEHICLES THAT MUST BE LICENSED BUT ARE ONLY DRIVEN ON A PART-TIME BASIS.

INSURANCE COMPANIES AND THE STATE OF ALASKA DO NOT SUPPORT THIS BILL. INSURANCE COMPANIES CLAIM IT WILL FORCE THEM TO RAISE THEIR RATES

BECAUSE OF THE NECESSITY ^{FR} OF ADMINISTRATIVE CHANGES. NO ONE LIKES
CHANGES--ESPECIALLY IF THEY THINK IT IS GOING TO COST THEM MONEY.
INSURANCE COMPANIES CAN FORCE ^{US} YOU AS INDIVIDUALS TO ACCEPT THEIR
CHANGES IN POLICY BUT WHEN THE SHOE IS ON THE OTHER FOOT--IT IS AN
ENTIRELY DIFFERENT STORY. LIKewise THE STATE HAS PUT A VERY
LARGE FISCAL NOTE ON THIS BILL BECAUSE OF THE MANY ADMINISTRATIVE
CHANGES REQUIRED. THE STATE CLAIMS IT WILL TAKE YEARS TO COMPILE
DATA TO: USE AS A BASIS FOR REGULATING INSURANCE RATES. THE STATE
INSURANCE COMMISSION MAKES THE STATEMENT THEY WOULD HAVE NO REAL WAY
OF DETERMINING WHETHER INSURANCE RATES ARE JUST OR NOT. WELL---
THE REASON I INTRODUCED THIS BILL IS BECAUSE A GREAT MANY
CONSTITUENTS AND I THINK OUR PRESENT INSURANCE RATES ARE ^{As required.} UNJUST.



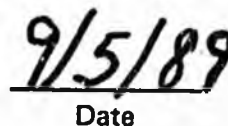


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I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

HB

77

A M E N D M E N T

OFFERED IN THE HOUSE:

By: HOUSE LABOR & COMMERCE

To: _____ HOUSE BILL No. HB 77 _____

SENATE BILL No. _____

PAGE: 2 _____

LINE: 12, 13, 14 _____

Page 2, lines 12, 13, 14

Please delete all words and figures on these lines
so that the bill will read:

- 12. [MULTIPLE LINES (ALL LINES
- 13. EXCLUDING LIFE AND TITLE
- 14. INSURANCE) 750,000 · 750,000]

Note to Mike:

I heard rumors that HB 77 really sets up a closed shop for local insurance companies. This is not true, though it does make it more difficult for new companies, either domestic or local, to open up operations in Alaska without certain minimum baseline assurances. Basically, it is to help prevent struggling, new fly-by-night companies that are just getting established, from starting up operations in Alaska, overextending themselves, and going bankrupt. While it protects certain specialized local companies by grandfathering them, it does make it harder for small companies based outside Alaska, or any brand new company to start up in Alaska.

A handwritten signature in cursive script, appearing to read "Rope", is located in the lower right quadrant of the page.

Introduced: 1/18/85
Referred: Labor & Commerce

1 IN THE HOUSE

BY CATO

2

HOUSE BILL NO. 77

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the capital funds required of
foreign and domestic insurers."

7

8

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

9

* Section 1. AS 21.09.070(a) is amended to read:

10

(a) To qualify for authority to transact any one kind of insur-

11

ance as defined in AS 21.12, or combination of kinds of insurance as

12

shown below, a foreign insurer, or a domestic insurer applying for its

13

original certificate of authority in this state, or an insurer re-

14

applying for a certificate of authority in this state after having

15

withdrawn from this state for any cause, shall possess and thereafter

16

maintain unimpaired basic paid-in capital stock (if a stock insurer)

17

or unimpaired basic surplus (if a foreign mutual insurer or foreign

18

reciprocal insurer), and shall possess when first so authorized addi-

19

tional funds in surplus as follows:

20

Basic Capital

21

Kind or Kinds

or

Additional

22

of Insurance

Basic Surplus

Surplus

23

Life

\$800,000 [\$400,000] \$800,000 [\$400,000]

24

Disability

800,000 [400,000] 800,000 [400,000]

25

Life and

26

Disability

1,000,000 [500,000] 1,000,000 [500,000]

27

Property

600,000 [400,000] 600,000 [400,000]

28

Casualty exclud-

29

ing vehicle

1,000,000 [500,000] 1,000,000 [500,000]

1	Vehicle	<u>800,000</u>	[400,000]	<u>800,000</u>	[400,000]
2	Marine & Trans-				
3	portation	<u>1,000,000</u>	[450,000]	<u>1,000,000</u>	[450,000]
4	Surety	<u>1,000,000</u>	[500,000]	<u>1,000,000</u>	[500,000]
5	Title	<u>300,000</u>	[250,000]	<u>300,000</u>	[250,000]
6	Any two <u>or more</u> of the following				
7	kinds of insurance: property,				
8	marine and transportation,				
9	<u>vehicle</u> , casualty excluding				
10	vehicle, surety and				
11	disability	<u>1,500,000</u>	[550,000]	<u>1,500,000</u>	[550,000]
12	Multiple Lines (all lines				
13	excluding life and title				
14	insurance		[750,000]		[750,000]
15	Legal Expenses	<u>600,000</u>	[400,000]	<u>600,000</u>	[400,000]
16	Mortgage Guarant-				
17	tee	<u>1,000,000</u>	[400,000]	<u>1,000,000</u>	[400,000]

* Sec. 2. AS 21.09.080 is repealed and reenacted to read:

Sec. 21.09.080. CAPITAL FUNDS REQUIRED OF OLD DOMESTIC INSURERS.

(a) A domestic insurer holding a valid certificate of authority to transact insurance in this state immediately before January 1, 1985, may continue to transact the same kinds of insurance permitted by the certificate of authority provided that after January 1, 1985, the insurer maintains unimpaired no less paid-in capital stock (if a stock insurer) and no less minimum surplus (if a mutual or reciprocal insurer) than the amount required of the insurer by AS 21.09.070 on December 31, 1984, as if the law had continued in force.

(b) An insurer described in this section may not, after January 1, 1985, declare a dividend or distribute assets to its

1 shareholders, members or subscribers until it has a total capital and
2 surplus equal to the total capital and surplus required for a like
3 insurer under AS 21.09.070.

4 (c) Annually on December 31, beginning in 1985, each domestic
5 insurer described in this section with less paid-in capital stock (if
6 #3 a stock insurer) or less surplus (if a mutual or reciprocal insurer)
7 than required by AS 21.09.070 as to new domestic insurers shall in-
8 crease their unimpaired basic paid-in capital stock or surplus by an
9 amount equal to 20 percent of the difference between the actual paid-
10 in capital stock or surplus on December 31, 1983, and that required by
11 AS 21.09.070 as to new domestic insurers. By December 31, 1989, all
12 domestic insurers shall maintain paid-in capital stock and surplus in
13 amounts no less than required by AS 21.09.070 as to new domestic
14 insurers.

15 (d) Notwithstanding the provisions of this section, a domestic
16 life insurer duly licensed and capitalized on December 31, 1984, shall
17 #4 have and maintain the capital and surplus required under the laws of
18 this state on December 31, 1984, as if the laws had continued in
19 force.

20 * Sec. 7. AS 21.69.220(b) is amended to read:

21 (b) When applying for an original certificate of authority, the
22 insurer must be otherwise qualified under this title, and must have
23 received and accepted bona fide applications as to substantial insur-
24 able subjects for insurance coverage of a substantial character of the
25 kind of insurance proposed to be transacted, must have collected in
26 cash the full premium at a rate not less than that usually charged by
27 stock insurers for comparable coverages, must have surplus funds on
28 hand and deposited as of the date the insurance coverages are to
29 become effective, or, in lieu of the applications, premiums and

1 surplus, may deposit surplus, all in accordance with that part of the
 2 following schedule which applies to the one kind of insurance the
 3 insurer proposes to transact:

(A) Kind of Insurance	(B) Minimum No. of Applicants Accepted	(C) Minimum No. of Subjects Covered	(D) Minimum Premium Collected
Life (1)	500	500	annual
Disability (2)	500	500	quarterly
Property (3)	100	250	annual
Casualty (4)	250	500	annual
With Workers'			
Compensation	250	1,500	quarterly
Marine, Wet			
Marine, and			
Transportation	50	50	annual

(E) Minimum Amount of Insurance Each	(F) Maximum Amount of Insurance Each Subject	(G) Minimum Surplus Funds Deposited	(H) Deposit of Surplus in Lieu of
--	---	---	--

