



REGULATORY ORDER NO. R 17-01

**ORDER PROVIDING BLANKET AFFIRMATIVE APPROVAL OF SINGLE
EMPLOYER GROUPS, LABOR UNION GROUPS, AND MULTIPLE EMPLOYER
WELFARE ARRANGEMENT GROUPS UNDER AS 21.48.010(f)**

Background

The Division of Insurance issues this Regulatory Order to address questions concerning how the division will interpret and implement the amendments to AS 21.48.010 that became effective on October 16, 2016.

Specifically, the division has been asked whether all groups, including single employer groups, are required to obtain the division's approval of the group before an insurer may issue a group life policy to the group. For the reasons discussed herein, the director of the Division of Insurance must affirmatively approve all groups under AS 21.48.010(f) before an insurer may issue a group life policy to the group. This order provides blanket approval for single employer groups, labor union groups, and multiple welfare arrangement groups authorized under AS 21.85.

Findings

1. On October 16, 2016, portions of SCS CSHB 372(L&C), an insurance omnibus bill, became law. This legislation included amendments to AS 21.48.010 to clarify what constitutes a valid group for issuance of group life insurance. The amendments to AS 21.48.010 also added a new subsection that requires an insurer to submit information satisfactory to the director demonstrating that the group meets the requirements of a valid group and also requires the director's affirmative approval of a group before an insurer may issue a group life insurance policy to a group.
2. Prior to the passage of the amendments, AS 21.48.010 did not require submission of documentation and affirmative director approval of a group before issuance of a group life policy to a group.
3. In proposing legislative amendments to AS 21.48.010, the division did not consider whether the amendments to AS 21.48.010 if passed, would result in requiring affirmative approval of a single employer group before an insurer could issue a group life policy to the group. But as enacted by the legislature, AS 21.48.010(f) requires the director's affirmative approval of all groups including single employer groups.

4. In the division's experience, most, if not all, single employer groups, labor union groups, and multiple employer welfare arrangements authorized under AS 21.85 are defined groups that meet the criteria for a valid group under AS 21.48.010(a). Separate affirmative approval for such groups is not necessary and would be overly burdensome. Providing blanket affirmative approval of all valid single employer groups, labor union groups, and multiple employer welfare arrangements that meet the requirements under AS 21.48.010(a) and this Order will promote efficiencies for both insurers and the division, and protect the public interest.

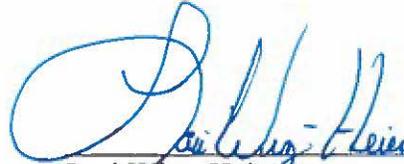
Order

Consistent with the foregoing, the director orders:

- A. For single employer groups, labor union groups, and multiple employer welfare arrangements authorized under AS 21.85 that meet the requirements of AS 21.48.010(a), an insurer shall
 1. submit to the division group life insurance forms with the intended market type identified as "Employer" and further described as "Employer Only" or "Union Only" in the filing;
 2. file with the division an annual list of labor unions that have a group life insurance policy in effect between July 1 of the previous year and June 30 of the current year no later than July 31 of the current year;
 3. submit the annual labor union list required under (A)(2) of this Order via SERFF using "compliance" as the filing type; and
 4. include in the information submitted via SERFF the
 - a. union name;
 - b. group life form name and number; and
 - c. form approval date.
- B. The director hereby affirmatively approves all valid single employer groups, labor union groups, and multiple employer welfare arrangements authorized under AS 21.85 of an insurer that meets the conditions under (A) of this Order.
- C. For any other group, including an association or trust, an insurer will need to submit to the director information satisfactory to the director that the group meets the requirements of AS 21.48.010(a) or (e) to obtain the director's affirmative approval. Such documentation may include mirror filings listing the intended market as

"Association" or "Trust" if an insurer wishes to issue the "Employer Only" or "Union Only" group forms to an association or trust group.

This order is effective January 19th, 2017.



Lori Wing-Heier
Director