

SUPPLEMENTAL NOTICE OF PROPOSED CHANGES ON
RECIPROCAL JURISDICTIONS IN THE REGULATIONS OF THE
DIVISION OF INSURANCE

Supplemental notice of proposed changes to regulations on reciprocal jurisdictions.

The Division of Insurance proposes to adopt and amend regulation changes in Title 3 of the Alaska Administrative Code dealing with reciprocal jurisdictions, including the following:

- (1) 3 AAC 21.659(e)(1) will be amended to allow the director to add an assuming insurer to the list of assuming insurers to whom sessions will be granted if the assuming insurer provides the director with information required under AS 21.12.020(a)(6)(D) and other information required by the director by regulation.
- (2) 3 AAC 21.659 will be amended by adding new sections defining “reciprocal jurisdiction” and “covered agreement” and clarifying that nothing in AS 21.12.020(h) limits the parties to a reinsurance agreement from renegotiating the agreement.

This is a supplemental notice adding additional time for public comment and an additional public hearing to the notice that was issued September 23, 2022.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to David Phifer at 550 W 7th Ave, Ste 1560, Anchorage, AK 99501. Additionally, the Division of Insurance will accept comments by fax at (907) 269-7910 or by electronic mail at david.phifer@alaska.gov. The comments must be received not later than 5:00 pm on November 30, 2022.

Oral or written comments also may be submitted at a hearing to be held on November 16, 2022, at Suite 1560, 550 West 7th Ave in Anchorage. The hearing will be held from 9:30 am to 10:30 am and might be extended to accommodate those present before 10:15 am who did not have an opportunity to comment. You may access this hearing via teleconference by dialing (800) 315-6338, access code 33009#.

You may submit written questions relevant to the proposed action to David Phifer at david.phifer@alaska.gov or (907) 269-7907. The questions must be received at least 10 days before the end of the public comment period. The Division of Insurance will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Julia Jette at julia.jette@alaska.gov (907) 269-7892 not later than November 9, 2022, to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting David Phifer at david.phifer@alaska.gov or (907) 269-7907.

After the public comment period ends, the Division of Insurance will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. You should comment during the time allowed if your interests could be affected. Written comments received are public records and are subject to public inspection.


Statutory authority: AS 21.06.090; AS 21.12.020

Statutes being implemented, interpreted, or made specific: AS 21.12.020

Fiscal information: The proposed regulation changes are not expected to require an increased appropriation.

The Division of Insurance keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the division notices of proposed regulation changes. To be added to or removed from the list, send a request to the Division of Insurance Publications Specialist Mike Gorman at mike.gorman@alaska.gov, giving your name, and either your e-mail address or mailing address, as you prefer for receiving notices.

Date: October 28, 2022



Lori Wing-Heier, Director

3 AAC 21.659(e)(1) is amended to read:

(1) if a jurisdiction accredited by the National Association of Insurance Commissioners has determined that the conditions set out in (c) of this section have been met, the director may defer to that jurisdiction's determination, and add an assuming insurer to the list of assuming insurers to which cessions shall be granted credit in accordance with this subsection; the director may accept financial documentation filed with the National Association of Insurance Commissioners or another jurisdiction accredited by the National Association of Insurance Commissioners in satisfaction of the requirements of (c) of this section; **or, if upon initial eligibility, the assuming insurer submits the information to the director required under AS 21.12.020(a)(6)(D) and complies with any additional requirements that the director may impose by regulation, except to the extent they conflict with an applicable covered agreement,** and

3 AAC 21.659 is amended by adding new sections to read:

(i) A reciprocal jurisdiction as defined in AS 21.12.020(i)(2)(A) includes a non-U.S. jurisdiction that is subject to an in-force covered agreement with the United States, each within its legal authority, or, in the case of a covered agreement between the United States and the European Union, is a member state of the European Union.

(j) A covered agreement, for purposes of AS 21.12.020, is an agreement entered into pursuant to 31 U.S.C. 313-314 (Dodd-Frank Wall Street Reform and Consumer Act) that is currently in effect or in a period of provisional application and addresses the elimination, under specified conditions, of collateral requirements as a condition for entering into any reinsurance agreement with a ceding insurer domiciled in this state or for allowing the ceding insurer to recognize credit for reinsurance.

(k) Nothing in AS 21.12.020(h) shall limit, or in any way alter, the capacity of parties to any reinsurance agreement to renegotiate the agreement.

(Eff. 12/23/2021, Register 240; am __/__/__, Register __)

Authority: AS 21.06.090 AS 21.12.020

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ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: DCCED-Division of Insurance
2. General subject of regulation: Reciprocity for Accredited Jurisdictions
3. Citation of regulation: 3 AAC 21.659
4. Department of Law file number, if any: _____

5. Reason for the proposed action:
 - () Compliance with federal law or action: _____
 - () Compliance with new or changed state statute
 - () Compliance with federal or state court decision: _____
 - (x) Development of program standards
 - (x) Other: Compliance with National Association of Insurance Commissioners Model Regulation and Accreditation Standards

6. Appropriation/Allocation: 0.00

7. Estimated annual cost to comply with the proposed action to:

A private person: 0.00

Another state agency: 0.00

A municipality: 0.00

8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY <u>23</u>	Subsequent Years
Operating Cost	<u>\$ 0</u>	<u>\$ 0</u>
Capital Cost	<u>\$ 0</u>	<u>\$ 0</u>
1002 Federal receipts	<u>\$ 0</u>	<u>\$ 0</u>
1003 General fund match	<u>\$ 0</u>	<u>\$ 0</u>
1004 General fund	<u>\$ 0</u>	<u>\$ 0</u>
1005 General fund/ program	<u>\$ 0</u>	<u>\$ 0</u>
Other (identify)	<u>\$ 0</u>	<u>\$ 0</u>

9. The name of the contact person for the regulation:

Name: Anna Latham
Title: Deputy Director
Address: 330 Willoughby Ave Juneau, AK 99811
Telephone: 907-465-2518
E-mail address: anna.latham@alaska.gov

10. The origin of the proposed action:

Staff of state agency
 Federal government
 General public
 Petition for regulation change⁷
 Other (identify): National Association of Insurance Commissioners

11. Date: 9/21/22

Prepared by: Anna Latham

Name: Anna Latham
Title: Deputy Director
Telephone: 907-465-2518