1	Subject	(5)	(6)	(6)
2				
3				
4	\$1,000	\$ 2,500	<u>\$800,000</u>	[\$ 50,000] <u>\$800,000</u> [\$100,000]
5	\$ 10	\$ 25	<u>\$800,000</u>	[\$ 50,000] <u>\$800,000</u> [\$100,000]
6	(weekly	(weekly		
7	indem.)	indem.)		
8	\$1,000	\$ 3,000	<u>\$600,000</u>	[\$100,000] <u>\$600,000</u> [\$200,000]
9	\$1,000	\$10,000	<u>\$1,000,000</u>	[\$150,000] <u>\$1,000,000</u> [\$200,000]
10	\$1,000	\$10,000	<u>\$1,000,000</u>	[\$200,000] <u>\$1,000,000</u> [\$300,000]
11	\$1,000	\$25,000	<u>\$1,000,000</u>	[\$100,000] <u>\$1,000,000</u> [\$200,000]

14 * Sec. 4. AS 21.75.050 is amended by adding a new subsection to read:

15 (d) Notwithstanding (a) and (c) of this section, domestic recip-
 16 rocal insurers duly licensed and capitalized on December 31, 1984,
 17 shall have and maintain the capital and surplus required at the date
 18 of their original license.

Feb 1 85
FRIDAY

HOUSE BILL 77

REPRESENTATIVE BETTE CATO, HOUSE OF REPRESENTATIVES, DISTRICT 6.

I APPRECIATE THIS OPPORTUNITY TO BE ABLE TO SPEAK BEFORE THIS
COMMITTEE.

HOUSE BILL 77 IS AN ACT RELATING TO THE CAPITAL FUNDS REQUIRED OF
FOREIGN AND DOMESTIC INSURERS.

THE INSURANCE INDUSTRY IS ONE OF THE FEW INDUSTRIES THAT IS NOT
FEDERALLY REGULATED, IT IS REGULATED ENTIRELY BY THE STATES.

THROUGH THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT,
DIVISION OF INSURANCE THE STATE REGULATES LICENSING, PREMIUM RATES,
INVESTMENTS AND DIVIDENDS. THEY ALSO CONTROL WHO CAN BE MANAGERS,
EXAMINE COMPANIES AND PROVIDE A CONSUMER COMPLAINT SERVICE.

A FULL CODE COVERS ALL OF THESE REQUIREMENTS - TITLE 21, THE
INSURANCE CODE. THE BASIC FUNDAMENTALS OF THIS STRICT REGULATION
IS SOLVENCY OF THE AGENCY. THIS IS TO ENSURE THAT A COMPANY WHO
SELLS A POLICY TODAY IS SOLVENT WHEN THE POLICY COMES DUE.

THIS BILL ADDRESSES INSURANCE COMPANIES NOT THE AGENTS OR BROKERS. THERE ARE BASICALLY 2 PARTNERS IN THE INSURANCE BUSINESS, FIRSTLY, THE INSURANCE COMPANY - THIS COMPANY WRITES THE POLICY, RECEIVES THE MONEY AND HAS THE RESPONSIBILITY TO PAY THE MONEY WHEN THE POLICY COMES DUE. SECONDLY, THE PRODUCER, AGENT/BROKER - THIS IS THE PERSON WHO PROVIDES THE INSURER WITH THE INSURANCE COMPANY. UNDER TITLE 21 DOMICILED COMPANIES AND FOREIGN COMPANIES ARE ELIGIBLE TO APPLY FOR A CERTIFICATE OF AUTHORITY.

THE SOLVENCY OF COMPANIES HAS BECOME A CONCERN OVER THE PAST 2-3 YEARS. REASONS FOR THIS INCLUDE: DOUBLE DIGIT INFLATION, AUTOMOBILE ACCIDENT AWARDS OF 2 TO 5 MILLION DOLLARS, AND MORE AND MORE LAW SUITS BEING FILED FOR SUCH THINGS AS ENVIROMENTAL HAZARDS, ASBESTOSES, ETC.

TODAY, INSURANCE COMPANIES MUST HAVE MONEY TO COVER THESE LARGE UNANTICIPATED CLAIMS AND STILL HAVE ENOUGH TO PAY ALL THE POLICIES THAT COME DUE. WHEN AN INSURANCE COMPANY WITH LIMITED CAPITAL OR SURPLUS BECOMES INSOLVENT BECAUSE THEY CANNOT MEET THEIR OBLIGATIONS, IT BECOMES THE RESPONSIBILITY OF THE OTHER INSURANCE

COMPANIES IN ALASKA TO PAY THESE OBLIGATIONS. THIS PLACES A GREAT FINANCIAL BURDEN ON THE INSURANCE COMPANIES.

SEC. 21.80.040 ADDRESSES THE ALASKA INSURANCE GUARANTEE ASSOCIATION. ALL COMPANIES ARE REQUIRED TO BE A MEMBER OF THIS ASSOCIATION AS A CONDITION OF THEIR AUTHORITY TO TRANSACT INSURANCE IN THIS STATE.

SEC 21.080.060 (b) STATES THAT WHEN A COMPANY BECOMES INSOLVENT THE ALASKA INSURANCE GUARANTEE ASSOCIATION IS TO BE CONSIDERED THE INSURER AND IS RESPONSIBLE FOR ALL THE INSOLVENT COMPANIES CLAIM OBLIGATIONS.

ONE OF THE MOST IMPORTANT CONTROLS WHICH THE STATUTES GIVE THE DIVISION OF INSURANCE IS TO REQUIRE THAT INSURANCE COMPANIES HAVE A MINIMUM AMOUNT OF CASH IN THEIR CAPITAL AND FREE SURPLUS ACCOUNTS BEFORE THEY ARE LICENSED AND FURTHER REQUIRE THAT THEY MAINTAIN THOSE LEVELS SO LONG AS THEY ARE LICENSED TO DO BUSINESS IN THE STATE.

PERIODICALLY IT IS NECESSARY FOR THESE REQUIREMENTS TO BE REVIEWED TO DETERMINE IF THEY ARE STILL ADEQUATE TO MEET CURRENT NEEDS.

IN 1966 THE MINIMUMS WERE DOUBLED OVER WHAT HAD BEEN REQUIRED. THE

CAPITAL AND SURPLUS REQUIREMENTS WERE INCREASED BY 100% IN 1976
WHEN THEY WERE LAST REVIEWED BY THE LEGISLATURE. THERE HAS BEEN NO
CHANGE IN THE CAPITAL AND SURPLUS REQUIREMENTS SINCE 1976, HOWEVER,
WITH INFLATION, COURT AWARDS AND LEGAL ACTIONS ALL ON THE INCREASE
I FEEL WE DEFINATELY NEED TO INCREASE THE AMOUNTS OF CAPITAL STOCK
AND SURPLUS WE REQUIRE INSURANCE COMPANIES TO HAVE TO PROTECT THE
SOLVENY OF THE COMPANIES.

THIS BILL ALLOWS INSURANCE COMPANIES WHO HOLD A CERTIFICATE OF
AUTHORITY IN THIS STATE TO GRADUALLY INCREASE THEIR CAPITAL STOCK
AND SURPLUS BY 20% OVER A FIVE YEAR PERIOD. BY DECEMBER 31st, 1989
ALL INSURANCE COMPANIES WITH A CERTIFICATE OF AUTHORITY IN THIS STATE
SHALL HAVE THE MINIMUM AMOUNT OF CAPITAL STOCK AND SURPLUS REQUIRED
BY THIS BILL.

THANK YOU FOR TAKING THE TIME TO LISTEN TO ME THIS AFTERNOON.

5

Amendments to the bill:

The first amendment on your sheet was already incorporated into the bill:

The second and third ones remove the words "or reciprocal" . If left in, it appears that the intent is to make domestic reciprocals come up with the surplus by 1989, but it conflicts with Section 4, (page 5, lines 14-18,) which specifically exempts domestic reciprocal insurers, and says that domestic reciprocal insurers dont have to come up with the surplus (they are all table and there were none here before 1976 anyway).

The fourth amendment was scratched as irrelevant.

The fifth amendment is stuck into the last section (Section 5 of the bill) to make it clear by reference to AS 21.09.080, which is the same as Section 2 of this bill, that domestic reciprocals are exempted.

Pg 5
Line 15

NOTES FOR FLOOR PRESENTATION

HB 77

An act relating to the capital funds required of foreign & domestic insurers.

