



**BULLETIN B20-22**

**TO: ALL INSURERS AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ALASKA AND OTHER INTERESTED PARTIES**

**RE: FAIR TREATMENT TO CONSUMERS FOLLOWING THE FLOODING IN SOUTHEAST ALASKA**

On December 2, 2020, the Southeast region of Alaska was impacted by floods and landslides. The Alaska Division of Insurance is issuing the following guidance to insurers:

**All Lines of Insurance**

The Division directs carriers to provide relief to affected policyholders by offering an extension to premium grace periods of at least two weeks in order to allow continuing insurance coverage. In conjunction with this effort, the Division will work with carriers to minimize the regulatory effects of such an extension, specifically financial review requirements. The extension of the grace period does not eliminate the obligation to pay the premium, but limits policy cancellation for late payment. Carriers are encouraged to work with policy holders in the collection of premiums.

It is possible that electronic payment methods may not be operating correctly in the immediate aftereffects of the floods as banks and other financial institutions are closed, without power or internet service. It is the Division's expectation that any problems with premium payment during the extended period would be resolved by the insurance company without a consumer complaint being filed.

**Health Insurance**

Access to healthcare services and supplies is of particular concern to the Division as retail stores remain closed and hospitals may be damaged. It is expected that insurers will suspend their network requirements for pharmaceutical supplies until December 18, 2020. Consumers should be able to access their necessary prescription from a convenient pharmacy without concern of a non-network payment penalty. It is expected that insurers will pay for prescriptions at the in-network level of benefit for cost sharing (e.g. coinsurance, deductible).

It is also the Division's expectation that insurers will allow for coverage of longer supplies of medication. For example, if a 30-day supply is typically the limit under an insurance contract, insurers shall cover a 90-day supply for individuals who are impacted by the floods or landslides. Insurers should also be certain that prescription drugs are covered when obtained at retail pharmacies if delivery of mail order prescriptions are disrupted.

### **Investigations of Claims**

The Division reminds insurers that AS 21.36.125 requires insurers to acknowledge and act promptly on communications with consumers. AS 21.36.125 also requires a “reasonable investigation of all of the available information” prior to the refusal to pay a claim and that insurers must provide an explanation of the basis for denial of the claim or the offer of a settlement.

### **Dominant Cause of Loss**

The Division would like to remind insurers and impacted consumers of Bulletin B 18-17 regarding dominant cause of loss. The bulletin is available on the Division’s website.

If you have questions regarding this bulletin, please contact Katie Hegland, Property and Casualty Supervisor at [katie.hegland@alaska.gov](mailto:katie.hegland@alaska.gov) or Sarah Bailey, Life and Health Supervisor at [sarah.bailey@alaska.gov](mailto:sarah.bailey@alaska.gov).

Dated December 4, 2020

  
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Lori Wing-Heier  
Director