



Order R20-04

Order Protecting Consumers During COVID-19 Public Health Disaster Emergency

All insurers licensed in the state of Alaska or issuing insurance in the State of Alaska, insurance industry representatives and other interested parties are encouraged to review the latest information about COVID-19 released by the Alaska Department of Health and Social Services at: <http://dhss.alaska.gov/dph/Epi/id/Pages/COVID-19/default.aspx>.

**BACKGROUND**

On March 11, 2020, Governor Mike Dunleavy issued a public health disaster emergency order. This order was made to protect Alaskans from the adverse effects of COVID-19. Due to the Governor's declaration and pursuant to AS 21.06.080(d), the director finds that emergency measures are needed to ensure Alaskans maintain their insurance coverage while allowing insurers increased flexibility.

**THE DIRECTOR HEREBY ORDERS:**

**1. Fair Treatment of Consumers During State of Emergency Due to COVID-19 (Novel Coronavirus)**

The Alaska Division of Insurance (DOI) prohibits carriers from terminating insurance contracts due to non-payment. This effort will provide relief to affected policyholders by allowing continuing insurance coverage. Policyholders or their brokers shall notify insurers that they intend to continue coverage. Insurers will not be obligated to continue coverage if the policyholder obtains coverage elsewhere. In conjunction with this effort, the DOI 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. Where carriers do not collect premium payments directly, carriers nonetheless bear the credit risk if policyholders do not satisfy their payment commitments under applicable agency bill or premium finance agreements after the grace period ends. Carriers shall work with policyholders in the collection of premiums and to waive all late fees.

It is possible that electronic payment methods may not be operating correctly due to the immediate challenges of COVID-19 self-quarantining or potential closures of banks and other financial institutions. Consumers and business owners may also be facing significant financial challenges related to the emergency declaration. It is the DOI'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.

## **2. Employer Plans Regulated By Title 21**

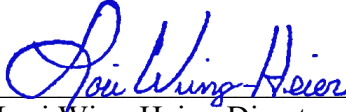
Insurers shall permit employers to continue covering employees under group policies even if the employee would otherwise become ineligible due to a decrease in hours worked per week. Insurers shall permit employers to continue providing coverage to employees under group policies regardless of any “actively at work” or similar eligibility requirement in the policy. Additionally, insurers are not permitted to increase premium rates or terminate a group policy based on a group’s decreased enrollment or participation due to COVID-19.

## **3. Rate, Form, and Advertisement Filings**

Insurers may request filings originally submitted as File and Use be treated as Prior Approval if their company experiences operational challenges due to COVID-19. The division reserves the right to treat File and Use filings as Prior Approval if deemed necessary by the director.

For additional guidance, insurers may review Bulletins B20-06, B20-08, and B20-11 that are available on the division’s website.

This order is effective April 15, 2020. It shall expire November 15, 2020 or when the Governor determines the public health disaster emergency no longer exists.



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Lori Wing-Heier, Director