UNLIKE OTHER AREAS OF OUR SOCIETY, THE INSURANCE INDUSTRY HAS RELATIVELY LITTLE FEDERAL INVOLVEMENT AND RESTRICTION, AND IT IS LEFT UP TO THE INDIVIDUAL STATES TO ESTABLISH THEIR OWN LAWS AND POLICIES TO REGULATE THE INDUSTRY.

UNDER CURRENT LAW, ALL INSURANCE COMPANIES DOING BUSINESS IN ALASKA ARE REQUIRED TO HAVE CERTAIN MINIMUM AMOUNTS OF UNIMPAIRED BASIC CAPITAL AND BASIC SURPLUS. ALTHOUGH IT IS NO ABSOLUTE GUARANTEE, IT DOES PROVIDE AT LEAST A MINIMUM CUSHION TO HELP ENSURE THAT AN INSURER IS ABLE TO MEET ITS FINANCIAL OBLIGATIONS WITHOUT GOING BANKRUPT.

IF THE COMPANY GOES BANKRUPT, THIS CAN AFFECT ALASKANS IN SEVERAL WAYS:
1) THE PEOPLE OF THE STATE WHO HAVE CLAIMS AGAINST MANY TYPES OF INSURANCE COMPANYS WOULD NOT GET THEIR MONEY 2) IN THE CASE OF THE PROPERTY AND CASUALTY INSURANCE COMPANIES DOING BUSINESS IN ALASKA, THERE IS AN INSURANCE GUARANTEE ASSOCIATION THAT MUST PAY FOR THE LOSSES WHICH AN INSOLVENT INSURANCE COMPANY DOING BUSINESS IN THE STATE IS UNABLE TO PAY.

IT IS THEREFORE IN THE BEST INTEREST OF BOTH THE PEOPLE OF THE STATE AND THE INSURANCE COMPANIES OF THE STATE TO SEE THAT SOME SORT OF MINIMUM CONTROLS CONTINUE TO BE IMPOSED ON NEW INSURANCE COMPANIES THAT ARE DEVELOPING IN ALASKA. IF A NEW COMPANY IS NOT ADEQUATELY CAPITALIZED, IT CAN QUICKLY BECOME INSOLVENT. THIS BILL RAISES THE MINIMUM REQUIRED LEVELS OF BASIC CAPITAL AND BASIC SURPLUS FROM THOSE SET BY ALASKA STATUTE IN 1976 TO LEVELS THAT

TAKE INTO ACCOUNT INFLATION SINCE THEN.

TO AVOID MAKING THIS TOO MUCH OF A HARDSHIP ON DOMESTIC INSURERS, LOCAL COMPANIES ARE GIVEN 5 YEARS, UP TO 1989, AT THE RATE OF 20% INCREASE IN THEIR SURPLUS A YEAR, TO MEET THE NEW RATE LEVELS. BECAUSE OF THE NATURE OF CERTAIN DOMESTIC LIFE INSURANCE COMPANIES THAT SERVED VERY SPECIALIZED AND NARROW CLIENTELE,, THIS LAW DOES NOT APPLY TO THEM, AND THEY ARE GRANDFATHERED IN. (This includes two domestic reciprocals--Alaska Timber Insurance Exchange, and Alaska Rural Electric Cooperative Association Insurance Exchange; and one life insurance company or stock company, the Life Insurance Company of Alaska. No mutual companies are exempted, and the reciprocals for the most part are included and not exempted because they are long term and stable and there were none in Alaska before 1976.)

HB 77

An Act relating to the capital funds required of foreign and domestic insurers.

An insurance company desiring to do business in Alaska must have, among other things, certain amounts of unimpaired paid-in basic capital and unimpaired basic surplus before it can open its doors for business. These amounts, which are specified in Alaska Statutes, are intended to be a minimum cushion to assure that the insurer is able to meet its financial obligations.

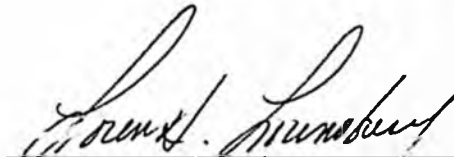
These minimums were last revised in 1976. Since that time, the purchasing power represented by the specified limits has substantially diminished. For example, the value of a limit of \$1,000,000 in 1976 has diminished as follows:

1976	\$1,000,000	1981	\$625,000
1977	\$939,000	1982	\$590,000
1978	\$873,000	1983	\$574,000
1979	\$797,000	1984 est.	\$559,000
1980	\$693,000	1985 est.	\$543,000

The proposed bill would effectively restore the purchasing power of the minimums to slightly over the 1976 level.

This proposal has grandfather provisions for domestic life companies (we have one) and for domestic reciprocals (we have two). All other domestics would have four years to reach the new required minimums. We view this as appropriate.

The Department lends its full support to this measure as proposed with a few minor nonsubstantive amendments. We urge the committee to consider the bill on its merits. The proposal is timely and we encourage its passage.


 Loren H. Lounsbury, Commissioner

Date: 1/30/85

0105K13085b

This bill grandfathers in :

- 1) Domestic reciprocals , which are exempted, and include:
 - a. Alaska Timber Insurance Exchange
 - b. Alaska Rural Electric Cooperative Association Insurance Exchange

- 2) Domestic stock companies exempted:
 - a. One life insurance company, the Life Insurance Company of Alaska

- 3) No mutuals are exempted by the bill

MICA (Medical Indemnity Corporation of Alaska) was not grandfathered in and already meets the requirements, because it is a state-owned corporation set up under AS 21.88, and it supplies medical malpractice for doctors. It is not really a fit with the others, but it already meets the minimum requirements of the new bill.

Umiliak is a property-casualty company, so it is not grandfathered in.

There are 3 types of insurance companies:

stock companies

These companies ^{all} ~~is~~ capitalized by stock holders, who are not necessarily policy holders. A stock company is managed independently of the stock holders.

mutual companies

In these companies, the policy holders are the stock holders. In a mutual company you do have management by an independent body.

reciprocal companies

These companies are similar to mutual companies; the policy holders are the company. Its a pooling of their resources. They have an Attorney-in-fact, rather than officers to operate and do company business for them. So the policy holders are more directly involved in day to day operations of the insurance companies. Also, a reciprocal is a non-profit company, while mutual and stock companies are for profit.

HOUSE BILL 77
Sectional Analysis

"An Act relating to the capital funds required of foreign and domestic insurers"

AS 21.09.070(a)

Section 1 This amended section increases the amounts of capital and working funds required of certain classes of insurers; foreign, first time domestic applicants, and those previously certified who withdrew for any reason. Pg. 2 line 6 the words "or more" are added to the former language. Pg. 2 line 9 "vehicles" is included in the list of kinds of insurance.

AS 21.09.080.

Section 2 (a) Allows domestic insurers who now hold valid certificates to continue to operate in the same lines of insurance as they presently do as long as they maintain no less capital stock, (stock insurers), no less surplus (mutual or reciprocal insurers) than they must now.

(b) Forbids declaration of dividends after Jan.1, 1985 until an insurer meets the new minimums for that class of insurer under the new law.

(c) Starting December 31, 1985, domestic insurers with less than the new required minimum capital must increase their capital by 20% of the difference between the actual amounts held on 12/31/83 and the new requirements which would bring every insurer up to the new minimums by 1989.

(e) Exempts domestic life insurers from the new capital requirements.

AS.69.220(b)

Section 3 Amends the "minimum surplus funds deposited" and the "deposit surplus in lieu of" on page 5 of the bill.

AS.75.050

Section 4 Adds a new subsection exempting domestic reciprocal insurers licensed and capitalized as of December 31, 1984 from the requirements of the new provisions.

TO: Mike
FROM: Roger

January 30, 1985

HB 80:

The Dept. of Commerce has requested this fee increase thru the Governor's office and so automatically supports it. Last year they tried to transfer this power from statute to regulation in HB 633, but it was resisted by the Labor and Commerce Committee, who drafted a committee substitute that is exactly the same as this bill.

Last year's bill died in Judiciary because Charlie Bussell as a matter of policy did not move out any of the Governor's bills that were referred to his Committee, so the opposition to it was strictly due to partisan politics, in private, I understand, Charlie actually thought the bill was okay.

The Fiscal Note is zero in terms of cost, but is some \$350,000 annual additional revenues generated in FY 86 with further increases in following years.

Testimony on the bill will come from John George and Don Koch, both of the Division of Insurance, Dept. of Commerce.

