



REGULATORY ORDER NO. R 19-03

**ORDER EXEMPTING AIR AMBULANCE MEMBERSHIP AGREEMENTS FROM
THE FILING REQUIREMENTS OF AS 21.42.120**

Background:

In 2014, the legislature enacted a new chapter of the insurance code (AS 21.61) regulating air ambulance membership agreements. In 2015, the Alaska Division of Insurance adopted air membership agreement regulations pursuant to AS 21.61.109. These regulations (3 AAC 31.600 – 690) describe the requirements for registration of air ambulance service providers and the contents of membership agreements. Specifically, 3 AAC 31.650(a) requires membership agreements must be filed consistent with AS 21.42.120. However, AS 21.42.120(d) authorizes the director, by order, to exempt a form or document from the filing requirements of AS 21.42.120 for a time determined by the director when, in the opinion of the director, the filing or approval of the form or document is not desirable or necessary for the protection of the public. This order exempts air ambulance agreements from the filing requirements of AS 21.42.120 and 3 AAC 31.650 as described in AS 21.61. The registration requirements and contents of the membership agreement requirements under 3 AAC 31.600 – 3 AAC 31.690 remain in effect.

The Director of the Division of Insurance finds:

1. The filing of an air ambulance membership agreement creates an unnecessary burden on an air ambulance service provider and division staff given the simplified nature of the product. It is expected that service providers will realize a savings in administrative costs if these filing requirements are exempted.
2. The filing of an air ambulance membership agreement could delay access to such a membership and therefore coverage of an Alaska resident for air ambulance medevac insurance.
3. Under AS 21.42.220, an insurance policy including an air ambulance membership agreement that contains a condition or provision not in compliance with the requirements

of Alaska's insurance code is not rendered invalid but will be construed and applied in accordance with the conditions and provisions as would have applied had the membership been in full compliance with Alaska's insurance code.

4. Insurance coverage including air ambulance membership agreements provided to Alaska residents by an air ambulance service provider must comply with Alaska laws and regulations even if exempted from the requirement to file the membership agreement before use. Similarly, an exemption from the form filing requirements does not limit or in any way prevent the division from enforcing the insurance laws and regulations relative to insurance issued to Alaska residents under an air ambulance membership agreement.
5. Under AS 21.42.130, the director has authority to disapprove a policy form, including an air ambulance membership agreement delivered or issued for delivery in Alaska regardless whether the form is exempt from the AS 21.42.120 filing requirements.
6. Based on the above, filing for approval of air ambulance membership agreements under AS 21.42.120 is not desirable or necessary for the protection of the public.

The Director of the Division of Insurance Hereby Orders:

An air ambulance membership agreement covering Alaska residents is exempt from the filing requirements of AS 21.42.120 until further notice. This exemption applies to air ambulance membership agreements issued by air ambulance service providers specified in AS 21.61. The exemption **does not** apply to insurance for medevac coverage through an insurer or entity other than an air ambulance service provider. This exemption is **not applicable** to the registration requirements under 3 AAC 31.600 – 3 AAC 31.690.

Nothing in this order may be construed to prevent the director from requiring a form that is otherwise exempt from filing under this order to be filed with the director.

Any filings currently under review on the date this order is effective are not subject to filing and will be returned.

This order is effective August 15, 2019.



Lori Wing-Heier
Director