

in which case that portion of his salary for the time so assigned shall be paid out of the appropriation of the department which said Assistant Attorney General is serving on a permanent part-time basis; and provided further that in all actions wherein moneys are recovered to the benefit of the Territory the same shall be paid into the General Fund unless otherwise provided by law. With the permission of the Attorney General, the services of an Assistant Attorney General for the purpose of investigation and/or enforcement in the matter of violation of Territorial statutes shall be available to the heads of the departments of the Territorial Govern-

ment, but this provision shall not limit the Attorney General in his powers to initiate investigations and enforcements of violations which may come to his attention. In carrying out the duties of his office, the Attorney General and his assistants may travel within and without the Territory of Alaska under the laws and regulations governing the official travel and the payment of travel expenses of all Territorial officials and employees.

Section 2. An emergency is hereby declared to exist and this Act shall be in full force and effect from and after the date of its passage and approval.

Approved March 19, 1957

CHAPTER 70

AN ACT

Relating to health care services and agreements pertaining thereto; requiring certain persons, corporations and associations to register with the Insurance Commissioner; levying taxes thereon; prescribing duties of the Insurance Commissioner; providing penalties.

(S. B. 40)

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. For the purposes of this Act.

(a) "Health Care Services" means and includes medical, surgical, hospital and other therapeutic services.

(b) "Doctor" means any person lawfully licensed or authorized to render any health care services.

(c) "Health Care Service Con-

tractor" means any corporation, cooperative group or association, doctor, or group of doctors, found by the Insurance Commissioner to possess all of the following qualifications:

(1) Accepts or proposes to accept prepayment for substantial health care services from persons or groups of persons as consideration for providing such persons with one or more such health care services.

(2) Is formed under the sponsorship, and operated under the control, of participant doctors and/or hospitals, or is a cooperative association otherwise qualified hereunder as a health care contractor.

(3) Has contracts with participant doctors and/or hospitals reasonably adequate in numbers and facilities to furnish the health care services provided or proposed to be provided by such health care service contractor.

(4) With respect to its management, operates and proposes to operate on a non-profit basis; but this provision shall not prohibit payment of reasonable compensation and retirement benefits with respect to services actually rendered.

(5) Does not pay and does not propose to pay dividends or other similar returns to stockholders or other persons investing in such health care service contractor. This provision shall not apply with respect to patronage dividends of cooperative associations.

(6) Is engaged exclusively in the health care services business, except it, he, or they may engage in professional medical, surgical, hospital, or other therapeutic services.

(d) "Participant" means a doctor or hospital who or which has contracted in writing with a health care service contractor to accept payment from such contractor for any health care services rendered to a person who has previously paid such contractor for such services.

Section 2. Subject to the provisions of this Act, any health care

service contractor may enter into agreements for the benefit of persons or groups of persons which require prepayment for health care services by such persons in consideration of such health care service contractor providing one or more health care services to such persons.

Section 3. If any of the health care services which are promised in any such agreement are not to be performed by the health care service contractor, or a participant, or a doctor or hospital designated by either of them, such agreement shall contain provision for reimbursement or indemnity of the persons paying for such services, which agreement shall either be underwritten by an insurance company authorized to write accident, health and disability insurance in the Territory of Alaska, or guaranteed by a surety company authorized to do business in this territory, or guaranteed by a deposit of cash with the Insurance Commissioner, as hereinafter provided. If the agreement is underwritten by an insurance company, the contract or policy of insurance may designate the health care service contractor as the named insured, but shall be for the benefit of the persons who have paid for or contracted for such health care services. If the agreement is guaranteed by a surety company, the surety bond shall designate the Territory of Alaska as the named obligee, but shall be for the benefit of the persons who have paid for or contracted for such health care services, and shall be in such amount as the Insurance Commissioner shall direct, but in no event in a sum greater than one-twelfth of the total sum of money received by the health care service con-