It is felt that the insurance industry will probably support this bill or at least not be actively opposed, since if the state insurance companies aren't fairly well regulated, and in line with national averages, the federal government will step in, and the state companies don't want that at all. I did contact a number of insurance companies and lobbyists on these two

bills, so there may be a fair number of observers or even people to testify on either or both bills.

HB 77 The bill comes from the insurance industry due to a letter from Robert Bloch to Bettye Cato; Bloch used to be the Director of the Division of Insurance in the Department. As written, it is a clean bill which the industry will probably accept without too much flak. Fiscal note is zero. Its basic intent is to keep out fly-by-night insurance companies that come in with minimum assets and then go bankrupt and stick the people of Alaska with unpaid bills and premiums and claims, etc. In the case of life-insurance, this means that the other life-insurance companies in the State have to make up the losses of the bankrupt company out of their own assets!! This does not appear to apply, however, to other types of insurance besides life insurance.

There is some problems and confusion around who gets grandfathered in, but the basic list of affected companies are supplied in the file.

The Division of Insurance does have a list of proposed amendments of a housekeeping variety, that they will explain and you may want to act on. Don Koch also wanted to propose a Committee substitute that would give even more power to the Commissioner to anticipate a company going bankrupt and empower him to move in 45 days earlier, but Bettye Cato strongly opposed this, and Dick Bloch and Alex Miller did also, so the Dept. pulled back on requesting it as a Committee Substitute, but it may be brought up as an issue. If it is, it should be dealt with in a separate bill, not this one.

January 30, 1985 Wednesday 1:15 pm

LABOR AND COMMERCE AGENDA

- 1) CALL MEETING TO ORDER
- 2) NOTE HOUR/DAY/YEAR (1:15 pm? January 30, 1985, Wednesday)
- 3) NOTE MEMBERS PRESENT AND MEMBERS ABSENT
(also note late arrivals as they occur)
- 4) RECOGNIZE ANY VIP'S OR GUESTS PRESENT
- 5) REMIND EVERYONE PRESENT TO SIGN IN AS EITHER A WITNESS OR AS AN OBSERVOR
- 6) EXPLAIN THE ORDER OF BILLS BEFORE THE COMMITTEE
 - *HB 80 "An Act relating to Insurance Fees and Licensing," by Rules by Request of Governor
 - *HB 77 "An Act relating to the Capital Funds required of foreign and domestic insurers," by Cato.
- 7) ANNOUNCE FIRST BILL BEFORE THE COMMITTEE, etc.
 - progression of the meeting
- 8) MAKE SURE ALL MEMBERS SIGN ANY BILL THAT IS PASSED OUT OF COMMITTEE
- 9) ANNOUNCE TIME OF ADJOURNMENT

Note: As each witness comes forth, please request that they state their name and who they are representing, for the record, and to speak loudly enough to be heard by the microphones.

M E M O R A N D U M

TO: All Members, House Labor and Commerce Committee

FROM: Committee Staff

DATE: January 30, 1985

RE: Overview: HB 77, House State Affairs Committee

On Wednesday, January 30, 1985, from 1:15 to 2:45 pm, in Room 102 of the Capitol Building, the House Committee on Labor and Commerce will hold hearings on HB 77: "An act relating to the capital funds required of foreign and domestic insurers."

Unlike many other areas of government, the insurance industry is primarily governed by the legislation of individual states, rather than by the federal government. This makes any decisions made on insurance issues worthy of state attention, since there is not much of a "safety net" of checks and regulations at the federal level to protect us.

Basically, this bill raises the minimum required amounts of unimpaired, paid-in basic capital and also surplus that an insurance company must have before it can do business in Alaska. These were last revised in 1976, and because of inflation, etc. no longer come close to reflecting true cost.

The right to determine these minimum amounts remains in statute and under the authority of the legislature, rather than giving that authority to the Department.

Ultimately, the bill seeks to protect those individuals or companies purchasing insurance by assuring that adequate cash reserves will be available when it is time to settle a claim. While other means may be worth considering to provide additional protection, this legislation makes a large step in that direction.

A complete and adequate history and rationale for the bill has been supplied in your file in a letter by Richard Block, president of Alaska National Insurance Company to Representative Cato.

There was no legislation on this issue submitted last year, and there is no companion legislation in the Senate at this time.

There does appear to be some confusion on just what specific companies are being grandfathered in under this legislation, as they are named in the table of Capital and Surplus of Domestic Insurers, December 31, 1982 (see item 7 listed in your file contents at the back of the file).

Also, please note that there are 5 housekeeping amendments of a non-substantive nature to clean up the language of the bill being proposed by the Division of Insurance.

HB 77 FILE CONTENTS

- 1) Overview -- Committee Staff Memo
- 2) Fiscal Note -- Dept. of Commerce
- 3) Position Statement -- Dept. of Commerce
- 4) Cover letter -- by Sponsor Cato
- 5) Sectional Analysis -- by Cato staff
- 6) Background letter -- by Richard Block, Alaska National Title Ins.
- 7) Table showing affected Companies in Alaska
(Title: Capital and Surplus of Domestic Insurers, Dec. 31, 82).
- 8) Written testimony by Division of Insurance
with proposed housekeeping amendments.



Alaska National INSURANCE COMPANY

A DIVISION OF SERVICE AND PROTECTION

January 11, 1985

The Honorable Betty Gato, Representative
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Betty:

I very much appreciate your undertaking to draft, prefile and introduce the legislation requiring increased capital and surplus minima for the formation and operation of insurance companies in the State of Alaska.

BACKGROUND

Insurance companies formed and doing business in the state of Alaska are closely regulated by Title 21 as implemented and enforced by the Division of Insurance.

Historically, and still today, the most important consideration in regulating insurance companies and the whole insurance business is to insure the solvency of the industry, that is to ensure that the insurance companies selling policies will have the financial resources to pay obligations under those contracts when claims are made. This becomes a particularly acute problem when one realizes claims under our casualty insurance policies may not be made for three, four even five years after the policy has been paid for and for life insurance companies the claims may not be made for as much as twenty years, for title companies an equally long period of time.

The insurance regulatory scheme, which is directed towards assuring the financial capability of all of the carriers selling insurance, attempts to meet this challenge by overseeing almost all phases of an insurance company's activities; its pricing, its investments, its management, its ownership and its significant business transactions.

Perhaps the most important control which statutes give the insurance department is to require that insurance companies have a minimum amount of cash in its capital and free surplus accounts before they are licensed and further requiring that it maintain those levels so long as it is licensed to do business in the state.

Periodically it is necessary for these requirements to be reviewed to determine if they are still adequate to meet current needs.

In 1966 the minima were doubled over what they had been prior to that time. The capital and surplus requirements were last reviewed by the legislature in 1976 at which time they were increased by 100% over the requirements on the books at that time.

Since 1976 there has been no change in the capital and surplus requirements but there have been significant changes in the exposures for insurance companies not the least of which has been double digit inflation which has so decreased the value of money since 1976 making it extremely important that these be again reviewed.

CAPITAL AND SURPLUS REQUIREMENTS

Basic capital or basic surplus and additional surplus are the accounts denominated in Alaska statutes as policyholders' surplus. This is the statutory accounting term applied to the accounts which are more commonly known by accountants as a company's net worth.

I was one of the key people responsible for starting Alaska National Insurance Company in October of 1980. I have been in the insurance industry since 1968, from October of 1975 through December of 1978 I was the director of the Division of Insurance and have been involved as a lawyer or as an executive officer for insurance companies

With this background I believe I can say with assurance that one of the most important concerns that the insurance industry has is the adequate capitalization of new entrants into the insurance business.

There are two reasons why the insurance industry is concerned about the financial security of other insurance companies:

- (a) Those in the industry know full well that for the first several years of an insurance company's operation, capital and surplus is marketedly reduced partly because of genuinely incurred operating expenses and losses during the formative years and partly because of the peculiarities of statutory accounting, and that, if a company is not adequately capitalized it will quickly become insolvent even though it may be operating in accordance with rates, forms and procedures common to the rest of the industry.
- (b) In Alaska there is an insurance guarantee association which provides among other things that all of the property and casualty insurance companies doing business in the state of Alaska must pay for losses which an insolvent insurance company doing business in the state are unable to pay. We understand that it is the desire of the Division of Insurance to introduce a life insurance guarantee association which will have the same function with respect to life insurance companies.

