



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce,
Community, and Economic
Development

DIVISION OF INSURANCE
Juneau Office

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Bulletin B 20-10

TO: ALL INSURERS WRITING PROPERTY AND CASUALTY INSURANCE IN THE STATE OF ALASKA AND OTHER INTERESTED PARTIES

RE: PREMIUM RELIEF DUE TO COVID-19 (NOVEL CORONAVIRUS)

Governor Mike Dunleavy issued a public health disaster emergency declaration for COVID-19 disease also known as the novel coronavirus on March 11, 2020. Based on the authority given the Director of Insurance during an emergency under AS 21.06.080(d), the Division of Insurance issues the following guidance to insurers:

Many property and casualty insurance policies calculate premiums based on exposure estimates made at the time the policy is issued. Examples of common exposure bases include miles driven, sales revenue, receipts, or payroll. Due to the far-reaching effects of the COVID-19 outbreak and local, state, and federal governments' responses, for many policyholders, initial estimates are expected to be much higher than the exposure actually realized. Recognizing there are other difficult-to-quantify effects of the COVID-19 outbreak that will affect exposure to loss in the near term, insurers are encouraged to allow policyholders to self-audit and self-report changes in their exposure or risk profile and adjust premiums accordingly.

For policies that are subject to audit, insurers are encouraged to allow self-auditing and self-reporting in lieu of physical audits to the extent that physical audits are impracticable.

Prospective reductions in premium or retroactive refunds of premium made pursuant to this bulletin to accommodate COVID-19-related changes in exposure or risk profile will not be considered a rebate or unfair discrimination to the extent they are reasonable and consistently applied. Reasonable and consistently applied premium adjustments or audit accommodations as described in this bulletin will likewise not be pursued by the Division as violations of statutes governing returning premiums to policyholders or the frequency of premium changes, nor will they be considered out of compliance with approved rating plans, rules, or policy language.

This bulletin remains in effect until June 1, 2020.

If you have any questions relating to this bulletin, please contact Joanne Bennett, Property and Casualty Supervisor, at joanne.bennett@alaska.gov.

Dated this 20th day of March, 2020, at Juneau, Alaska.

A handwritten signature in blue ink that reads "Lori Wing-Heier".

Lori Wing-Heier
Director