tractor during the preceding twelve months as prepayment of health care services. A copy of such insurance policy or surety bond, as the case may be, and any modification thereof, shall be filed with the Insurance Commissioner. Any beneficiary of such policy or bond may bring suit upon such policy or bond, in the name of the Territory, in the District Court for the District of Alaska for non-performance to his damage of said agreement by the health care service contractor, which suit shall be brought within one year of the beneficiary's acquiring knowledge of such non-performance. If the agreement is guaranteed by a deposit of cash, such deposit shall be in such amount as the Insurance Commissioner shall direct, but in no event in a sum greater than one-twelfth of the total sum of money received by the health care service contractor during the preceding twelve (12) months, as prepayment for health care services. The Insurance Commissioner shall prescribe the amount of cash, if cash is deposited, or the amount of said policy or bond for the first year's operations in the Territory of the health service contractor.

Upon receipt of satisfactory proof of the entry of a final judgment against any health care service contractor, based on the failure of such contractor to provide health care services according to the terms of the prepayment contract, the Insurance Commissioner shall immediately deposit, if the health care service contractor deposited cash with him as aforesaid, the amount of said judgment, including costs and accrued interest in the registry of the Court for the benefit of the judgment creditor and shall notify the judgment

creditor or his attorney of such deposit.

Section 4. Every health care service contractor shall register with the Insurance Commissioner on forms to be prescribed and provided by the Insurance Commissioner. Such registrants shall state their name, address, type of organization, area of operation, type or types of health care services provided, and such other information as may be reasonably required by the Insurance Commissioner, and shall file with such registration a copy of all contracts being offered and a schedule of all rates charged. No registrant shall change any rates, modify any contract, or offer any new contract, until he has filed a copy of the changed rate schedule, modified contract, or new contract with the Insurance Commissioner. The Insurance Commissioner shall charge a fee of Fifty (\$50.00) Dollars for the filing of each original registration statement, and may require each registrant to file a current re-registration statement annually thereafter, for which a fee of Fifteen (\$15.00) Dollars shall be charged.

Section 5. Every health care service contractor, on or before March 31 of each year shall make written report to the Insurance Commissioner of all gross revenues received during the preceding calendar year for health care services and shall pay a tax of two per cent on the amount thereof less payments made to or on behalf of persons paying for such services.

Section 6. The Insurance Commissioner shall administer and make reasonable regulations in aid of the administration of this Act which may include, but shall not be limited to, regulations concerning the

maintenance of adequate insurance, bonds, or cash deposits, information required of registrants, and methods of expediting speedy and fair payments to claimants.

Section 7. Any person who violates any of the provisions of this Act shall be guilty of a misdemeanor.

Approved March 20, 1957

CHAPTER 71

AN ACT

Relating to procedures for the notification of non-retention of teachers and administrators and defining cause; providing for hearings; providing for the extension of the term of contract for administrators; repealing Chapter 74, SLA 1949, and establishing an effective date.

(C. S. for H. B. 33)

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. Procedure for Notification in Non-Retention Cases.

School Boards in the several school districts of Alaska and the Territorial Board of Education as the operating school board for schools outside districts may hire administrators and teachers regularly qualified in accordance with Territorial Board of Education Rules and Regulations and issue contracts to same for ensuing school year anytime after January 1, and shall notify administrators and teachers of non-retention in writing postmarked or delivered on or before March 15. In the case of teachers and administrators employed by the Territorial Board of Education the notification shall be by registered or certified mail postmarked not later than midnight, March 15, and shall be issued by the Commissioner of Education or his designated representative. In the event that written notification of non-retention together with a clear statement of

cause including a bill of particulars for such non-retention is not issued before March 15, the administrators' and teachers' contracts shall be continued for the ensuing school year in conformity to the Territorial and local salary stipulations including any annual increments. Teachers and administrators who are holders of temporary certificates are excluded from any rights under this Act.

Section 2. Definition of Cause.

The term "cause" as used in Section 1 above shall be based solely upon: (a) Incompetency which is defined as the inability or the unintentional or intentional failure to perform one's legitimate duties in a satisfactory manner; or (b) Immorality which is defined as conduct of the person tending to bring the individual concerned or the teaching profession into public disgrace or disrespect; or (c) Substantial non-compliance with the school laws of the Territory or such regulations of the Territorial Board of Education or any other