Since losses left unpaid by an insolvent insurance carrier whether property, casualty or life must be paid for by those of us who are attempting to act responsibly in the industry we have a good and sufficient reason to be concerned that no company be started in the state of Alaska or allowed to enter the state from another state unless it has at least a minimum capital and surplus which in our judgement is necessary to properly operate a good insurance company.

POLICYHOLDER SURPLUS LEVEL

This legislative proposal requires that all the existing capital and surplus requirements be essentially doubled. If this legislation were adopted as proposed it would put Alaska near the top but not among the highest capital and surplus requirements for all of the states; that is, there are several states such as California, New York and Colorado which have capital and surplus requirements which are even higher than those which would be required by Alaska even after this bill were adopted.

It is my judgement that these minima are, particularly for Alaska, essential given the higher cost of workers' compensation claims, the higher property values involved, the higher exposure on auto and general liability claims and so forth.

ACCEPTABILITY

This measure was essentially drafted over a year ago and discussed among the insurance industry but never introduced as legislation.

At the time it was drafted, in November of 1983, it was presented to the then director of the Division of Insurance, Kenneth Moore who approved the language of the bill and agreed that he would support it if it were introduced.

I do not have a specific commitment from him but I believe that the new director, John George likewise approves of this proposal.

In addition, the measure was submitted to the Board of Governors of the Alaska Insurance Guarantee Association for their comment. Their response was that all members of the Board Governors except one for themselves and for whatever trade associations in the insurance industry they represent, either approved of or did not disapprove of the measure.

IMPACT ON INSURERS

Enclosed is an exhibit showing the capital and surplus of domestic insurers in the state of Alaska. It can be seen that the bill would not adversely affect any of the existing domestic insurance companies except Umiliak Insurance Company, Life Insurance Company of Alaska, The Alaska Timber Insurance Exchange and a newly formed reciprocal owned by the Alaska Rural Electric Association. All other companies either meet or exceed the capital requirements or are wholly owned by large insurance companies which could easily downstream capital without any loss or expense to themselves in order to meet the requirements. Umiliak Insurance Company would have to come up with additional monies, but I have discussed this matter with the manager of Umiliak who informed me that on his behalf and on behalf of his ownership they approved of the bill and would meet the requirements.

Language has been included in the bill which would grandfather the Alaska Timber Exchange the only other reciprocal in the state and the Life Insurance Company of Alaska the only domestic life insurance company.

Should you have any further questions concerning the general purpose of the proposed bill or its specific language, I would be happy to have you or your staff call upon me.

Yours cordially,

Richard L. Block
President

DLB:jmd
Enclosure

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 77
Title: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ Dev
Program Category Affected: _____

Sponsor: Cato
Requestor: _____
Date of Request: _____

BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: Donald Koch *DK* Phone: 465-2577
Division: DIVISION OF INSURANCE Date: _____

Approved by Commissioner: Loren H. Lounsbury *LHL* Date: 1/29/85
Agency: Commerce & Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

TESTIMONY BY THE DIVISION OF INSURANCE
Prepared on 1/30/85

HB 77

"An Act relating to the capital funds required of foreign and domestic insurers."

An insurance company desiring to do business in Alaska must have, among other things, certain amounts of unimpaired paid-in basic capital and unimpaired basic surplus before it can open its doors for business. These amounts, which are specified in Alaska Statutes, are intended to be a minimum cushion to assure that the insurer is able to meet its financial obligations.

These minimums were last revised in 1976. Since that time, the purchasing power represented by the specified limits has substantially diminished. For example, the value of a limit of \$1,000,000 in 1976 has diminished as follows:

1976	\$1,000,000	1981	\$625,000
1977	\$939,000	1982	\$590,000
1978	\$873,000	1983	\$574,000
1979	\$797,000	1984 est.	\$559,000
1980	\$693,000	1985 est.	\$543,000

The proposed bill would effectively restore the purchasing power of the minimums to slightly over the 1976 level.

This proposal has grandfather provisions for domestic life companies (we have 1) and for domestic reciprocals (we have 2). All other domestics would have 4 years to reach the new required minimums. We view this as appropriate.

This proposal is timely and we encourage its passage.

Page 2.
Testimony HB 77
1/30/84

Proposed Amendments

#1
Editorial Correction

Insert brackets around the language beginning on page 2, line 12 and ending on page 2, line 14.

Editorial Correction

#2
On page 2, line 25, remove the words "or reciprocal". The presence of these words at this location conflicts with Section 4 on page 5 of the bill."

Editorial Correction

#3
On page 3, line 6, remove the words "or reciprocal". The presence of these words at this location conflicts with Section 4 on page 5 of the bill."

Editorial Correction

#4
Following the word "required" on page 3, line 17, remove language to the end of the sentence and insert "at the date of their original license."

Editorial Correction

#5
Following the word "section" on page 5, line 15, insert "or AS 21.09.080".

H B

78



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

9/5/89
Date

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

BILL ANALYSIS

HB 78: "An Act relating to occupational licensing fees; and providing for an effective date."

HB 78 was requested by the Division of Occupational Licensing, Department of Commerce and Economic Development. It would authorize the establishment of all occupational licensing fees by regulation. Currently, most fees are set by statute, and revisions to the fees to reflect changing costs of licensing programs are infrequent.

Passage of this legislation will give the members of licensed professions and trades a greater opportunity to assist in regulating their own fees. The Administrative Procedure Act, AS 44.62, provides for public input at the time new regulations are being proposed and also gives the public the opportunity to petition an agency for adoption, amendment or repeal of a regulation. When petitioned, an agency must take action within 60 days.

This bill will also give the department flexibility in balancing the costs of licensing activities with the fees charged.

The granting of fee setting authority to occupational licensing boards is not an entirely new venture. Last year, the Legislature revised statutes relating to dentists and dental hygienists (Sec. 10, Chap. 100 SLA 1984) and in that bill there was authorization for the department to set fees by regulation. Additional precedent is found in the following statutes:

- AS 08.48.091 Architects, Engineers and Land Surveyors. This provides that fees for examinations will be set by the board.
- AS 08.48.231(c) Architects, Engineers and Land Surveyors. This provides that regulations shall establish fees for reexamination and penalty fees for failure to renew.
- AS 08.64 Medical Board. Fees for paramedics and physicians' assistants are currently set by the board.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

HB 78 Sectional Analysis

- HB 78: "An Act relating to occupational licensing fees; and providing for an effective date."
- Section 1: This section identifies the occupations administered by the Division of Occupational Licensing. It adds new language to include the four occupations administered by the division which do not have governing boards.
- Section 2: This section is the body of the entire bill. It directs the department to set occupational licensing fees by regulation. It directs the division to consult with the appropriate licensing boards before adopting regulations. It also states that the fees established by regulation must, to the extent possible, reflect the actual cost of the activity for which the fee is assessed.
- Section 3: Provides the authority to establish a penalty for renewing a license which has been lapsed for 60 days or more.
- Section 4 through Section 52: These sections bring the statutes of the individual licensing boards into compliance with the new regulatory fee language set out in Section 2.
- Section 53: This section deletes statutory redundancy. With one exception, these all repeal statutes which say that the revenues generated by licensing fees shall be deposited into the general fund. This is already provided for in Title 37 and Article IX, Section 7 of the constitution.
- Section 54: Effective date clause. Sections 1 through 3, the base sections of the bill, take effect immediately.
- Section 55: Effective date clause. Sections 4 through 53 take effect on the effective date of regulations adopted under Section 2 of this bill. Until the effective date of new regulations, the current fee schedule will remain in effect.

0058k

M E M O R A N D U M

TO: All Members, House Labor and Commerce Committee

FROM: Committee Staff

DATE: January 31, 1985

SUBJ: Overview: HB 78

On Thursday, January 31, 1985, from 1:15 to 2:45, in Room 102 of the Capitol Building, the House Committee on Labor and Commerce will hold hearings on HB 78: "An Act relating to occupational licensing fees; and providing for an effective date," by Rules Committee by Request of the Governor.

There is no companion bill in the Senate on this, but there have been numerous previous attempts to pass similar versions of this bill. Governor Hammond submitted a request in 1979 with SB 94 and in 1982 with HB 662; Governor Sheffield submitted an almost identical version of this bill last year as SB 502, but this bill did not pass out of Senate Labor and Commerce Committee. However, in an interesting quirk, the legislature did pass out HB 611 last year, which gave the power to set fees by regulation to the Dept. of Commerce for Dentists and Dental Hygienists (Chapter 100 of SL 1984); and as your file indicates, the Dept. can also currently engage in some fee setting with the architects, engineers, and land surveyors.

One basic issue here is whether the legislature wishes to continue to have powers through the statutes to establish fees for the various occupational licensing boards, or whether through this bill that activity to set fees can be done through Departmental regulations.

The first two sections of the bill basically give authority to the Department to set fees for all of those boards, in order to make the Boards activities more cost effective and each pay their own way. Currently, the contractors are bringing in fees that are actually helping to pay for the activities of many other boards. There is a clause that requires them to check with the Boards in question while setting fees, so that the process is not unilateral. The rest of the bill, which appears to be long and intimidating with 55 sections, basically goes through the statutes and makes the necessary amendments or repeals regarding each individual occupational board in order to allow fees to be set by regulation.

The legislation affects almost all professional groups, whether they have established boards or not; including groups like contractors, concert promoters, and collection agencies. One interesting exception to this seems to be the lawyers, a professional group covered at present instead through the court system.

Some 18 Boards and Commissions are affected here; occasionally people refer to 19 Boards because they are counting the Athletic Commission which is being requested for transfer from the Governor's Office to the Dept. of Commerce by Executive Order # 60, to be heard next week in Committee. As your file indicates, the chairmen of the Boards involved have already agreed to fee increases, from their meetings of August 15, 1985 with Carol Derfner.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
MEMORANDUM
BILL ANALYSIS

HB 78: "An Act relating to occupational licensing fees; and providing for an effective date."

FROM: Committee Staff

HB 78 was requested by the Division of Occupational Licensing, Department of Commerce and Economic Development. It would authorize the establishment of all occupational licensing fees by regulation. Currently, most fees are set by statute, and revisions to the fees to reflect changing costs of licensing programs are infrequent.

On Thursday, January 31, 1985, from 1:15 to 2:45, in Room 102 of the East Wing of the Legislature, the members of the Labor and Commerce will hold hearings on HB 78. The bill is a request for the Governor to regulate occupational licensing fees. The Administrative Procedure Act, AS 44.62, provides for public input at the time new regulations are being proposed. There is no public hearing on this bill, but there have been agency proposals for amendments or repeal of a regulation. When a regulation is amended or repealed, the agency must take action within 60 days. In 1979, Governor Sheffield submitted an almost identical version of this bill last year, but it did not pass out of the Senate Labor and Commerce Committee. The bill gives the Department of Occupational Licensing the authority to set fees by regulation. The Legislature did pass out HB 611 last year, which gave the power to set fees by regulation to the Dept. of Occupational Licensing. The bill also gives the Department of Occupational Licensing the authority to set fees for dentists and dental hygienists (Chapter 100 of SL 1984); and as a condition of the bill, the Legislature also currently engage in some fee setting activities relating to dentists and dental hygienists (Sec. 10, Chap. 100 SLA 1984) and in that bill there was authorization for the department to set fees by regulation. Additional precedent is found in the following statutes: AS 08.48.091 done through Departmental regulations. Architects, Engineers and Land Surveyors.

The first two sections of the bill basically give authority to the Department to set fees for all of those boards, in order to make the Boards activities more cost effective and each pay their own way. Currently, the contractors are bringing in fees that are actually helping to pay for the activities of many other boards. This provides that regulations shall establish fees for examination and penalty fees for failure to renew. There is a clause that requires them to check with the Boards in question while setting fees, so that the process is not unilateral. The rest of the bill, which appears to be long and intimidating with 55 sections, basically goes through the statutes and makes the necessary amendments or repeals regarding each individual occupational board in order to allow fees to be set by regulation. The board.

0053k The legislation affects almost all professional groups, whether they have established boards or not; including groups like contractors, concert promoters, and collection agencies. One interesting exception to this seems to be the lawyers, a professional group covered at present instead through the court system.

Some 18 Boards and Commissions are affected here; occasionally people refer to 19 Boards because they are counting the Athletic Commission which is being requested for transfer from the Governor's Office to the Dept. of Commerce by Executive Order # 60, to be heard next week in Committee. As your file indicates, the chairmen of the Boards involved have already agreed to fee increases, from their meetings of August 15, 1985 with Carol Derfner.

FY 84
BOARDS AND COMMISSIONS

BOARD/TRADE:	# LICENSEES	* AVERAGE ANNUAL REVENUES	EXPENDITURES	+/-
ATHLETIC COMMISSION:	57	1.1	11.3	-[10.2]
A.E.L.S.:	4097	144.2	167.9	-[23.7]
BARBERS & HAIRDRESSERS:	2595	106.2	96.5	9.7
CHIROPRACTORS:	168	2.9	37.2	-[34.3]
COLLECTION AGENCIES:	51	7.9	26.0	-[18.1]
CONTRACTORS:	7495	671.6	137.7	533.9
CONCERT PROMOTERS:	7	1.2	21.0	-[19.8]
DENTAL:	760	18.9	103.1	-[84.2]
DISPENSING OPTICIANS:	67	2.2	33.3	-[31.1]
ELECTRICAL ADMINISTRATORS:	487	71.0	71.7	-[.7]
GEOLOGISTS:	121	-0.0-	21.0	-[21.0]
GUIDES:	1348	46.2	126.4	-[80.2]
MEDICAL:	1393	48.6	92.3	-[43.7]
MARINE PILOTS:	76	1.7	43.8	-[42.1]
MORTUARY SCIENCE:	121	1.2	23.9	-[22.7]
NURSING:	6261	87.2	191.1	-[103.9]
NURSING HOME ADMIN.:	56	1.7	28.1	-[26.4]
OPTOMETRY:	92	2.1	35.8	-[33.7]
PHARMACY:	338	22.5	93.3	-[70.8]
PHYSICAL THERAPY:	149	5.0	34.5	-[29.5]
PSYCHOLOGY:	104	4.0	40.0	-[36.0]
PUBLIC ACCOUNTANCY:	638	41.8	79.5	-[37.7]
VETERINARY:	161	5.0	39.0	-[34.0]
		<u>1,294.2</u>	<u>1,554.4</u>	<u>(260.2)</u>

* Average Annual Revenues are based on an average of revenues collected within a renewal period. The licensing renewal periods vary among the various occupations some expiring annually, biennial, and others quadrennial.

COMMENTS:

- 1) The expenditures do not include costs of legal services.
- 2) The Division of Occupational Licensing provides support to:

- 17 Professional Boards
- 1 Commission
- 5 Trades
- 1 Committee

24 Licensing Functions

(Within the 24 licensing functions, the division issues licenses in 100 different categories.)

- 3) Expenditures include:

- Board travel & per diem
- National Membership Dues
- Examinations
- Examination Proctors
- Printing and Advertising
- Telephones

Expenditures also include the allocated division personal services costs for the particular board.

FY 84
BOARD ALLOCATIONS vs. ACTUAL EXPENSES
(Travel and Per Diem only)

BOARD:	ALLOCATION	EXPENSE	+/-
ATHLETIC COMMISSION:	(not applicable)		
A.E.L.S.:	18.2	19.8	-(1.6)
BARBERS & HAIRDRESSERS:	10.1	12.6	-(2.5)
CHIROPRACTORS:	5.5	5.7	-.2
COLLECTION AGENCIES:	(not applicable)		
CONTRACTORS:	(not applicable)		
CONCERT PROMOTERS:	(not applicable)		
DENTAL:	12.2	10.4	1.8
DISPENSING OPTICIANS:	3.0	3.8	-.8
ELECTRICAL ADMINISTRATORS:	8.6	11.2	-(2.6)
GEOLOGISTS:	(not applicable)		
GUIDES:	10.2	8.2	2.0
MEDICAL:	11.1	14.1	-(3.0)
MARINE PILOTS:	6.8	5.9	.9
MORTUARY SCIENCE:	(not applicable)		
NURSING:	15.0	14.6	.4
NURSING HOME ADMIN.:	3.3	2.6	.7
OPTOMETRY:	3.4	4.0	-.6
PHARMACY:	10.6	11.6	-(1.0)
PHYSICAL THERAPY:	5.2	5.1	.1
PSYCHOLOGY:	7.8	7.2	.6
PUBLIC ACCOUNTANCY:	12.1	9.8	2.3
VETERINARY:	6.4	5.7	.7
	<u>149.5</u>	<u>152.3</u>	
TOTAL BUDGET ALLOCATION	152.4	152.3	= .1

PROPOSED FEE FORMULA

- 1) Actual Division cost allocated to a particular board for a fiscal year;
+
2) Cost of Board and License Examiners travel and per diem for a fiscal year;
+
3) Contractual costs for the Board for a fiscal year;
-
4) Subtract examination costs from the contractual costs;
÷
5) Divide the above total by the number of licensees;
=
6) Base application fee (i.e. comity, credentialling, endorsement);
Exam application fee = Base fee + cost of examination.

$$\text{(Total Division Cost)} + \text{(Board/Examiner)} + \text{(Contractual)} - \text{(Examination Costs)} = \text{Trl \& Per diem}$$

BASE LICENSE/APPLICATION FEE

EXAMPLES

Based on the proposed fee formula, the following two examples are suggested:

1) MEDICAL LICENSURE: (High)

$$\begin{array}{rccccccccc} 70.8 & + & 14.1 & + & 7.4 & = & 92.3 & - & .8 & = & 91.5 \\ \text{(Div. cost)} & & \text{(Tv1/PD)} & & \text{(Contractual)} & & & & \text{(Exam cost)} & & \text{(Total Bd cost)} \end{array}$$

$$91.5 \div 1393 \text{ (licensees)} = \$ 65.69 \text{ (Base annual license fee)}$$

\$65.69 x 4 = \$262.76 for current 4 year license. A reduction from the current cost of \$600 for four years.

This example is the basic formula that will be used with the additional computations for each category under a particular licensing authority.

2) NURSING LICENSURE: (Low)

$$\begin{array}{rccccccccc} 166.4 & + & 14.6 & + & 10.1 & = & 191.1 \\ \text{(Div. cost)} & & \text{(Tv1/Pd)} & & \text{(Contractual)} & & \text{(Total Bd cost)} \end{array}$$

$$\begin{array}{rccccccccc} 191.1 & - & 3.0 & = & 188.1 & \div & 6261 \text{ (licensees)} & = & \$ 30.04 \\ \text{(Total Bd cost)} & & \text{(Exam cost)} & & & & & & \text{(Base annual fee)} \end{array}$$

Base annual license fee = \$30.04

Examination application/license fee = \$30.04 + 25.00 = \$ 55.04

30.04 x 2 = \$60.08 (Biennial license fee); an increase from the current license fee of \$50 for RN's and \$30 for LPN's.

HOUSE BILL 78
DIVISION OF OCCUPATIONAL LICENSING

BOARD/PROFESSION	NUMBER OF LICENSEES	FY 84 ALLOCATED COSTS	FY 84 ACTUAL REVENUES	PROJECTED FEE INCREASES	
				10%	25%
Athletic Commission	57	11.3	.9	1,089	1,237
AELS	4097	167.9	200.9	220,983	251,118
Barbers and Hairdressers	2595	96.5	85.7	94,278	107,135
Chiropractors	168	37.2	2.9	3,154	3,583
Collection Agencies	51	26.0	10.7	11,748	13,350
Contractors	7495	137.7	656.3	721,950	820,399
Concert Promoters	7	21.0	1.2	1,325	1,506
Dental	760	103.1	18.9	20,770	23,602
Dispensing Opticians	67	33.3	1.9	2,145	2,437
Electrical Administrators	487	71.7	43.3	47,616	54,108
Geologists	121	21.0	-0-	-0-	-0-
Guides	1348	126.4	46.0	50,691	57,603
Medical	1393	92.3	47.6	52,392	59,536
Marine Pilots	76	43.8	1.6	1,828	2,077
Mortuary Science	121	23.9	1.1	1,230	1,431
Nursing	6261	191.1	52.6	57,943	65,844
Nursing Home Administrators	56	28.1	1.4	1,573	1,787
Optometry	92	35.8	1.8	2,019	2,293
Pharmacy	338	93.3	59.2	65,227	74,121
Physical Therapy	149	34.5	4.9	5,467	6,212
Psychology	104	40.0	3.1	3,480	3,955
Public Accountancy	638	79.5	57.5	63,334	71,970
Veterinary	161	39.0	4.8	5,280	6,000
TOTAL RECEIPTS		1,554.4	1,304.3	1,435,522	1,631,313
UNALLOCATED GENERAL FUNDS		66.3	312.3		
TOTAL FUNDS		1,620.7	1,620.7		

NOTES: The licensing renewal periods vary among the occupations with some expiring annually, biennially, and others quadrennially.

The percentage increases listed here are strictly based on the FY 84 actual revenues and do not necessarily represent specific revenues by occupational group which may be adjusted when applied to any proposed formula.

STATE OF ALASKA THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 4, 1985

SUBJECT: Changes made in Draft CSHB 78 (L&C)

TO: Representative Mike Navarre
Chair, Labor and Commerce Committee

FROM: Teresa B. Cramer
Legislative Counsel

Teresa B. Cramer

You have asked for information about the differences between the draft CSHB 78 and HB 78.

1. The committee substitute requires the department to obtain the concurrence of the appropriate board before setting fees for that profession and before setting penalties. (Compare CSHB 78 sections 2 and 3 with HB 78 sections 2 and 3, amending AS 08.01.065(b) and 08.01.100(b).

2. As requested by the Department of Law, the words "professional or" are deleted from AS 08.68.220. (Compare CSHB 78 section 40 with HB 78 section 39.)

3. The second request from the Department of Law was to repeal AS 08.86.070(4). I have not done so because that section no longer authorizes the Board of Psychologists and Psychological Associates to set fees for psychological associates. (AS 08.86.140 which does address fees is amended in CSHB 78 section 48 and HB 78 section 48)

4. A fourth instruction was to add Barbers and Hairdressers to the bill. AS 08.13.185 is amended by both versions already. (CSHB 78 section 11 and HB 78 section 10)

5. The committee substitute makes a number of technical drafting changes for style and clarity. Where HB 78 did not make clear who was to perform a function, the CS has been redrafted to give that information to the reader. For example, the phrase from HB 78 section 40:

A fee for each of the following categories is established by regulations adopted under AS 08.01.065:

has been changed to read (CSHB 78 section 39):

The department shall set fees under AS 08.01.065 for each of the following:

6. In three chapters of AS 08, the committee substitute adds new sections to collect in one place references to the department's responsibility for setting fees and to avoid considerable repetition throughout the chapter. (See CSHB 78 sections 10, 18 and 30) In those chapters, the committee substitute does not repeat the reference to AS 08.01.065 in each of the other sections relating to fees. For example, section 10 of the committee substitute reads:

Sec. 08.04.095. FEES. The Department of Commerce and Economic Development shall set fees under AS 08.01.065 for examinations, reexaminations, permits, licenses, certificates and registrations.

7. The committee substitute adds sections 22 and 23, amending AS 08.32.097 and AS 08.36.290, to refer to the department's authority under AS 08.01.065 to set fees for licensing activities in the dentist and dental hygienist regulatory chapters.

8. HB Section 28 and CSHB 78 section 31

Note that this section refers to explosives handlers licenses, administered by the Department of Labor rather than the Department of Commerce and Economic Development.

9. HB Section 33

The committee substitute no longer amends AS 08.54.185. The section does not need to be amended even after other amendments made in the bill. AS 08.54 provides for fees in AS 08.54.170 and 08.54.180, amended in HB 78 Sections 30 - 32 and CSHB 78 section 33 - 34. AS 08.54.185 now reads:

ADDITIONAL FEES. In addition to the license and examination fees provided for under this chapter, master guides and registered guides are subject to fees imposed under AS 16.05.340(e).

Boucher

MEMORANDUM

TO: All Members, House Labor and Commerce Committee
FROM: Committee Staff
DATE: January 31, 1985
SUBJ: Overview: HB 78

On Thursday, January 31, 1985, from 1:15 to 2:45, in Room 102 of the Capitol Building, the House Committee on Labor and Commerce will hold hearings on HB 78: "An Act relating to occupational licensing fees, and providing for an effective date," by Rules Committee by Request of the Governor.

There is no companion bill in the Senate on this, but there have been numerous previous attempts to pass similar versions of this bill. Governor Hammond submitted a request in 1979 with SB 94 and in 1982 with HB 662; Governor Sheffield submitted an almost identical version of this bill last year as SB 502, but this bill did not pass out of Senate Labor and Commerce Committee. However, in an interesting quirk, the legislature did pass out HB 611 last year, which gave the power to set fees by regulation to the Dept. of Commerce for Dentists and Dental Hygienists (Chapter 100 of SL 1984); and as your file indicates, the Dept. can also currently engage in some fee setting with the architects, engineers, and land surveyors.

One basic issue here is whether the legislature wishes to continue to have powers through the statutes to establish fees for the various occupational licensing boards, or whether through this bill that activity to set fees can be done through Departmental regulations.

The first two sections of the bill basically give authority to the Department to set fees for all of those boards, in order to make the Boards activities more cost effective and each pay their own way. Currently, the contractors are bringing in fees that are actually helping to pay for the activities of many other boards. There is a clause that requires them to check with the Boards in question while setting fees, so that the process is not unilateral. The rest of the bill, which appears to be long and intimidating with 55 sections, basically goes through the statutes and makes the necessary amendments or repeals regarding each individual occupational board in order to allow fees to be set by regulation.

The legislation affects almost all professional groups, whether they have established boards or not; including groups like contractors, concert promoters, and collection agencies. One interesting exception to this seems to be the lawyers, a professional group covered at present instead through the court system.

Some 18 Boards and Commissions are affected here; occasionally people refer to 19 Boards because they are counting the Athletic Commission which is being requested for transfer from the Governor's Office to the Dept. of Commerce by Executive Order # 60, to be heard next week in Committee. As your file indicates, the chairmen of the Boards involved have already agreed to fee increases, from their meetings of August 15, 1985 with Carol Derfner.

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 18, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

FROM THE OFFICE OF
REP. MIKE SAVARRE
FOR YOUR INFORMATION

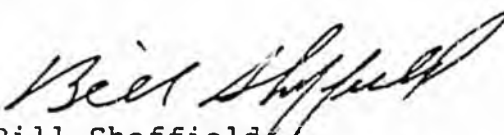
Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will authorize the Department of Commerce and Economic Development to establish occupational licensing fees by regulation, and that amends accordingly the various statutory provisions in AS 08 that now set those fees. This change will result in greater flexibility and ease of fee adjustment to accommodate inflation and other fluctuations in the costs of implementing the various licensing statutes. Currently, many Alaska licensing fees are low compared to those of other states, and revisions are necessary. This bill will enable the department to make the appropriate adjustments without unduly burdening the legislature with the task. This authority was granted to the department last year by ch. 100 SLA 1984 for fees involved in licensing dental hygienists and dentists.

The second and third sections of the bill authorize the department to set the fees and penalties by regulation to reflect costs, after consulting with the appropriate licensing board. Most of the remaining sections of the bill delete the current statutory fees and make other appropriate changes to statutes in the chapters concerning the various occupations affected.

I request your support for this bill which will greatly increase the efficiency and reduce the net cost of our occupational licensing programs.

Sincerely,


Bill Sheffield
Governor

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: January 31, 1985

REQUEST

Bill/Resolution No.: HB 78
 Title: Establishment of
Occupational Licensing fees
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Dev.
 Program Category Affected: _____
Consumer Protection
 BRU, Program or Subprogram(s) Affected: _____
Occupational Licensing

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		-0-				
300 CONTRACTUAL		20.3				
400 SUPPLIES		13.8				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		34.1	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		34.1	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL		34.1	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

This bill would amend each licensing fee schedule for the various professions licensed under Title 8 of the Alaska Statutes to be set by regulations.

To increase or decrease present licensing fees requires new legislation which previously has not been considered priority legislation. The inability to modify present fees has caused wide disparity between -

Prepared By: Jennifer Strickler, Mgmt. Analyst Phone: 465-2144

Division: Occupational Licensing Date: 1-31-85

Approved by Commissioner: Loren H. Lounsbury Date: 1/31/85

Agency: Commerce & Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUED:

mandated fees and operating costs.

7/1/84

FISCAL IMPACT: Occupational Licensing Fee Bill

200 TRAVEL:

One staff person to meet and consult with individual boards before public hearings are conducted and again after the public hearings are concluded on the proposed fee structures. It is anticipated that one-third of the board meetings be held in Anchorage, one-third in Fairbanks and the remaining one-third in Juneau. Travel expenses would be incurred for Anchorage and Fairbanks only.

12 trips to Anchorage - 2 days each (6 boards)
Transportation: 1 person @ \$400.00 each x 12 = \$ 4,800.00
Per Diem: 24 days @ \$80.00 per day = 1,920.00

12 trips to Fairbanks - 2 days each (6 boards)
Transportation: 1 person @ \$610.00 each x 12 = 7,320.00
Per Diem: 24 days @ \$90.00 per day = 2,160.00

1 staff to conduct regulation hearings in Anchorage and Fairbanks on license fee structure (4 trips):

2 trips to Anchorage - 6 days each
Transportation: 1 person @ \$400.00 x 2 = 800.00
Per Diem: 12 days @ \$80.00 = 960.00

2 trips to Fairbanks - 6 days each
Transportation: 1 person @ \$610.00 x 2 = 1,220.00
Per Diem: 12 days @ \$90.00 = 1,080.00

NOTE: It is anticipated that travel costs for FY '87 and successive years will be absorbed in the agency's budgeting process.

\$ 20,260.00

300 CONTRIBUTIONAL:

Rental charges for meeting rooms for holding public hearings on license fee settings: 24 days of public hearings @ \$200.00 per day = \$ 4,800.00

Printing of materials, statute and regulation booklets (estimated costs) = 8,000.00

OCCUPATIONAL LICENSING FEE BILL, continued

Advertising - required state-wide advertising of public notices of regulation hearings on proposed license fee structures (estimated costs) = 1,000.00

NOTE: It is anticipated that contractual costs for FY '87 and successive years will be absorbed in the agency's budgeting process.

	\$ 13,800.00
GRAND TOTAL:	\$ 34,060.00

PROJECTED REVENUE:

In an attempt to equalize the operating budget with revenue, it will be necessary to revise existing licensing fee structures to provide the additional revenue required.

The initial projection is to increase the license fees of various professions and licensure categories to off-set the deficit for FY '87 and project an annual increase of 15.0% for inflation factors.

No revenue is projected for FY '86 as it is anticipated that it would require the majority of the fiscal year to implement all the necessary license fee changes.

HB 78 FILE CONTENTS

January 31 Hearings:

- 1) Overview -- Committee Staff
- 2) Cover letter -- Governor Sheffield
- 3) Fiscal Note and Analysis -- Dept. of Commerce & ED
- 4) Sectional Analysis -- Dept. of Commerce
- 5) Financing Patterns of Health Licensure Boards - All States
(from the Council of State Governments)
- 6) An example of Fees Already Set by Regulation, Not Statute
(Architects & Engineers Board)
- 7) Table --Showing comparison of Medical licensing costs
for individual applicants to be licensed in
Washington and in Florida
- 8) Excerpts from August 15, 1985 Meetings of Chairmen of the
Professional Occupational Licensing Boards in Juneau.
 - a. Report of the Meeting with the Chairs of the Licensing Boards
(note: priority recommendation on page 5 to increase fees)
 - b. Management Audit of the Division of Occupational Licensing
 - c. Department and Division flow charts
- 9) Table showing current statute fees and projected regulatory fees

February 21, 1985

- 10) Tables--Boards and Commissions--Supplied on Request by DCED
- 11) Draft CS for HB 78 (L & C) -- With Cover Memo from Terry Cramer,
Legislative Legal Counsel

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NC. 78 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to occupational licensing fees; and
7 providing for an effective date."

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

9 Section 1. AS 08.01.010 is amended to read:

10 Sec. 08.01.010. APPLICABILITY OF CHAPTER. This chapter applies
11 to the

12 (1) Board of Public Accountancy (AS 08.04.010);

13 (2) [REPEALED

14 (3) REPEALED

15 (4)] Board of Chiropractic Examiners (AS 08.20.010);

16 [(5) REPEALED]

17 (3) [(5)] Board of Dental Examiners (AS 08.36.010);

18 (4) [(7)] Board of Electrical Examiners (AS 08.40.010);

19 (5) [(8)] State Board of Registration for Architects,
20 Engineers and Land Surveyors (AS 08.48.011);

21 (6) [(9)] State Medical Board (AS 08.64.010);

22 (7) [(10)] Board of Nursing (AS 08.68.010);

23 (8) [(11)] Board of Examiners in Optometry (AS 08.72.010);

24 (9) [(12)] Board of Pharmacy (AS 08.80.010);

25 [(13) REPEALED]

26 (10) [(14)] Board of Veterinary Examiners (AS 08.98.010);

27 (11) [(15)] Board of Psychologist and Psychological Asso-
28 ciate Examiners (AS 08.86.010);

29 [(16) REPEALED